Massachusetts Educational Financing Authority

Financial Statements with Management's Discussion and Analysis and Supplemental Information

June 30, 2022 and 2021

Massachusetts Educational Financing Authority
Index

Report of Independent Auditors

To the Management and Board of Directors of the Massachusetts Educational Financing Authority

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Massachusetts Educational Financing Authority (the "Authority") as of and for the years ended June 30, 2022 and 2021, including the related notes, which collectively comprise the Authority's basic financial statements as listed in the index.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority as of June 30, 2022 and 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 7 to the fiduciary fund financial statements, the Authority has restated its 2021 financial statements for the fiduciary activities to correct errors. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 US GAAS 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 US GAAS, we:

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

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") on pages 5 through 15 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 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 supplemental 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental schedules on pages 47 through 54 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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. In our opinion, the supplemental schedules on pages 47 through 54 are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

December 22, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

INTRODUCTION

This discussion and analysis of the financial position and performance of the Massachusetts Educational Financing Authority (the "Authority") is intended to provide an introduction and analytical overview of the basic financial statements of the Authority on a comparative basis for the fiscal years ended June 30, 2022 ("FY22") and 2021 ("FY21") along with selected comparative information for the fiscal year ended June 30, 2020 ("FY20"). This unaudited management's discussion and analysis should be read in conjunction with the attached audited financial statements and the notes thereto in its entirety.

The Authority is a body politic and corporate, constituting a public instrumentality of The Commonwealth of Massachusetts (the "Commonwealth"). The Authority was established as the Massachusetts College Student Loan Authority pursuant to Chapter 803 of the Acts of 1981, as amended (the "Act"), in recognition of the increasing costs of higher education, to assist students, their parents and institutions of higher education in financing, refinancing, and saving for the costs of such education. Since 2015, the Authority has maintained a AA- issuer credit rating from Standard and Poor's Ratings Services.

Beginning in 1983, the Authority established a number of proprietary, unsecured consumer loan programs for financing and refinancing loans for undergraduate and graduate students, to finance higher education expenses, including credit based and need based loans that bear interest on a fixed rate or variable rate basis. Since inception, the MEFA financing program has included loans to finance higher education expenses of current students. In 2015, the Authority introduced the MEFA refinancing program that offers credit-based fixed rate and variable rate loans to borrowers for the purpose of refinancing loans previously incurred for higher education expenses.

The loan programs are funded using proceeds from Educational Loan Revenue Bonds and Asset Backed Notes issued by the Authority (the "Bonds"). The Bonds, which are issued under various resolutions, are special obligations of the Authority, which has no taxing power, payable solely from the revenues and the funds and accounts established and pledged under the resolution. No revenues or other assets of the Authority are available to fund payment of the Bonds except as expressly provided by the resolution. Neither the Commonwealth nor any political subdivision thereof is or shall be obligated to pay the principal or redemption or purchase price of and interest on the Bonds, and neither the full faith and credit, nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment. The Authority has the same exemption as the Commonwealth (under I.R.S. Code, Section 115) from filing and/or paying federal income taxes.

In 2017, the Authority adopted a resolution authorizing the issuance of commercial paper notes ("the Notes") as a short term financing mechanism for its education loan programs. The Notes are special obligations of the Authority and are collateralized by the assets and associated revenues financed with Notes proceeds and further supported by a letter of credit. The letter of credit and any associated bank note or bank obligation are general obligations of the Authority secured by the full faith and credit of the Authority. The Authority intends to issue a combination of revenue bonds and asset backed notes to permanently finance education loans originated with proceeds from the Notes.

In addition to the loan programs, the Authority offers two college savings programs: The U. Plan: The Massachusetts Tuition Prepayment Program (the "U. Plan") and the U. Fund College Investing Plan (the "U. Fund"). The U. Plan, launched in February 1995, is a pre-paid tuition program that permits saving for a named beneficiary's undergraduate tuition and mandatory fees at participating Massachusetts colleges and universities in a manner designed to preserve the purchasing power of savings. The U. Fund, launched in March 1999, is a tax-advantaged method of saving for higher education costs (under I.R.S. Code, Section 529) generally through investment vehicles such as mutual funds. These funds are professionally administered and managed by Fidelity Investments (an unrelated party) on behalf of the account owners and are accordingly not a component of these financial statements. Proceeds earned by program participants through investing in the U. Fund are available to pay for costs of higher education nationwide.

In May 2017, the Authority, on behalf of the Commonwealth, introduced the Attainable Savings Plan (the "Attainable Plan"). The Attainable Plan, established under the Achieving a Better Life Experience (ABLE) Act of 2014, is a tax advantaged savings plan under Section 529A of the Internal Revenue Code that allows individuals with disabilities to save for qualifying disability expenses through investment vehicles such as mutual funds. These funds are professionally administered and managed by Fidelity Investments on behalf of the account owners and held by the Authority in a fiduciary capacity.

In addition to developing and operating its loan, savings and investment programs, the Authority conducts an extensive outreach program for students and parents across the Commonwealth on planning, saving and paying for college.

MEFA Pathway, the Authority's college and career planning portal, offers a free resource for students, parents and high school counselors across the Commonwealth.

USING THE FINANCIAL STATEMENTS

The key to understanding the financial position and changes in the Authority's finances from year to year are presented in the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows.

The Statements of Net Position include all assets, deferred outflows, liabilities and deferred inflows of the Authority. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when earned and expenses and liabilities are recognized when incurred, regardless of when cash is exchanged.

The Statements of Revenues, Expenses, and Changes in Net Position present the revenues earned and the expenses incurred during the year. All activities of the Authority are reported as either operating or non-operating. Operating activities are those that support the mission and purpose of the Authority. Non-operating activities represent transactions that are primarily investing, legislative or regulated in nature.

The Statements of Cash Flows present the information related to cash inflows and outflows summarized by operating, capital and non-capital financing and investing activities. Cash flow information is an important factor to consider when evaluating financial viability and the Authority's ability to meet financial obligations.

The Statements of Fiduciary Net Position present information on the Attainable Plan's assets, liabilities and fiduciary net position and the Statements of Changes in Fiduciary Net Position present information showing how the Attainable Plan's fiduciary net position changed during the year. The Attainable Plan is held by the Authority on behalf of the account owners in a custodial fund and therefore cannot be used to support the Authority's enterprise operations. The Governmental Accounting Standards Board ("GASB") requires fiduciary funds be reported separately from the basic financial statements of business type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority maintains its accounts and prepares its financial statements in accordance with the accounting principles generally accepted in the United States of America ("GAAP"), as set forth by GASB. The financial records of the Authority are maintained utilizing the economic resources measurement focus and the accrual basis of accounting, whereby all revenues are recorded when earned and all expenses are recorded when they have been incurred. The notes to the financial statements explain the financial statements and the accounting principles applied. The Authority's financial statements have been audited by PricewaterhouseCoopers LLP, as independent auditors.

CHANGES TO THE FINANCIAL STATEMENTS

GASB Statement No. 87
In June 2017, GASB issued Statement No. 87, Leases ("GASB 87"). The objective of this Statement is to better meet the information needs of financial statement users by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

The provisions of this statement have been applied retroactively to the summarized financial statements as required by GASB 87 beginning in FY21.

FISCAL YEAR DEVELOPMENTS

The outbreak of COVID-19 spread globally, including throughout the United States and in Massachusetts, and on March 11, 2020, was declared a pandemic by the World Health Organization. In response to the pandemic, international, federal, state and local governments, as well as private organizations implemented numerous measures intended to mitigate the spread and effects of COVID-19. Individuals and businesses have altered their behavior to adapt to such measures and to respond to the spread of COVID-19. The spread of COVID-19, the mitigation measures implemented, and these behavioral adaptations have caused and may continue to cause disruption in global, national, and local economies, as well as global financial markets, and volatility in the U.S. capital markets.

The extent to which the COVID-19 pandemic affects the Authority beyond its response to date will largely depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the pandemic and the actions taken to contain it or alleviate its effects. There can be no assurances that the pandemic and resulting business and market disruptions, will not have an adverse impact on the operations of the Authority and its financial condition.

COVID-19 has affected borrowers nationwide and due to the severity of the outbreak, the Authority temporarily expanded its relief options to borrowers. See the EDUCATIONAL LOAN NOTES ALLOWANCE section of this analysis for details of the natural disaster forbearance policies implemented by the Authority in fiscal years 2020 and 2021.

LEGISLATIVE DEVELOPMENTS

From time to time, bills may be introduced into the Commonwealth legislature affecting government operations generally or that could seek to impose financial and other obligations on the Authority, which might include requiring the transfer of funds or assets from the Authority to the Commonwealth or other agencies of the Commonwealth. Furthermore, measures and legislation may be considered by the federal government, or the Commonwealth legislature, which may affect the Authority's programs. While some of these measures may benefit the programs, no assurance can be given that the programs will not be adversely affected by such measures.

In addition, the United States Congress or the Commonwealth legislature could enact legislation that would affect the demand for or the repayment performance of the Authority's loan programs in a manner that might adversely affect the availability of amounts for the payment of debt service on obligations or that might result in the redemption prior to scheduled amortization of obligations.

The Authority cannot predict whether any particular legislation will be enacted or, if it is enacted, what effect it would have on the timing or amount of revenues received by the Authority from education finance loans, the timing of such receipt or the demand for those loans. There can be no assurance that any particular legislation will not be enacted or that such legislation, if enacted, will not have an adverse impact on the operations of the Authority, its financial condition or any of its contractual obligations.

FINANCIAL HIGHLIGHTS

In the financial operations of the Authority, there are principal operating and non-operating components that make up a significant portion of the overall activities. The principal operating revenues for the Authority continue to be interest on education loans and non-operating revenues are primarily composed of investment income. The principal operating expenses are bond and note interest expense and general and administrative costs.

The Authority disbursed a total of $344M of education loans in FY22 compared to $322M disbursed in FY21, representing an increase of 7% in a challenging, but improving consumer credit and college attendance environment. U. Fund assets under management, which are not a component of the Authority's financial statements, decreased by 9% to $7.7B at the end of FY22 as a result of market volatility in the second half of FY22 and a year over year decrease in new account openings. For the U. Plan, the Authority had $10.5M of matured tuition certificates on its financial statements as a liability to program participants at the end of FY22 and $5.5M of deposits for the purchase of August 1, 2022 tuition certificates. Fiduciary net position for the Attainable Plan grew by 16% to $82.5M at June 30, 2022.

Total net position for the Authority was $274.7M at the end of FY22, representing an increase of $6.9M or 3% growth from the beginning of the fiscal year compared to an increase of $5.3M or 2% growth in FY21. Operating income was $5.8M in FY22 and increased 13% from the prior fiscal year as a 7% decrease in operating income was fully offset by an 8% decrease in operating expenses. Non-operating income, which is primarily comprised of interest and dividends on the Authority's investments, was $1.1M in FY22 representing a $0.9M increase from FY21 investment income as short duration investment yields began to improve in the second half of FY22.

OPERATING AND NON-OPERATING RESULTS

The following illustrates the comparative results of total revenues from fiscal years ended June 30, 2022, 2021 and 2020, respectively:

(in thousands)

	2022	2021	2020
Operating revenues			
Interest on educational loan notes	$ 94,426	$ 102,874	$ 106,538
Non-interest revenues	8,075	7,653	7,764
Total operating revenues	102,501	110,527	114,302
Non-operating revenues	1,056	144	5,447
Total revenues	$ 103,557	$ 110,671	$ 119,749

Total operating revenues for the Authority were $102.5M in FY22, a 7.3% decrease compared to the prior fiscal year. FY21 total operating revenues were $110.5M, a 3.3% decrease from FY20 total operating revenues.

Interest income on education loan notes was $94.4M in FY22, representing a year over year decrease of 8.2%. Payments received on outstanding loan principal continue to outpace new loan disbursements, resulting in lower interest income and an acceleration of bond principal pay downs and amortization, which decreases bond interest expense. In FY21, interest income decreased by 3.4%. Interest income accounted for 92% and 93% of total operating revenues in FY22 and FY21, respectively.

Non-interest revenues, which were comprised of revenue related to the Authority's college savings plans, were $8.1M in FY22 and increased by 5.5% compared to the prior year as average U. Fund assets under management increased by 9% year over year. FY21 non-interest revenues were $7.7M and flat compared to FY20.

Total non-operating revenues were $1.1M in FY22 and consisted of interest and dividend income on investments as well as the increase in fair value of non-hedging derivative instruments. Interest and dividend income on the Authority's investments, which are invested in vehicles providing short-term flexibility and principal protection, increased by $0.9M compared to FY21 as short duration investment yields began to improve in response to the Federal Reserve's monetary policies. In FY21, interest and dividend income decreased by $5.3M as yields dropped significantly subsequent to the start of COVID-19. Non-operating revenues also included increases in fair value of non-hedging investment derivatives of $67K and $38K in FY22 and FY21, respectively.

As a result of these activities, FY22 total revenues decreased by $7.1M or 6.4% compared to a 7.6% decrease in FY21.

The following illustrates the comparative results of total expenses from fiscal years ended June 30, 2022, 2021 and 2020, respectively:

(in thousands)

	2022	2021	2020
Operating expenses			
Interest expense	$ 55,445	$ 65,705	$ 69,349
Non-interest expenses	41,246	39,662	42,955
Total operating expenses	96,691	105,367	112,304
Non-operating expenses	-	-	10
Total expenses	$ 96,691	$ 105,367	$ 112,314

Total operating expenses for the Authority were $96.7M in FY22, a decrease of 8.2% compared to the prior fiscal year. FY21 operating expenses were $105.4M, representing a decrease of 6.1% over FY20 operating expenses.

Interest expense on bonds and notes outstanding decreased by $10.3M or 15.6% in FY22 related to an increase in bond principal pay downs of approximately 44% compared to the prior fiscal year. Interest expense decreased by $3.2M or 5.3% in FY21. Interest expense represented 57% and 62% of total operating expense in FY22 and FY21, respectively.

Non-interest operating expenses were $41.3M in FY22, an increase of $1.6M or 4% compared to FY21 and included bond and note issuance costs, the provision for doubtful education loans and general and administrative expenses. Bond and note issuance costs increased by $1.8M or 49% as two capital market transaction closed in FY22 compared to one transaction closing in FY21. The allowance for doubtful education loans, which is an estimate based on historical loan performance, increased by $5.3M in FY22, representing a year over year decrease in expense of $1.1M as the seasoned loan portfolio performed as expected coming out of the COVID time frame and new loan originations were added to the allowance. General and administrative expenses increased by $0.9M or 3% in FY22. Non-interest operating expenses were $39.7M in FY21, a decrease of $3.3M or 7.7% compared to FY20 mainly driven by lower loan program related costs resulting from a decrease in loan disbursements in that fiscal year.

As a result of these activities, FY22 total expenses decreased by $8.7M or 8.2% compared to a decrease of 6.2% in total expenses in FY21.

CHANGE IN NET POSITION

The following illustrates the comparative results of increases in net position from fiscal years ended June 30, 2022, 2021 and 2020, respectively:

(in thousands)

	2022	2021	2020
Operating revenues	$ 102,501	$ 110,527	$ 114,302
Operating expenses	96,691	105,367	112,304
Operating income	5,810	5,160	1,998
Non-operating revenues	1,056	144	5,447
Non-operating expenses	-	-	10
Non-operating income	1,056	144	5,437
Increase in net position	$ 6,866	$ 5,304	$ 7,435

The Authority's operating income increased by $0.7M or 12.6% in FY22 as an $8.5M decrease in interest earned on education loan notes and a $1.8M increase in costs of bond issuance was fully offset by a $10.3M decrease in bond interest expense and a $0.4M increase in college savings plans revenue. FY21 operating income increased by $3.2M as a $3.7M decrease in interest earned on education loan notes was fully offset by a $3.6M decrease in bond interest expense, $2.3M decrease in the provision for doubtful accounts and a $1.5M decrease in general and administrative costs.

The Authority's non-operating income increased by $0.9M in FY22 as yields on the Authority's investments have improved in response to the Federal Reserve's monetary policies. Non-operating income decreased by $5.3M in FY21 as short duration investment yields decreased significantly subsequent to COVID-19.

As a result of these activities, net position increased by $6.9M during FY22 and $5.3M during FY21.

FINANCIAL POSITION

The following table reflects the condensed Statements of Net Position at June 30, 2022 compared to the prior fiscal years ended 2021 and 2020. The Statements of Net Position present the financial position and financial strength of the Authority at the end of the fiscal year and includes all of the assets, liabilities and deferred inflows of the Authority with the residual being classified as net position.

(in thousands)

	2022	2021	2020
Assets			
Cash and investments	$ 745,371	$ 552,702	$ 473,821
Education loan notes receivable	1,644,581	1,687,525	1,781,337
Other assets	41,308	43,392	37,718
Total assets	2,431,260	2,283,619	2,292,876
Liabilities			
Bonds payable	2,101,617	1,858,954	1,881,508
Notes payable	-	95,210	94,095
Bond and note interest payable	28,656	33,632	33,511
Other liabilities	25,136	25,454	17,676
Total liabilities	2,155,409	2,013,250	2,026,790
Deferred Inflows			
Gain on bond refunding	1,107	2,491	3,512
Total deferred inflows	1,107	2,491	3,512
Net Position			
Net investment in capital assets	7,984	8,074	3,042
Restricted	163,548	156,279	138,647
Unrestricted	103,212	103,525	120,885
Total net position	$ 274,744	$ 267,878	$ 262,574

Cash and investments balances increased by 35% at the end of FY22 primarily due to the timing of the Issue M 2022 capital market transaction, which closed in June 2022. FY21 and FY20 annual capital market transactions closed subsequent to their respective year ends and are not reflected in the ending cash and bonds payable balances in those fiscal years. Education loan notes receivable decreased by 3% in FY22 in a challenging, but improving consumer credit and loan origination environment. The ratio of education loan note receivables to total assets was 68% and 74% at June 30, 2022 and 2021, respectively. Other assets, which are comprised of interest receivable on education loan notes, prepaid expenses and capital assets, include the recognition of a $5.5M lease asset in FY21 to conform to the requirements of GASB 87.

The Authority executed the Issue M 2021 and Issue M 2022 capital market transactions in FY22 to fund the origination of new education loans and retire certain bonds outstanding and previously issued commercial paper notes, resulting in an increase in bonds payable of $776M, which was partially offset by bond retirements and premium amortization of $533M. In FY21, bonds payable decreased due to the net impact of one new transaction issuance of $290M and was offset by bond retirements and premium amortization of $313M. All commercial paper notes outstanding were retired at the end of FY22. Other liabilities, include the recognition of a $5.5M lease liability in FY21 to conform to the requirements of GASB 87.

The gain on bond refunding decrease of $1.1M in FY22 and $2.5M in FY21 relates to the amortization of gains deferred in previous fiscal years.

Total net position of the Authority was $274.7M at June 30, 2022, an increase of $6.9M or 3% from the beginning of the fiscal year.

Within net position, 62% is comprised of net investment in capital assets and those assets that are restricted through bond and note resolutions or program specific regulations at June 30, 2022. Restricted net position increased by 5% over the prior fiscal year and unrestricted net position remained flat at $103M. A reclassification of $5.5M from unrestricted net position to net investments in capital assets was made in FY21 to conform to the requirements of GASB 87.

STATEMENTS OF CASH FLOWS

The Statements of Cash Flows present information showing how the Authority's cash and cash equivalents position changed during the fiscal year. The Statements of Cash Flows classify cash receipts and cash payments as resulting from operating activities, non-capital financing activities, capital financing activities, and investing activities. Cash and cash equivalents were $628.8M and $430.5M at June 30, 2022 and 2021, respectively. These cash ending balances reflect the net activity of raising proceeds in the capital markets, disbursing that cash into education and refinancing loans and collecting the loan payments over the life of the assets to pay debt service and operating expenses.

EDUCATIONAL LOAN NOTES ALLOWANCE

As of and for the years ending June 30, 2022, 2021 and 2020, respectively, the activity for the Authority's Education Loan Notes Allowance for Doubtful Accounts was as follows:

(in thousands)

Education Loan Note Defaulted Loans Provision

	FY2022	FY2021	FY2020
Allowance at beginning of period	$89,363	$82,920	$74,149
Provision for education loan losses	$5,319	$6,443	$8,771
Allowance at end of period	$94,682	$89,363	$82,920
Gross loan defaults	$11,584	$0	$8,433
Recoveries	$5,730	$5,161	$6,798
Net loan defaults	$5,854	($5,161)	$1,635
Net loan defaults as a percentage of average loans in repayment	0.43%	-0.37%	0.12%
Allowance multiple of average non-current loans in repayment (90+ days)	9.64	22.92	9.82
Allowance as a percentage of the ending total loan balance	5.87%	5.39%	4.77%
Allowance as a percent of ending loans in repayment	7.03%	6.44%	5.68%
Ending total loans, gross	$1,614,124	$1,657,680	$1,739,808
12 month average in repayment	$1,356,069	$1,422,193	$1,418,337
Ending loans in repayment	$1,346,333	$1,387,001	$1,458,896
12 month average 90+ days delinquent	$9,820	$3,899	$8,447
90+ days delinquent % of avg. repayment	0.72%	0.27%	0.60%

Historically, the Authority has offered Natural Disaster Forbearance for borrowers that are impacted by a federally declared major disaster. On March 13, 2020, a National Emergency was declared by the Federal government in response to the outbreak of COVID-19. Due to the severity of COVID 19, the Authority made the decision in March 2020 to temporarily expand its relief option by offering Natural Disaster Forbearance to all borrowers impacted by the pandemic. In September 2021, this expanded relief option was discontinued and at June 30, 2022 there was no principal balance outstanding for loans in Natural Disaster Forbearance.

The Authority uses loan modifications to assist private loan borrowers demonstrating a need for temporary monthly payment relief. The loan modification plans in place temporarily reduce the borrower's monthly payment for up to twenty-four months without changing the original loan term or interest rate. As of June 30, 2022 and 2021, the total principal balance outstanding of loans in a modified status was $53M and $31M which represented approximately 4% and 2% of all loans in repayment, respectively. Loans in a modified payment plan status are factored into the allowance for education loan notes receivable, which is based on historical default and recovery performance.

During FY22, the Authority continued its methodology for estimating the allowance for doubtful accounts, which is derived from historical information based on the loan portfolios performance to achieve the current estimated net realizable value of the outstanding education loan notes. The FY22 provision for education loan losses was $5.3M, which increased the allowance for doubtful accounts to $94.7M. Approximately $4.4M and $4.8M of the allowance for doubtful accounts is allocated to education loans in deferment in FY22 and FY21, respectively.

DEBT ADMINISTRATION

As of June 30, 2022, the Authority had $2.06B of bond principal outstanding compared to $1.81B at the end of FY21. All of the Authority's outstanding bonds are rated by nationally recognized rating agencies.

Debt Issuance	**S&P**	**Fitch**	**DBRS**
FRN Indenture	AA+	AAA	-
Issue I	AA	A	-
Issue J	AA	A	-
Issue K - Senior	AA	AA	-
Issue K – Subordinate	A	-	-
Issue L – Senior	AA	-	-
Issue L – Subordinate	BBB	-	-
Issue M – Senior	AA	-	-
Issue M – Subordinate	BBB	-	-
ABS 2018 Indenture - Senior	AA	-	AAA
ABS 2018 Indenture - Subordinate	A	-	A
ABS 2020 Indenture - Senior	AAA	-	AAA
ABS 2020 Indenture - Subordinate	AA	-	AA

The following is the segmentation of the bonds' outstanding portfolio:

- Fixed rate tax-exempt revenue bonds represent 47% of the outstanding bond portfolio (a decrease from 62% in FY21 and 65% in FY20).

- Fixed rate taxable revenue bonds represent 45% of the outstanding bond portfolio (an increase from 25% in FY21 and 16% in FY20).

- Fixed rate taxable asset backed notes represent 7% of the outstanding bond portfolio (a decrease from 12% in FY21 and 18% in FY20).

- Taxable floating rate notes represent 1% of the outstanding bond portfolio (no change from FY21 and FY20).

The Authority also issues commercial paper notes, which are supported by a letter of credit. The notes have published short term ratings of A-1+ by S&P and F1+ by Fitch in each case based upon the issuance of the letter of credit by the bank. The letter of credit and any associated bank note or bank obligation are general obligations of the Authority. There were no commercial paper notes outstanding at June 30, 2022 and $95.2M was outstanding at June 30, 2021.

CAPITAL ASSETS

For the year ended June 30, 2022, the Authority had $8M invested in capital assets, representing a net decrease (additions and depreciation) of $90K in such assets. The reconciliation below summarizes the change in capital assets by fiscal year. The Authority purchased $2.2M in capital assets during FY22, which were primarily related to software development costs. FY21 beginning balance has been adjusted to reflect the recognition of a $5.5M lease asset to conform to the requirements of GASB 87.

(in thousands)

	2022	2021	2020
Beginning balance, net	$ 8,074	$ 3,042	$ 2,641
GASB 87 adjustment	-	5,470	-
Additions	2,165	1,847	1,755
Depreciation	(2,255)	(2,285)	(1,354)
Ending balance, net	$ 7,984	$ 8,074	$ 3,042

FINANCIAL CONTACT

The Authority's financial statements are designed to present readers with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives and expends. If you have any questions regarding the report or need additional financial information, please contact MEFA at 60 State Street, Suite 900, Boston, MA 02109.

Massachusetts Educational Financing Authority
Statements of Net Position
As of June 30, 2022 and 2021
(in thousands)

	2022	2021
Assets		
Current assets		
Cash and cash equivalents (Notes 3 and 4)	$ 293,506	$ 401,469
Investments (Notes 3 and 4)	19,928	19,241
Education loan notes receivable, net (Notes 3, 5, and 10)	135,884	132,024
Interest receivable on education loan notes	28,897	31,476
Prepaid expenses and other assets	4,219	3,700
Total current assets	482,434	587,910
Non-current assets		
Cash and cash equivalents (Notes 3 and 4)	335,260	29,063
Investments (Notes 3 and 4)	96,677	102,929
Derivative instruments (Notes 3 and 8)	208	142
Education loan notes receivable, net (Notes 3, 5, and 10)	1,508,697	1,555,501
Capital assets, net of accumulated depreciation (Notes 3, 12 and 13)	7,984	8,074
Total assets	$ 2,431,260	$ 2,283,619
Liabilities		
Current liabilities		
Accounts payable and accrued expenses (Note 3)	$ 16,124	$ 15,716
Bonds payable – current portion (Note 6)	75,327	164,000
Certificates payable (Note 9)	5,488	5,539
Accrued interest payable	28,656	33,632
Total current liabilities	125,595	218,887
Non-current liabilities		
Notes payable (Note 7)	-	95,210
Bonds payable – net of current portion (Note 6)	2,026,290	1,694,954
Other liabilities – non-current (Notes 3 and 12)	3,524	4,199
Total liabilities	2,155,409	2,013,250
Deferred inflows of resources		
Net gain on bond refunding (Note 6)	1,107	2,491
Total deferred inflows of resources	1,107	2,491
Total liabilities and deferred inflows of resources	2,156,516	2,015,741
Net position		
Net investment in capital assets	7,984	8,074
Restricted	163,548	156,279
Unrestricted	103,212	103,525
Total net position	274,744	267,878
Total liabilities, deferred inflows of resources and net position	$ 2,431,260	$ 2,283,619

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

Massachusetts Educational Financing Authority
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2022 and 2021
(in thousands)

	2022	2021
Operating revenues		
Interest on education loan notes receivable (Note 3)	$ 94,426	$ 102,874
College savings plan interest and fees (Note 9)	7,208	6,835
Other revenue	867	818
Total operating revenues	102,501	110,527
Operating expenses		
Bond and note interest expense (Notes 6 and 7)	55,445	65,705
Costs of bond and note issuance	5,497	3,683
Provision for doubtful education loan notes receivable (Note 5)	5,319	6,443
General and administrative (Notes 3, 11, 12, and 13)	29,284	28,383
Other expense	1,146	1,153
Total operating expenses	96,691	105,367
Operating income	5,810	5,160
Non-operating revenues (expenses)		
Interest and dividends	989	106
Increase in fair value of derivative instruments	67	38
Net non-operating revenues	1,056	144
Total increase in net position	6,866	5,304
Net position, beginning of year	267,878	262,574
Net position, end of year	$ 274,744	$ 267,878

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

Massachusetts Educational Financing Authority
Statements of Cash Flows
For the years ended June 30, 2022 and 2021
(in thousands)

	2022	2021
Cash flows from operating activities:		
Payments for disbursed loans	$ (343,905)	$ (322,177)
Payments received on outstanding loan principal	395,790	423,719
General and administrative payments	(26,653)	(24,229)
Interest received on education loans	81,599	86,965
Proceeds from other sources	8,127	7,564
Net cash provided by operating activities	114,958	171,842
Cash flows from non-capital financing activities:		
Proceeds from issuance of bonds	787,516	301,445
Proceeds from issuance of commercial paper notes	72,210	263,210
Costs of bond and note issuance	(5,497)	(3,683)
Bond and note interest paid	(74,569)	(75,625)
Principal payments on bonds payable	(532,090)	(314,979)
Principal payments on commercial paper notes	(167,420)	(262,095)
Net cash provided by (used in) non-capital financing activities	80,150	(91,727)
Cash flows from capital financing activities:		
Purchase of capital equipment and software development	(2,165)	(1,846)
Lease payments	(742)	(728)
Net cash used in capital financing activities	(2,907)	(2,574)
Cash flows from investing activities:		
Proceeds from maturity/sale of investments	35,377	19,053
Purchases of investments	(29,863)	(11,420)
Interest and dividends received on cash and investments	519	128
Net cash provided by investing activities	6,033	7,761
Net increase in cash and cash equivalents	198,234	85,302
Cash and cash equivalents, beginning of year	430,532	345,230
Cash and cash equivalents, end of year	$ 628,766	$ 430,532

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

(in thousands)

Reconciliation of operating income to net cash provided by operating activities	2022	2021
Operating income	$5,810	$5,160
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	2,255	2,285
Lease financing expense	94	106
Provision for doubtful education loan notes receivable	5,319	6,443
Costs of bond and note issuance	5,497	3,683
Bond and note interest expense	55,445	65,705
Changes in assets and liabilities:		
Education loan notes receivable	37,625	87,369
Interest receivable on education loan notes	2,580	(583)
Accounts payable and accrued expenses	381	1,717
Prepaid expenses and other assets	(48)	(43)
Net cash provided by operating activities	$114,958	$171,842

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

	2022	2021 (as restated, Note 7)
Assets		
Investments, at fair value	$82,542,127	$71,097,113
Receivable for securities sold	1,164	8,084
Receivable for fund shares sold	79,807	126,918
Distributions receivable	9,510	95
Total assets	82,632,608	71,232,210
Liabilities		
Payable for investments purchased	63,175	115,569
Accrued management fee	13,728	9,199
Payable for fund shares redeemed	27,293	19,529
Total liabilities	104,196	144,297
Fiduciary Net Position, end of year	$82,528,412	$71,087,913

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

Massachusetts Educational Financing Authority
Statements of Changes in Fiduciary Net Position
For the years ended June 30, 2022 and 2021

	2022	2021 (as restated, Note 7)
Additions		
Contributions	$34,083,096	$33,384,185
Investment distributions from underlying funds	926,165	429,147
Capital gain distributions from underlying funds	914,392	450,619
Net increase (decrease) in fair value of investments	(12,469,376)	8,536,347
Total Additions	23,454,277	42,800,298
Deductions		
Withdrawals	(11,874,834)	(8,619,349)
Management fee	(161,302)	(106,646)
Less fee waived by Manager	22,358	19,312
Total Deductions	(12,013,778)	(8,706,683)
Increase (decrease) in Net Position	11,440,499	34,093,615
Fiduciary Net Position, beginning of year	71,087,913	36,994,298
Fiduciary Net Position, end of year	$82,528,412	$71,087,913

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

NOTES TO THE ENTERPRISE FINANCIAL STATEMENTS

1. THE AUTHORITY

The Massachusetts Educational Financing Authority (the "Authority") is a body politic and corporate, constituting a public instrumentality of The Commonwealth of Massachusetts (the "Commonwealth"). The Authority was established as the Massachusetts College Student Loan Authority pursuant to Chapter 803 of the Acts of 1981, as amended (the "Act"), in recognition of the increasing costs of higher education, to assist students, their parents and institutions of higher education in financing, refinancing, and saving for the costs of such education.

Beginning in 1983, the Authority established a number of proprietary, unsecured consumer loan programs for financing and refinancing loans for undergraduate and graduate students, to finance higher education expenses, including credit based and need based loans that bear interest on a fixed rate or variable rate basis. Since inception, the MEFA financing program has included loans to finance higher education expenses of current students.

The Authority solicits participation in its loan programs from qualifying independent and public education institutions and eligible borrowers. For-profit higher education schools are not eligible to participate in the MEFA financing program. In addition to developing and operating its loan, savings and investment programs, the Authority conducts an extensive outreach program for students and parents across the Commonwealth on planning, saving and paying for college.

The loan programs are carried out on a long term funding basis using proceeds from Education Loan Revenue Bonds (the "Bonds") or Asset Backed Notes (see *Note 6*). The Bonds, which are issued under various resolutions, are special obligations of the Authority, which has no taxing power, payable solely from the revenues and the funds and accounts established and pledged under the resolutions. No revenues or other assets of the Authority are available to fund payment of the Bonds except as expressly provided by the resolutions. Neither the Commonwealth nor any political subdivision thereof is or shall be obligated to pay the principal or redemption or purchase price of and interest on the Bonds, and neither the full faith and credit, nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment. The Authority has the same exemption as the Commonwealth (under I.R.S. Code, Section 115) from filing and/or paying federal income taxes.

In February 1995, the Authority, in cooperation with the Commonwealth and Massachusetts colleges and universities, introduced the Massachusetts College Saving Program, which was further named The U. Plan: The Massachusetts Tuition Prepayment Program (the "U. Plan") as a means to distinguish between each of the Authority's two college savings programs. The U. Plan is a prepaid tuition program that permits individuals to save for a beneficiary's undergraduate tuition and mandatory fees at participating Massachusetts colleges and universities in a manner designed to preserve the purchasing power of an individual's savings.

In March 1999, the Authority, on behalf of the Commonwealth, introduced the U. Fund College Investing Plan (the "U. Fund"). The U. Fund is a tax-advantaged method of saving for higher education costs generally through investment vehicles such as stock, bond and money market mutual funds. Those funds are professionally administered and managed by Fidelity Investments (an unrelated party) and held in a contractual trust on behalf of the owners of the funds and accordingly are not a component of these financial statements.

In July 2002, the Authority, introduced the Federal Family Education Loan Program (the "FFELP") as a means to complement the existing proprietary consumer loan products and enhance the potential borrowing options available to families attending educational institutions within the Commonwealth and residents of the Commonwealth who choose to attend college out of state. Effective July 1, 2010, new legislation eliminated the ability to provide new loans under FFELP and requires that all new federal loans are to be made through the Direct Loan Program, which is administered by the Federal Government. The new law did not affect the terms and conditions of existing FFELP loans originated by the Authority. In the case of defaults on FFELP loans, the federal government guarantees to the participating lenders 98% of the principal and interest outstanding for those loans originated prior to July 1, 2006 and 97% for loans originated prior to the conclusion of the program by the Federal government on July 1, 2010.

In 2015, the Authority introduced the MEFA refinancing program that offers credit-based fixed rate and variable rate loans to borrowers for the purpose of refinancing loans previously incurred for higher education expenses.

In March 2017, the Authority adopted a resolution (the "Note Resolution") to authorize the issuance of commercial paper notes ("the Notes") as a temporary financing mechanism for its loan programs (see *Note 7*). The Notes are supported by an irrevocable direct-pay letter of credit (the "Letter of Credit") and payable primarily from draws on the Letter of Credit as well as revenues and the funds and accounts established and pledged under the resolution. The Authority intends to issue a combination of revenue bonds and asset backed notes to permanently finance education loans originated with proceeds from the Notes. The Notes are special obligations of the Authority. Neither the Commonwealth nor any political subdivision thereof is or shall be obligated to pay the principal of or interest on the Notes, and neither the full faith and credit, nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment.

In May 2017, the Authority, on behalf of the Commonwealth, introduced the Attainable Savings Plan (the "Attainable Plan"). The Attainable Plan, established under the Achieving a Better Life Experience (ABLE) Act of 2014, is a tax advantaged savings plan that allows individuals with disabilities to save for qualifying expenses through investment vehicles such as stock, bond and money market mutual funds. Those funds are professionally managed by Fidelity and held by the Authority on behalf of the owners of the funds and accordingly are reported as a fiduciary fund of the Authority. The Governmental Accounting Standards Board ("GASB") requires fiduciary activities be excluded from the basic financial statements of business type activities and reported separately in fiduciary fund financial statements.

COVID-19 Response

The outbreak of COVID-19 has spread globally, including throughout the United States and in Massachusetts, and on March 11, 2020, was declared a pandemic by the World Health Organization. In response to the pandemic, international, federal, state and local governments, as well as private organizations implemented numerous measures intended to mitigate the spread and effects of COVID-19. Individuals and businesses have altered their behavior to adapt to such measures and to respond to the spread of COVID-19. The spread of COVID-19, the mitigation measures implemented, and these behavioral adaptations have caused and may continue to cause disruption in global, national, and local economies, as well as global financial markets, and volatility in the U.S. capital markets.

The extent to which the COVID-19 pandemic affects the Authority beyond its response to date will largely depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the pandemic and the actions taken to contain it or alleviate its effects. There can be no assurances that the pandemic and resulting business and market disruptions, will not have an adverse impact on the operations of the Authority and its financial condition.

COVID-19 has affected borrowers nationwide and due to the severity of the outbreak, the Authority made the decision to temporarily expand its relief options to borrowers in fiscal years 2021 and 2022 (see Note 5). In September 2021, this expanded relief option was discontinued and at June 30, 2022 there was no principal balance outstanding for loans in Natural Disaster Forbearance.

2. BASIS OF PRESENTATION

Accounting and Reporting Standards

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Authority accounts for and reports its activities by applying Standards of Governmental Accounting and Financial Reporting, as promulgated by the GASB. The statements are prepared utilizing the economic resources measurement focus and the accrual basis of accounting, wherein revenues are recognized when earned and expenses when incurred. Detailed financial information segregated by fund is also presented in the accompanying Supplemental Schedules to the financial statements.

The GASB defines the basic financial statements of a business type activity as the following: Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. The Statement of Net Position is presented to illustrate both the current and non-current balances of each asset and liability, as well as deferred outflows of resources and deferred inflows of resources. All revenues and expenses are classified as either operating or non-operating activities in the Statement of Revenues, Expenses and Changes in Net Position. Operating activities are those that support the mission and purpose of the Authority. Non-operating activities represent transactions that are capital, investing, legislative or regulated in nature.

The GASB requires the categorization of net position into three components. Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted.

For external accounting and reporting purposes, net position is classified in the following three components:

- **Net investment in capital assets**: capital assets, net of accumulated depreciation.

- **Restricted net position**: net position subject to externally imposed stipulations or enabling legislation that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. The Authority's restricted assets are all expendable and are discussed below:

  - **Trusteed Bond Funds**
    The Bond resolutions for the Trusteed Bond Funds establish various funds and accounts, the primary purpose of which is to (i) provide a basis for the allocation and disbursement of monies received by the Bond funds; (ii) pay issuance costs; (iii) provide for the periodic payment of principal and interest; and (iv) establish reserves to provide for the timely servicing of debt obligations (see *Note 5*). The use of the assets of the various funds and accounts is governed and restricted by the Trusteed Bond Fund Resolutions (see *Note 6*). The assets, deferred outflows, liabilities, deferred inflows, and net position of these funds are the sole responsibility of the trust of each of the individual bond indentures. Neither the Authority, the College Savings funds, nor any other indenture have any entitlement to any of the assets or any legal obligation to settle any of the liabilities of these bond indentures.

  - **Trusteed Notes Funds**
    The Notes issued under the Notes Resolution are special obligations of the Authority. The Notes are collateralized by the assets and associated revenues financed from Note proceeds and further supported by the Letter of Credit. The Letter of Credit and any associated bank note or bank obligation are general obligations of the Authority secured by the full faith and credit of the Authority.

    The Note Resolution established certain funds and accounts to provide a basis for the allocation and disbursement of monies received by the Notes funds. The use of the assets of these funds and accounts is governed and restricted by the Note Resolution (see *Note 7*).

  - **U. Plan**
    The College Savings Funds (the "Fund") consist of the U. Plan and the U. Fund. The U. Plan is governed by the terms and conditions of participation described in the Program Description and Offering Statement, including the Enrollment Agreement that is in effect for each enrollment year. The Fund accounts for fee income and for the operating expenses of the U. Plan as well as all monies received from the program investors and other deposits (*see Note 9*).

  - **Program Reserve Fund**
    Pursuant to Chapter 15C, Section 5C, of the General Laws as established by Chapter 803 of the Acts of 1981, and as amended by Chapter 133, Section 12, of the Acts of 1992 (the "Act"), the program reserve fund was established by the Authority. The Act authorized the Authority to develop and establish a comprehensive state-supported supplemental education loan program. The program consists of lending medium and long-range fixed rate and variable rate loans. These programs shall operate at effective rates of interest and other feasible terms.

- **Unrestricted net position**: net position that is not subjected to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties. The Authority's unrestricted net position includes the general fund and fees earned from the U. Fund. The Authority's unrestricted assets are all expendable and discussed below:

  - **General Fund**
    The General Fund, through monthly draws from the Trusteed Bond Funds and College Savings Funds, maintains the funds available for paying the operating expenses of the

Authority, investing in capital assets, supporting capital market activities through direct contributions for cost of issuance and over collateralization requirements of structured transactions and liquidity for Letter of Credit requirements. The general fund may also include outstanding loans that remain after an entire trust is retired.

- **U. Fund**

  The U. Fund is governed by the terms and conditions of participation described in the Fidelity Brokerage Services, LLC Customer Agreement and the U. Fund Supplemental Information. While the beneficial interests of the participants of the U. Fund (or overall aggregate value of these funds) are not included in the financial statements, the Authority does receive certain fees and incurs related operating expenses in connection with the U. Fund that are included in these financial statements. The related revenue earned and expenses incurred by the Authority in offering the U. Fund program are not subject to externally imposed stipulations and therefore the aggregate net position of the program are classified on the Statement of Net Position as unrestricted (*see Note 9).*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management 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.

Certain relevant elements such as tax policies, political and economic conditions, competition in products, asset pricing variance and interest rate fluctuations and relationships may result in actual results differing from those estimated. The Authority makes every effort to incorporate an analysis of all market conditions as of the Statement of Net Position date in determining what to record as the most accurate estimates.

Cash, Cash Equivalents and Investments

Cash and cash equivalents are comprised of cash in bank depository accounts and money market funds in the Trusteed Bond and Trusteed Note Funds, which are restricted in nature. The investments of the Authority, the alternatives of which are governed by the Authority's enabling legislation, include money market funds within the Authority's General and U. Plan funds. Cash and investments not intended to be used within one fiscal year are considered long term assets.

Interest and Fees on Education Loan Notes Receivable

Interest on education loan notes receivable is accrued and credited as earned on the principal amount outstanding.

Allowance for Education Loan Notes Receivable

The Trusteed Bond Fund Resolutions establish cash and investment reserve accounts to provide funding for education loan notes receivable which may reach a specified state of delinquency or uncollectibility (*see Note 5*). For financial accounting purposes, adjustments to the allowance for the estimated amount for each of the aforementioned items are included as an expense or revenue in the Statement of Revenues, Expenses and Changes in Net Position. This aggregate allowance is reviewed and adjusted as necessary based on management's assessment of the net realizable value of the loan portfolio.

In accordance with the Internal Revenue Code of 1986 (the "Code") and the related Treasury regulations, the Authority is required to keep the yield to the Authority on student loans within a designated percentage of the interest cost of the related tax-exempt borrowing. The Authority has traditionally selected to utilize loan forgiveness at the retirement of the bonds to keep the yield within the designated percentage of the interest costs of the related tax-exempt borrowing. A separate method of reducing yield is to make yield reduction payments to the United States Treasury. These estimated yield reduction payments may be made by the end of the tenth year and every fifth year thereafter during the life of each bond issue and when the bonds are retired. The Authority has contracted with a third party to calculate the estimated liability of the yield restrictions for bonds that are near the end of their term. Management works closely with this third party and reviews and evaluates all final output. The resulting estimated liability is recorded as an adjustment to the net realizable value of the loan portfolio. The factors used in determining this estimate are sensitive to change in the future and consequently the change in estimate may be material to the financial statement results.

Arbitrage Rebate
In accordance with the Code, the Authority may be required to pay to the United States Treasury certain amounts related to the Authority's tax-exempt bond issues. The estimated amount of arbitrage payable represents the excess, if any, of amounts earned on bond proceeds and certain related funds on taxable securities (except for earnings that are not required to be rebated under limited exemptions under the Code) over the interest due on the Authority's tax-exempt bonds, plus income attributable to any such excess. Such rebate payments are due every fifth year of each bond issue and when the bonds are retired. The Authority contracts with a third party to calculate estimated amounts due on an annual basis to the federal government. After review and evaluation of this estimate, management records a corresponding liability amount expected to be remitted.

Capital Assets
Capital assets, including: computer hardware and software development costs, furniture and fixtures, office equipment and lease assets, are recorded at cost less accumulated depreciation computed using the straight-line method over an estimated useful life of 3 to 10 years *(see Note 13).* Capital assets are defined as assets over a certain dollar threshold with an estimated useful life in excess of one year.

Investment Earnings
Earnings on cash and investments include interest earned on cash and investments as well as fair value adjustments on derivatives. The net increase/(decrease) in fair value takes into account all changes in fair value that occurred during the year.

Accounting and Financial Reporting for Refunding of Debt
Gains and losses on retirement of debt are accounted for in accordance with GASB 23 and GASB 65. The gains and losses on debt refunding, which involve the issuance of new debt whose proceeds are used to pay previously issued debt, have been recognized as deferred inflows or outflows of resources and amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. Gains and losses on extinguishment of debt that does not involve a refunding are recognized immediately.

General and Administrative Expenses
General and administrative expenses include personnel costs, professional fees, marketing costs and office expense and are funded by the Trusteed Bond Funds, College Savings Plans and Authority based on an operating budget prepared by Authority management and approved annually by the Board of Directors. Loan program administration costs are also included in general and administrative costs and funded by the Trusteed Bond Funds in accordance with the Trusteed Bond Fund resolutions requirements.

Fair Value
GASB statement No. 72, *Fair Value Measurement and Application* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The statement requires the use of certain valuation techniques when measuring fair value and also established a hierarchy of valuation inputs: Level 1 inputs (quoted prices in active markets for identical investments), Level 2 inputs (inputs other than quoted prices that are observable) and Level 3 inputs (unobservable inputs). As of June 30, 2022 and June 30, 2021, the Authority's money market investments are categorized as Level 1 and derivative instruments are categorized as Level 2.

Derivative Instruments
GASB Statement No. 53 ("GASB 53"), *Accounting and Financial Reporting for Derivative Instruments* requires governments to measure most derivative instruments at fair value on the Statement of Net Position and to measure the annual change in the fair value of non-hedging derivatives as investment income or loss in the Statement of Revenues, Expenses, and Changes in Net Position. GASB 53 also provides guidance addressing hedge accounting requirements.

The fair values of the hedgeable derivatives and investment derivatives are presented on the Statement of Net Position, either as a derivative liability (negative fair value) or as a derivative asset (positive fair value). The change in fair value of derivatives is recorded as a deferred inflow or outflow of resources if determined to be an effective hedge and presented on the Authority's Statement of Net Position. If a derivative instrument does not meet the criteria of a hedging derivative, the change in fair value is presented as an increase (decrease) in fair value of investment derivative on the Statement of Revenues, Expenses and Changes in Net Position.

Recently Issued Accounting Pronouncements

In June 2017, GASB approved Statement No. 87, "Leases" ("GASB 87"). The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. This Statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The original effective date of this standard was for reporting periods beginning after December 15, 2019. The effective date was superseded in accordance with GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance", as described below, to fiscal years beginning after June 15, 2021. The Authority implemented the standard in fiscal year 2022 and restated fiscal 2021 balances to conform to the provisions of the statement.

The table below illustrates the changes in selected Statements of Net Position items before and after the application of GASB 87 at June 30, 2021 (in thousands):

Statement of Net Position at June 30, 2021	**As previously reported**	**GASB 87 Adjustments**	**As Restated**
Non-current assets			
Capital assets, net of accumulated depreciation	$ 3,318	$ 4,756	$ 8,074
Current liabilities			
Accounts payable and accrued expenses	15,067	649	15,716
Non-current liabilities			
Other liabilities	147	4,052	4,199
Total net position	$ 267,823	$ 55	$ 267,878

The table below illustrates the changes in select Statements of Revenues, Expenses, and Changes in Net Position items before and after the application of GASB 87 for the year ended June 30, 2021 (in thousands):

Statement of Revenues, Expenses and Changes in Net Position for fiscal year ended June 30, 2021	**As previously reported**	**GASB 87 Adjustments**	**As Restated**
Operating expenses			
General and administrative	$ 28,438	$ (55)	$ 28,383

The Statement of Cash Flows for the year ended June 30, 2021 have also been restated to reclassify lease payments to Cash flows from capital financing activities.

In March 2020, GASB approved Statement No. 93, "Replacement of Interbank Offered Rates" (GASB 93). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. The GASB issued GASB 93 to amend GASB Statement 53 in order to address the accounting and financial reporting implications that result from the replacement of LIBOR. At the time that Statement 93 was issued, LIBOR was expected to cease to exist after December 31,2021. Subsequently, LIBOR's administrator, the ICE Benchmark Administration, announced that the most widely used United States Dollar LIBOR would continue to be published until June 30, 2023. The Authority will continue to assess the impact until LIBOR ceases to exist.

In May 2020, GASB approved Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" ("GASB 95"). The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

In May 2020, GASB approved Statement No. 96, “Subscription-Based Information Technology Arrangements” (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Authority is currently assessing the impact of GASB 96 and the implementation issues.

In June 2020, GASB issued Statement No. 97, “Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32” (GASB 97). The primary objective of this Statement is to require that Internal Revenue Code (IRC) Section 457 deferred compensation plans be classified as either a pension plan or an other employee benefit plan, depending on whether the plan meets the definition of a pension plan and is effective immediately. Paragraphs 6-9 of this statement clarify that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of paragraphs 6-9 of this statement are effective for reporting periods beginning after June 15, 2021. The Authority has determined that GASB 97 does not apply to its financial statements.

In April 2022, GASB approved Statement No. 99, “Omnibus” (GASB 99). This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics, including the requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. These requirements are effective upon issuance. The Statement also addresses the requirements related to leases, Public-Private and Public-Public Partnerships, and SBITAs. These requirements are effective for fiscal years beginning after June 15, 2022. The Statement also addresses the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53. These requirements are effective for fiscal years beginning after June 15, 2023. The Authority is currently assessing the impact of GASB 99 and the implementation issues.

In June 2022, GASB issued Statement No. 100, “Accounting Changes and Error Corrections” (GASB 100). The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. Earlier application is encouraged. The Authority is currently assessing the impact of GASB 100.

In June 2022, GASB issued Statement No. 101, “Compensated Absences” (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Earlier application is encouraged. The Authority is currently assessing the impact of GASB 101 and the implementation issues.

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Authority’s enabling legislation and its individual fund resolutions govern the investment alternatives available to the Authority. In general, the Authority may invest in obligations of the United States Government and its agencies, investment grade securities issued by the various states, time deposits in banks which are federally insured (provided that, to the extent such time deposits exceed insurance, they are either fully collateralized or are rated in the top three rating categories by Standard and Poor's Corporation (“S&P”) or Moody's Investor's Service Inc. (“Moody’s”)) and in repurchase and investment agreements with financial institutions or insurance companies which are rated in the top three rating categories by S&P or Moody's or which meet certain capital standards. The requirements within the top three rating categories vary among the trusteed funds and also depend upon the type of investment.

The following summarize the cash, cash equivalents and investments of the Authority and identifies certain types of investment risk as defined by Governmental Accounting Standards Board No. 40 Deposit and Investment Risks Disclosures ("GASB 40") at June 30, 2022 and 2021, respectively.

(in thousands)		2022		2021
Cash deposits	$	10,973	$	1,960
Mutual funds:				
Money market funds – Authority and College Savings		116,605		122,170
Money market funds – Trusteed Bonds and Notes		617,793		428,572
Total cash, cash equivalents and investments	$	745,371	$	552,702

Credit Risk and Custodial Credit Risk
Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that in the event of a financial institution counterparty failure, the Authority's deposits or investments may not be returned to it. The Authority manages its exposure to credit risk and custodial credit risk by limiting investments to those permitted by the Authority's enabling legislation and its investment policy.

As of June 30, 2022 and June 30, 2021, $10.5M and $1.6M were exposed to custodial credit risk as uninsured and uncollateralized deposits, respectively. As stated in the Authority's investment policy, depository banks are required to be rated in the top three rating categories by S&P or Moody's.

As of June 30, 2022, the Authority had the following cash and investments by financial institution within each outstanding trust and the Authority:

Authority, Trusteed Note Funds and College Savings Funds	Cash and Investments	% of Total
Bank of America	$ 10,421,647	8.2%
Fidelity U.S. Government Portfolio – Authority Funds	$ 96,677,292	76.0%
Fidelity U.S. Government Portfolio – Trusteed Note Funds	$ 33,006	0.1%
Fidelity Government Money Market Fund	$ 1,613,067	1.3%
First American Government Obligations Fund	$ 18,315,128	14.4%

Issue FRN Indenture	Cash and Investments	% of Total
Fidelity U.S. Government Portfolio	$ 2,395,790	100%

Issue ABS 18 Indenture	Cash and Investments	% of Total
Bank of America	$ 2,285	0.1%
Fidelity U.S. Government Portfolio	$ 1,665,094	99.9%

Issue ABS 20 Indenture	Cash and Investments	% of Total
Fidelity U.S. Government Portfolio	$ 2,503,609	100%

Issue I Indenture	Cash and Investments	% of Total
Bank of America	$ 94,564	0.2%
Fidelity U.S. Government Portfolio	$ 57,092,536	99.8%

Issue J Indenture	Cash and Investments	% of Total
Bank of America	$ 107,336	0.2%
Fidelity U.S. Government Portfolio	$ 58,053,086	99.8%

Issue K Indenture	Cash and Investments	% of Total
Bank of America	$ 41,731	0.1%
Fidelity U.S. Government Portfolio	$ 37,812,408	99.9%

Issue L Indenture	Cash and Investments	% of Total
Fidelity U.S. Government Portfolio	$ 115,023,943	100%

Issue M Indenture	Cash and Investments	% of Total
U.S. Bank	$ 305,026	0.1%
Fidelity U.S. Government Portfolio	$ 343,213,400	99.9%

5. EDUCATIONAL FINANCINGS

The Authority originates proprietary, unsecured consumer education loan notes at the original principal amount of the note. During the years ended June 30, 2022 and 2021, respectively, the activity for the Authority's Education loan notes receivable was as follows:

(in thousands)	2022	2021
Outstanding education loan notes receivable (beginning) gross	$ 1,776,888	$ 1,864,257
Increases to education loan notes receivable	359,287	337,732
Decreases to education loan notes receivable	(396,912)	(425,101)
Outstanding education loan notes receivable (ending) gross	1,739,263	1,776,888
Allowance for education loan notes receivable (beginning)	89,363	82,920
Increase to allowance for education loan notes receivable	5,319	6,443
Allowance for education loan notes receivable (ending)	94,682	89,363
Outstanding education loan notes receivable, net (ending)	$ 1,644,581	$ 1,687,525

The allowance for educational loan notes receivable is derived from information based on the loan portfolios historical default and recovery performance to achieve the current estimated net realizable value of the outstanding education loan notes. The allowance increased as a result of a $5.3M and $6.4M increase to the provision for doubtful education loan notes receivable in fiscal years 2022 and 2021, respectively. The Authority has expensed historically in aggregate a net of $39M of education loan notes related to the tax-exempt yield restrictions through fiscal year 2022. No incremental allowance for yield restriction was recorded in the fiscal years ending June 30, 2022 and 2021. Yield restriction expense is required in order to maintain the tax-exempt status of the bonds under Federal IRS regulations.

Defaulted loans are included in outstanding education loan notes receivable and classified as non-current assets with a portion classified as current assets based on estimated collections.

The Authority uses loan modifications to assist private loan borrowers demonstrating a need for temporary payment relief during difficult economic times. The loan modification plans in place temporarily reduce the borrower's monthly payment for up to twenty-four months without changing the original loan term or interest rate. As of June 30, 2022 and 2021, the total principal balance outstanding of loans in a modified status was $53M and $31M and represented approximately 4% and 2% of all loans in repayment, respectively. At June 30, 2022 and 2021, these modified loans were 94.6% and 100% current, respectively, defined as less than 30 days past due, in regard to monthly payments received under the modified terms. Loans in a modified payment plan status are factored into the allowance for education loan notes receivable, which is based on historical default and recovery performance.

Historically, the Authority has offered Natural Disaster Forbearance for borrowers that are impacted by a federally declared major disaster. On March 13, 2020, a National Emergency was declared by the Federal government in response to the outbreak of COVID-19. Due to the severity of COVID 19, the Authority made the decision in March 2020 to temporarily expand its relief option by offering Natural Disaster Forbearance to all borrowers impacted by the pandemic. In September 2021, this expanded relief option was discontinued and at June 30, 2022 there was no principal balance outstanding for loans in Natural Disaster Forbearance.

At June 30, 2021, the total principal balance outstanding of loans in forbearance was $2.1M and represented approximately 0.15% of all loans in repayment.

The loan and debt service reserve funds are designed and funded to provide another level of support for defaulted loans and debt service payments that provide stability to the cash flow of the bond issuance. On an annual basis, the reserve requirements are reviewed and funded by cash balances at levels approved by the insurer or rating agencies of each specific bond issue. The fund balance of the loan and debt service reserve requirements in aggregate was $30.8M and $23.9M for fiscal years 2022 and 2021, respectively.

6. BONDS PAYABLE

The activity related to the Authority's bonds payable for the fiscal years ended 2022 and 2021 was as follows:

(in thousands)	2022	2021
Bonds outstanding, gross beginning balance	$ 1,814,171	$ 1,839,070
Bonds issued	775,600	290,080
Bonds redeemed	(532,090)	(314,979)
Bonds outstanding, gross ending balance	2,057,681	1,814,171
Net unamortized issuance premiums	43,936	44,783
Bonds outstanding, net ending balance	$ 2,101,617	$ 1,858,954

Bonds payable issued under the individual Trust resolutions are payable from a pledge of the assets and revenues of each Trusteed Bond Fund. Bonds may be redeemed at par and ahead of scheduled maturity under circumstances specified in the Bond Resolutions. All bonds payable issued under the Trust resolutions contain a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due.

As of June 30, 2022 mandatory annual maturities of bonds principal payable for the next five fiscal years and thereafter are as follows (in thousands):

	2023	2024	2025	2026	2027	Remaining Schedule	Total Payable
2008 FRN	-	-	-	-	-	19,735	19,735
2012 Issue J	-	3,590	3,870	3,525	2,840	6,930	20,755
2014 Issue I	8,000	7,000	33,600	24,000	18,000	-	90,600
2015A Issue I	9,000	34,000	7,000	8,000	-	-	58,000
2015B Issue I	4,070	4,380	3,360	1,405	815	2,040	16,070
2016 Issue J	22,100	26,100	27,370	12,255	12,795	58,995	159,615
2017 Issue K	10,000	15,000	13,230	12,480	9,370	56,785	116,865
2018 Issue L	18,880	23,245	24,210	26,165	25,710	108,750	226,960
2018 ABS	-	-	-	-	-	55,558	55,558
2019 Issue L	1,000	7,155	12,380	13,705	13,755	119,855	167,850
2020 ABS	-	-	-	-	-	96,693	96,693
2020 Issue L	-	7,000	18,065	20,550	24,715	183,050	253,380
2021 Issue M	-	-	7,000	20,000	29,800	325,200	382,000
2022 Issue M	-	-	4,000	19,400	24,900	345,300	393,600
	$73,050	$127,470	$154,085	$161,485	$162,700	$ 1,378,891	$2,057,681

In July and August 2022, the Authority redeemed fixed rate bonds outstanding of $133.1M and $7.1M of floating rate notes.

The following is a summary of the principal maturities and estimated interest expense for bonds payable outstanding at June 30, 2022 (in thousands):

Year Ending June 30	Principal	Interest	Total Debt Service
2023	73,050	71,217	144,267
2024	127,470	75,710	203,180
2025	154,085	69,339	223,424
2026	161,485	62,470	223,955
2027	162,700	55,696	218,396
2028-2032	570,825	200,606	771,431
2033-2037	425,442	105,442	530,884
2038-2042	187,624	49,901	237,525
2043-2047	89,400	34,562	123,962
2048-2052	77,100	12,290	89,390
Thereafter	28,500	588	29,088
	$2,057,681	$737,821	$2,795,502

Total interest expense for the years ended June 30, 2022 and 2021 was $55.5M and $65.7M, respectively and includes $12.4M and $9.0M amortization of bond issuance premium, respectively. Also, for fiscal years 2022 and 2021 there is $1.8M and $1.0M of amortization of net deferred gain on bond program activities included in the total bond interest expense, respectively.

Issue FRN 2008
On July 2, 2008, under the FRN Indenture, the Authority issued $296M principal amount of floating rate bonds with a final maturity date of April 25, 2038. Quarterly interest payments are required on each distribution date, which is the 25th day of the month for the months of January, April, July and October. The notes will bear interest at an annual rate equal to three-month LIBOR plus 0.95%. Outstanding note principal may be redeemed on each quarterly distribution as determined by the Indenture requirements. As a result of redemptions of $4.2M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $19.7M.

Issue I Series 2009A
On June 26, 2009, under the Issue I 2009 Bond Resolution, the Authority issued $289M principal amount of bonds dated June 30, 2009, requiring annual principal payments each January 1 commencing on January 1, 2012. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2010. Issue I 2009A Bonds mature as follows: $132.4M serial bonds which matured annually from 2012 to 2020 in annual amounts ranging from $2.5M to $17.8M with interest at rates ranging from 3.40% to 5.75%; and $156.6M term bonds which mature in 2023 and 2028. The term bonds are subject to annual sinking fund installments totaling $41.9M from 2021 to 2022 and $114.7M from 2023 to 2027. Bonds maturing on or after January 1, 2023, are redeemable at the option of the Authority, in whole or in part, on any date on or after January 1, 2020. The Issue I 2009 Bonds were issued with a premium of $1.7M.

As a result of an optional redemption of $8.2M on July 21, 2021, all bonds in the series were retired at June 30, 2022.

Issue I Series 2010A and 2010B
On February 3, 2010, under the Issue I 2010 Bond Resolution, the Authority issued $318.5M principal amount of bonds dated February 18, 2010 requiring annual principal payments each January 1 commencing January 1, 2012. Semiannual interest payments are required each January 1 and July 1 commencing on July 1, 2010. Issue I Series 2010A Bonds mature as follows: $318.5M serial bonds which mature annually from 2012 to 2030 in annual amounts ranging from $4.2M to $37.8M with interest at rates ranging from 2.00% to 5.50%. Bonds maturing on or after January 1, 2021, are redeemable at the option of the Authority, in whole or in part, on any date on or after January 1, 2020.

On February 3, 2010, under the Issue I 2010 Bond Resolution, the Authority issued $86.5M principal amount of bonds dated February 18, 2010 requiring annual principal payments each January 1 commencing January 1, 2012. Semiannual interest payments are required each January 1 and July 1 commencing on July 1, 2010. Issue I Series 2010B Bonds mature as follows: $41.2M serial bonds which matured annually from 2012 to

2020 in annual amounts ranging from $2.0M to $7.1M with interest at rates ranging from 2.55% to 5.375%; and $45.3M term bonds which mature 2023 and 2031. The term bonds are subject to annual sinking fund installments totaling $10.6M from 2021 to 2022 and $34.7M from 2029 to 2030. Bonds maturing on or after January 1, 2023, are redeemable at the option of the Authority, in whole or in part, on any date on or after January 1, 2020.

The Issue I 2010 Bonds were issued with a premium of $4.4M.

As a result of an optional redemption of $46.4M on July 21, 2021, all bonds in the series were retired at June 30, 2022.

Issue J Series 2011
On June 24, 2011, under the Issue J 2011 Bond Resolution, the Authority issued $102.9M principal amount of bonds dated July 13, 2011 requiring annual principal payments each July 1 commencing July 1, 2017. Semiannual interest payments are required each January 1 and July 1 commencing on July 1, 2012. Issue J Series 2011 Bonds mature as follows: $90.9M serial bonds which mature annually from 2017 to 2029 in annual amounts ranging from $0.5M to $11.2M with interest at rates ranging from 4.00% to 5.625%; and $12M of term bonds which mature in 2033. The Issue J Series 2011 Bonds are subject to sinking fund installments totaling $12M from fiscal 2030 to 2033 in annual amounts ranging from $1.5M to $8.6M. Bonds maturing on or after July 1, 2022, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2021. The Issue J Series 2011 Bonds were issued at a discount of $0.4M.

As a result of scheduled maturities of $6.5M in fiscal year 2022 and an optional redemption of the remaining $27.4M on June 23, 2022, all bonds in the series were retired at June 30, 2022.

Issue J Series 2012
On June 1, 2012, under the Issue J 2012 Bond Resolution, the Authority issued $168.3M principal amount of bonds dated June 27, 2012 requiring annual principal payments each July 1 commencing July 1, 2018. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2013. Issue J Series 2012 Bonds are term bonds which mature annually from 2018 to 2030 in annual amounts ranging from $2.5M to $25.7M with interest at rates ranging from 3.10% to 5.00%. Bonds maturing on July 1, 2022, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2021. The Issue J Series 2012 Bonds were issued with a premium of $4.2M.

As a result of scheduled maturities and redemptions of $22.6M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $21M, including the unamortized premium that was incorporated in the initial sale of the bonds.

Issue K Series 2013
On June 20, 2013, under the Issue K 2013 Bond Resolution, the Authority issued $222M principal amount of bonds dated June 27, 2013 requiring annual principal payments each July 1 commencing July 1, 2015. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2014. Issue K Series 2013 Bonds mature as follows: $135.1M serial bonds which mature annually from fiscal year 2016 to 2026 in annual amounts ranging from $1.2M to $20.8M with interest at rates ranging from 2.00% to 5.00%, $86.9M of term bonds maturing in 2029 and 2032 with interest at rates of 5.25% and 5.375%. Bonds maturing on or after July 1, 2023 are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2022. The Issue K Series 2013 Bonds were issued with a premium of $4.6M.

As a result of scheduled maturities and redemptions of $36.6M in fiscal year 2022 and an optional redemption of the remaining $50.5M on June 23, 2022, all bonds in the series were retired at June 30, 2022.

Issue I Series 2014
On May 8, 2014, under the Issue I 2014 Bond Resolution, the Authority issued $185.7M principal amount of bonds dated June 17, 2014 requiring annual principal payments each January 1 commencing January 1, 2017. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2015. Issue I Series 2014 Bonds mature as follows: $167.6M serial bonds which mature annually from fiscal year 2017 to 2027 in annual amounts ranging from $0.8M to $37.5M with interest at rates ranging from 3.00% to 5.00%, $18.1M of term bonds maturing in 2032 with an interest rate of 4.375%. Bonds maturing on or after January 1, 2026 are redeemable at the option of the Authority, in whole or in part, on any date on or after January 1, 2025. The Issue I Series 2014 Bonds were issued with a premium of $15.5M.

As a result of scheduled maturities and redemptions of $6.5M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $94.4M, including the unamortized premium that was incorporated in the initial sale of the bonds.

Issue I Series 2015A
On May 28, 2015, under the Issue I 2015A Bond Resolution, the Authority issued $184.8M principal amount of bonds dated July 9, 2015 requiring annual principal payments each January 1 commencing January 1, 2017. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2016. The Issue I Series 2015A Bonds mature annually from 2017 to 2032 in annual amounts ranging from $0. 3M to $38.7M with interest at rates ranging from 3.00% to 5.00%. Bonds maturing on or after January 1, 2026 are redeemable at the option of the Authority, in whole or in part, on any date on or after January 1, 2025. The Issue I Series 2015A Bonds were issued with a premium of $15.2M.

As a result of scheduled maturities and redemptions of $42.7M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $60.7M, including the unamortized premium that was incorporated in the initial sale of the bonds.

Issue I Series 2015B-1 and 2015B-2
On November 18, 2015, under the Issue I 2015B Bond Resolution, the Authority issued $21M principal amount of floating rate planned amortization class (PAC) bonds dated November 30, 2015. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2016. Issue I Series 2015B-1 Bonds mature as follows: $6M PAC bonds maturing in 2031 with mandatory semi-annual PAC installments from 2017 to 2019 in amounts ranging from $0.2M to $2. 3M bearing an interest rate of one-month LIBOR plus 1.75%; $15M PAC bonds maturing in 2032 with semi-annual mandatory PAC installments from 2019 to 2028 in amounts ranging from $0.1M to $1.0M bearing an interest rate of one month LIBOR plus 2.05%. On October 3, 2018, the remaining outstanding Issue I Series 2015B-1 bonds were optionally refunded and the series was retired.

On November 18, 2015, under the Issue I 2015B Bond Resolution, the Authority issued $55M principal amount of fixed rate serial, term and PAC bonds dated November 30, 2015. Semiannual interest payments are required each January 1 and July 1 commencing on July 1, 2016. Issue I Series 2015B-2 Bonds mature as follows: $21.6M serial bonds which mature semi-annually from 2017 to 2023 in annual amounts ranging from $1.5M to $2.0M with interest at rates ranging from 2.00% to 3.875%; $22.2M term bonds maturing in 2025 and 2030 bearing interest rates of 4.0% and 4.7% respectively; $11.2M PAC bonds maturing in 2032 bearing an interest rate of 4% and requiring semi-annual mandatory PAC installments from 2017 to 2024 in amounts ranging from $0.01M to $2M. Term bonds are subject to sinking fund installments totaling $22M from 2024 to 2030 in amounts ranging from $900K to $2M. Bonds maturing on or after July 1, 2026 are redeemable at the option of the Authority, in whole or in part, on any date on or after January 1, 2026.

The Issue I Series 2015B Bonds were issued at a discount of $1.6M.

As a result of scheduled maturities and redemptions of $8.2M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $16M, including the unamortized discount that was incorporated in the initial sale of the bonds.

Issue J Series 2016
On May 25, 2016, under the Issue J 2016 Bond Resolution, the Authority issued $340M principal amount of bonds dated June 16, 2016 requiring annual principal payments each July 1 commencing July 1, 2018. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2017. Issue J Series 2016 Bonds mature as follows: $137.7M serial bonds which mature annually from 2018 to 2024 in annual amounts ranging from $12M to $27.4M with interest at rates ranging from 4.00% to 5.00%, $202.3M of term bonds which mature in 2033 with an interest rate of 3.5%. The term bonds are subject to annual sinking fund installments totaling $202.3M from 2025 to 2033 in amounts ranging from $10.0M to $34.7M. Bonds maturing on or after July 1, 2033 are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2024. The Issue J Series 2016 Bonds were issued with a premium of $13M.

As a result of scheduled maturities and redemptions of $48.4M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $163.3M, including the unamortized premium that was incorporated in the initial sale of the bonds.

Issue K Series 2017A and 2017B
On June 1, 2017, under the Issue K 2017 Bond Resolution, the Authority issued $117.8M principal amount of Senior Series 2017A bonds dated June 13, 2017. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2018. Issue K Series 2017A Bonds mature as follows: $75.1M serial bonds which mature annually on July 1 from 2019 to 2026 in amounts ranging from $0.5M to $15M with interest at rates ranging from 3.00% to 5.00%; $42.7M term bonds which mature in 2032 with an interest rate of 3.6%. The Issue K Series 2017A Bonds are subject to sinking fund installments totaling $42.7M from fiscal 2027 to 2032 in annual amounts ranging from $3.1M to $10.7M.

On June 1, 2017, under the Issue K 2017 Bond Resolution, the Authority issued $42.8M principal amount of Subordinate Series 2017B bonds dated June 13, 2017. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2018. Issue K Series 2017B Bonds are term bonds which mature in 2046 with an interest rate of 4.3%.

Bonds maturing on or after July 1, 2032, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2026. The Issue K 2017 Bonds were issued with a premium of $9.3M.

As a result of scheduled maturities and redemptions of $19.7M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $121.6M, including the unamortized premium that was incorporated in the initial sale of the bonds.

Issue L Series 2018A, 2018B & 2018C
On May 17, 2018, under the Issue L 2018 Bond Resolution, the Authority issued $159M principal amount of Senior Series 2018A Bonds dated June 13, 2018. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2019. Issue L Series 2018A Bonds mature as follows: $93.2M serial bonds which mature annually on July 1 from 2021 to 2028 in amounts ranging from $7.1M to $14.4M with interest at rates ranging from 3.48% to 4.16%; $65.8M term bonds which mature in 2034 with an interest rate of 4.408%. The Issue L Series 2018A Bonds are subject to sinking fund installments totaling $65.8M from 2029 to 2034 in annual amounts ranging from $7. 3M to $13.7M. 2018A Bonds maturing on or after July 1, 2029, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2028.

On May 17, 2018, under the Issue L 2018 Bond Resolution, the Authority issued $114M principal amount of Senior Series 2018B Bonds dated June 13, 2018. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2019. Issue L Series 2018B Bonds mature as follows: $77.8M serial bonds which mature annually on July 1 from 2021 to 2028 in amounts ranging from $4.7M to $11.8M with an interest rate of 5%; $36.3M term bonds which mature in 2034 with an interest rate of 3.625%. The Issue L Series 2018B Bonds are subject to sinking fund installments totaling $36.1M from 2029 to 2034 in annual amounts ranging from $2.8M to $6.8M. 2018B Bonds maturing on or after July 1, 2027, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2026.

On May 17, 2018, under the Issue L 2018 Bond Resolution, the Authority issued $33.4M principal amount of Subordinate Series 2018C Bonds dated June 13, 2018. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2019. Issue L Series 2018C Bonds are term bonds which mature in 2046 with an interest rate of 4.125%. 2018C Bonds are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2026.

The Issue L 2018 Bonds were issued with a premium of $7.6M.

As a result of scheduled maturities and redemptions of $59.4M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $231.5M, including the unamortized premium that was incorporated in the initial sale of the bonds.

Issue ABS 2018
On September 19, 2018, under the Indenture of Trust relating to Asset-Backed Notes, Series 2018-A, the Authority issued $157.7M principal amount of Class A education loan asset-backed notes with a final maturity date of May 25, 2033. The notes are secured primarily by education loans originated with proceeds from commercial paper notes and bear an interest rate of 3.85%. Monthly interest payments are required on each distribution date, which is the 25th day of the month. Outstanding note principal may be redeemed on each monthly distribution date as determined by the Indenture requirements.

On September 19, 2018, under the Indenture of Trust relating to Asset-Backed Notes, Series 2018-A, the Authority issued $6.4M principal amount of Class B education loan asset-backed notes with a final maturity date of April 25, 2042. The notes are secured primarily by education loans originated with proceeds from commercial paper notes and bear an interest rate of 4.65%. Monthly interest payments are required on each distribution date, which is the 25th day of the month. Outstanding note principal may be redeemed on each monthly distribution date as determined by the Indenture requirements.

The Issue ABS 2018 notes were issued at a discount of $1.3M.

As a result of redemptions of $22.1M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $55.2M, including the unamortized discount that was incorporated in the initial sale of the notes.

Issue L Series 2019A, 2019B & 2019C

On May 2, 2019, under the Issue L 2019 Bond Resolution, the Authority issued $99.8M principal amount of Senior Series 2019A Bonds dated June 13, 2019. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2020. Issue L Series 2019A Bonds mature as follows: $53.8M serial bonds which mature annually on July 1 from 2022 to 2029 in amounts ranging from $0.6M to $9M with interest at rates ranging from 2.93% to 3.505%; $46M term bonds which mature in 2035 with an interest rate of 3.775%. The Issue L Series 2019A Bonds are subject to sinking fund installments totaling $46M from 2030 to 2035 in annual amounts ranging from $6.8M to $8.4M. 2019A Bonds maturing on or after July 1, 2035, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2029.

On May 2, 2019, under the Issue L 2019 Bond Resolution, the Authority issued $80.8M principal amount of Senior Series 2019B Bonds dated June 13, 2019. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2020. Issue L Series 2019B Bonds mature as follows: $39.5M serial bonds which mature annually on July 1 from 2022 to 2029 in amounts ranging from $0.4M to $7.2M with an interest rate of 5%; $41.3M term bonds which mature in 2035 with an interest rate of 3%. The Issue L Series 2019B Bonds are subject to sinking fund installments totaling $41.3M from 2030 to 2035 in annual amounts ranging from $6.4M to $7.7M. 2019B Bonds maturing on or after July 1, 2035, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2029.

On May 2, 2019, under the Issue L 2019 Bond Resolution, the Authority issued $27.6M principal amount of Subordinate Series 2019C Bonds dated June 13, 2019. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2020. Issue L Series 2019C Bonds are term bonds which mature in 2047 with an interest rate of 3.75%. 2019C Bonds are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2029.

The Issue L 2019 Bonds were issued with a premium of $6.6M.

As a result of redemptions of $40.3M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $172.1M, including the unamortized premium that was incorporated in the initial sale of the bonds.

Issue ABS 2020

On June 9, 2020, under the Indenture of Trust relating to Asset-Backed Notes, Series 2020-A, the Authority issued $198.1M principal amount of Senior Class A education loan asset-backed notes with a final maturity date of February 25, 2040. The notes are secured primarily by education loans originated with proceeds from commercial paper notes and bear an interest rate of 2.30%. Monthly interest payments are required on each distribution date, which is the 25th day of the month. Outstanding note principal may be redeemed on each monthly distribution date as determined by the Indenture requirements.

On June 9, 2020, under the Indenture of Trust relating to Asset-Backed Notes, Series 2020-A, the Authority issued $13.2M principal amount of Subordinate Class B education loan asset-backed notes with a final maturity date of February 25, 2045. The notes are secured primarily by education loans originated with proceeds from commercial paper notes and bear an interest rate of 3.76%. Monthly interest payments are required on each distribution date, which is the 25th day of the month. Outstanding note principal may be redeemed on each monthly distribution date as determined by the Indenture requirements.

As a result of redemptions of $45.8M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $96.7M, including the unamortized discount that was incorporated in the initial sale of the notes.

Issue L Series 2020A, 2020B & 2020C

On October 22, 2020, under the Issue L 2020 Bond Resolution, the Authority issued $186.5M principal amount of Senior Series 2020A Bonds dated October 30, 2020. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2021. Issue L Series 2020A Bonds mature as follows: $101.6M serial bonds which mature annually on July 1 from 2023 to 2030 in amounts ranging from $5M to $15.7M with interest at rates ranging from 1.904% to 3.105%; $84.9M term bonds which mature in 2036 with an interest rate of 3.605%. The Issue L Series 2020A Bonds are subject to sinking fund installments totaling $84.9M from 2031 to 2036 in annual amounts ranging from $10M to $22.5M. 2020A Bonds maturing on or after July 1, 2036, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2030.

On October 22, 2020, under the Issue L 2020 Bond Resolution, the Authority issued $93.6M principal amount of Senior Series 2020B Bonds dated October 30, 2020. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2021. Issue L Series 2020B Bonds mature as follows: $66M serial bonds which mature annually on July 1 from 2023 to 2030 in amounts ranging from $2M to $11M with an interest rate of 5%; $27.7M term bonds which mature in 2036 with an interest rate of 2.625%. The Issue L Series 2020B Bonds are subject to sinking fund installments totaling $27.7M from 2031 to 2036 in annual amounts ranging from $4. 3M to $5M. 2020B Bonds maturing on or after July 1, 2036, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2030.

On October 22, 2020, under the Issue L 2020 Bond Resolution, the Authority issued $10M principal amount of Subordinate Series 2020C Bonds dated October 30, 2020. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2021. Issue L Series 2020C Bonds are term bonds which mature in 2048 with an interest rate of 3.75%. 2020C Bonds are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2030.

The Issue L 2020 Bonds were issued with a premium of $11.4M.

As a result of redemptions of $36.7M in fiscal year 2022, the ending balance of this entire series as of June 30, 2022 is $262.3M, including the unamortized premium that was incorporated in the initial sale of the bonds.

Issue M Series 2021A, 2021B & 2021C

On June 25, 2021, under the Issue M 2021 Bond Resolution, the Authority issued $271.1M principal amount of Senior Series 2021A Bonds dated July 21, 2021. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2022. Issue M Series 2021A Bonds mature as follows: $148.7M serial bonds which mature annually on July 1 from 2024 to 2031 in amounts ranging from $5.5M to $24M with interest at rates ranging from 1.073% to 2.555%; $122.4M term bonds which mature in 2037 with an interest rate of 2.641%. The Issue M Series 2021A Bonds are subject to sinking fund installments totaling $122.4M from 2032 to 2037 in annual amounts ranging from $18.5M to $22.5M. 2021A Bonds maturing on or after July 1, 2037, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2031.

On June 25, 2021, under the Issue M 2021 Bond Resolution, the Authority issued $71.4M principal amount of Senior Series 2021B Bonds dated July 21, 2021. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2022. Issue M Series 2021B Bonds mature as follows: $37.6M serial bonds which mature annually on July 1 from 2024 to 2031 in amounts ranging from $1.5M to $6.2M with an interest rate of 5%; $33.8M term bonds which mature in 2037 with an interest rate of 2%. The Issue M Series 2021B Bonds are subject to sinking fund installments totaling $33.8M from 2032 to 2037 in annual amounts ranging from $4.8M to $6.2M. 2021B Bonds maturing on or after July 1, 2037, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2031.

On June 25, 2021, under the Issue M 2021 Bond Resolution, the Authority issued $39.5M principal amount of Subordinate Series 2021C Bonds dated July 21, 2021. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2022. Issue M Series 2021C Bonds are term bonds which mature in 2051 with an interest rate of 3%. 2021C Bonds are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2031.

The Issue M 2021 Bonds were issued with a premium of $9.1M.

The ending balance of this entire series as of June 30, 2022 is $390.7M, including the unamortized premium that was incorporated in the initial sale of the bonds.

Issue M Series 2022A, 2022B & 2022C

On June 3, 2022, under the Issue M 2022 Bond Resolution, the Authority issued $276.4M principal amount of Senior Series 2022A Bonds dated June 23, 2022. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2023. Issue M Series 2022A Bonds mature as follows: $139.7M serial bonds which mature annually on July 1 from 2024 to 2031 in amounts ranging from $1M to $22.7M with interest at rates ranging from 3.622% to 4.595%; $136.7M term bonds which mature in 2038 with an interest rate of 4.949%. The Issue M Series 2022A Bonds are subject to sinking fund installments totaling $136.9M from 2032 to 2038 in annual amounts of $19.6M. 2022A Bonds maturing on or after July 1, 2038, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2031.

On June 3, 2022, under the Issue M 2022 Bond Resolution, the Authority issued $88.7M principal amount of Senior Series 2022B Bonds dated June 23, 2022. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2023. Issue M Series 2022B Bonds mature as follows: $52.3M serial bonds which mature annually on July 1 from 2024 to 2031 in amounts ranging from $3M to $8.4M with an interest rate of 5%; $36.4M term bonds which mature in 2038 with an interest rate of 3.625%. The Issue M Series 2022B Bonds are subject to sinking fund installments totaling $36.4M from 2032 to 2038 in annual amounts of $5.2M. 2022B Bonds maturing on or after July 1, 2038, are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2031.

On June 3, 2022, under the Issue M 2022 Bond Resolution, the Authority issued $28.5M principal amount of Subordinate Series 2022C Bonds dated June 23, 2022. Semiannual interest payments are required each January 1 and July 1 commencing on January 1, 2023. Issue M Series 2022C Bonds are term bonds which mature in 2052 with an interest rate of 4.125%. 2022C Bonds are redeemable at the option of the Authority, in whole or in part, on any date on or after July 1, 2031.

The Issue M 2022 Bonds were issued with a premium of $2.8M.

The ending balance of this entire series as of June 30, 2022 is $396.4M, including the unamortized premium that was incorporated in the initial sale of the bonds.

Debt Refunding Transactions

Proceeds of $34.8M from the Issue M Series 2021 bonds were used to optionally redeem bonds previously issued under the Issue I resolution. The difference between the reacquisition price and the net carrying amount of the old debt of $0.5M was reported as a deferred inflow of resources in fiscal year 2022 and will be recognized as a component of interest expense over the remaining life of the new debt.

Proceeds of $46.4M from the Issue M Series 2022 bonds were used to optionally redeem bonds previously issued under the Issue J and Issue K resolutions. The difference between the reacquisition price and the net carrying amount of the old debt of $0.9M was reported as a deferred inflow of resources in fiscal year 2022 and will be recognized as a component of interest expense over the remaining life of the new debt.

These refunding transactions did not result in a material economic gain or a significant difference between the cash flows required to service the old debt and cash flows required to service the new debt.

7. NOTES PAYABLE

The Note Resolution and subsequent amendments authorize the issuance and sale of up to $350M of Commercial Paper Revenue Notes. The Notes are interest bearing obligations with maturities no later than 270 days from their date of issuance and payable primarily from draws on the Letter of Credit at maturity as well as revenues and the funds and accounts established and pledged under the Note Resolution. There was no outstanding balance on the Letter of Credit at June 30, 2022.

The activity related to the Notes for the fiscal years ended 2022 and 2021 was as follows:
(in thousands)

	2022	2021
Notes outstanding, beginning balance	$ 95,210	$ 94,095
Commercial paper notes issued	72,210	263,210
Commercial paper notes matured	(167,420)	(262,095)
Notes outstanding, ending balance	$ -	$ 95,210

The Notes are a short term financing mechanism and the Authority has historically issued a combination of long term revenue bonds and asset backed notes to finance the education loans originated with proceeds from the Notes. Proceeds from the Issue M 2022 were used to retire $72M of commercial paper notes outstanding. In fiscal year 2021, proceeds from the Issue L 2020 were used to retire $163M of commercial paper notes outstanding.

Total interest expense on the Notes for the fiscal years ended June 30, 2022 and June 30, 2021 was $0.5M and $0.2M, respectively. Interest rates on Notes issued during fiscal year 2022 ranged from 0.08% to 1.65% with maturities ranging from 1 day to 119 days. Interest rates on Notes issued during fiscal year 2021 ranged from 0.09% to 0.25% with maturities ranging from 22 days to 117 days.

As the Authority has demonstrated the ability to consummate the refinancing of the Notes, the obligation is reported as a Non-current liability on the Statement of Net Position.

8. DERIVATIVES

As a method to manage the debt costs associated with financing student loans, the Authority has engaged in the use of interest rate cap derivatives which were structured specifically with regard to its underlying asset portfolio. In recognition of the potential risks associated with the products, the Authority employed certain risk management techniques such as embedded call options, credit support annexes and amortizing notional amounts that will provide for efficiency and flexibility in its future ability to manage the derivative portfolio. For derivatives, it is the Authority's policy not to engage in trading, market making or other speculative activities.

Interest Rate Caps

The purpose of the cap was to place a ceiling on the debt service payments associated with variable rate bonds that have since been retired. Capping the variable rate debt allowed the Authority to offer variable rate loans to borrowers with the assurance that the interest rate assessed on their loans would not exceed a specific rate. It is the intent that the caps will remain in effect until the maturity date of the derivative trade or could be terminated early as part of any Statement of Net Position management strategy.

The fair values of the interest rate caps were estimated based on an independent pricing service and derived from proprietary models based upon well-recognized principles and estimates about relevant future market conditions:

June 30, 2022
(in thousands)

Notional Amounts	Effective Date	Fair Values	Cap Maturity Date	Counterparty Credit Rating
$ 880	3/13/2003	$0.2	January 2027	(Aa3/A+)
$ 610	3/10/2004	$0.1	January 2026	(Aa3/A+)
$ 1,180	3/31/2005	$0.2	January 2026	(Aa3/A+)
$ 9,900	6/13/2006	$6.0	July 2027	(Aa3/A+)
$57,600	4/5/2007	$202	January 2033	(Aa3/A+)
$70,170		**$208**		

June 30, 2021
(in thousands)

Notional Amounts	Effective Date	Fair Values	Cap Maturity Date	Counterparty Credit Rating
$1,600	3/13/2003	$0.2	January 2027	(Aa3/A+)
$1,330	3/10/2004	$0.1	January 2026	(Aa3/A+)
$1,940	3/31/2005	$0.2	January 2026	(Aa3/A+)
$12,900	6/13/2006	$3.0	July 2027	(Aa3/A+)
$62,900	4/5/2007	$138	January 2033	(Aa3/A+)
$80,670		**$142**		

As of June 30, 2022, 4% of the portfolio of interest rate caps consisted of a strike rate of 75% of one year USD-LIBOR-BBA as the underlying interest rate with a cap rate of 9.00%, while 96% of the portfolio had a strike rate of 100% of one month USD-LIBOR-BBA and a cap rate of 9.40%. All interest rate caps were purchased with a one time, up-front payment generally upon the closing of each individual bond issuance.

The total cost of all caps purchased historically was $4.1M. All of the $70M in notional outstanding as of June 30, 2022, were structured to amortize until final maturity of the trade.

As the interest rate caps no longer meet the criteria of an effective hedging relationship, they are presented as investment derivatives on the Statement of Net Position and any changes in fair value are presented as an increase or decrease in fair value of investment derivatives on the Statement of Revenues, Expenses & Changes in Net Position. For the fiscal years ended June 30, 2022 and June 30, 2021, the increase in fair value of investment derivatives recorded as income was $67K and $38K, respectively.

Credit Risk: As of June 30, 2022, the UBS AG counterparty rating for the cap portfolio was at least A2/A by Moody's and S&P, respectively. Credit risk may occur if the counterparty is unable to fulfill its obligation to reimburse the Authority the difference between the market interest rate and the cap.

Termination risk: The interest rate cap contract employs the ISDA Master Agreement, which includes standard termination events, such as decrease in credit ratings, failure to pay and bankruptcy. The counterparty must maintain a long-term debt rating of at least A2 from Moody's and at least A from Standard & Poor's. The Authority may terminate any of its caps at any time; however, the counterparty's rights are limited to defined events.

9. COLLEGE SAVINGS INVESTING PROGRAMS

The U. Plan was developed by the Authority in cooperation with the Commonwealth of Massachusetts, pursuant to specific legislative authorization in 1989. The purpose of the U. Plan is to allow families to save for undergraduate tuition at participating Massachusetts colleges and universities in a manner designed to preserve the purchasing power of the savings.

As of June 30, 2022 and 2021, the Authority had deposits of $5.5M for the purchase of tuition certificates under the Commonwealth of Massachusetts General Obligation Bonds, effective August 1, 2022 and August 1, 2021, respectively.

As part of the annual cycle of the U. Plan program, Commonwealth of Massachusetts General Obligation Bonds were purchased as follows:

(in thousands)

	Bonds Purchased	Issue Date	Maturity Dates From/Through
2000 College Opportunity Bonds, Series A	$ 6,626	August 1, 2000	August 1, 2005 / 2020
2001 College Opportunity Bonds, Series A	$ 5,636	August 1, 2001	August 1, 2006 / 2021
2002 College Opportunity Bonds, Series A	$ 5,970	August 1, 2002	August 1, 2007 / 2022
2003 College Opportunity Bonds, Series A	$ 6,343	August 1, 2003	August 1, 2008 / 2023
2004 College Opportunity Bonds, Series A	$ 7,118	August 1, 2004	August 1, 2009 / 2024
2005 College Opportunity Bonds, Series A	$ 7,078	August 1, 2005	August 1, 2010 / 2025
2006 College Opportunity Bonds, Series A	$ 5,763	August 1, 2006	August 1, 2011 / 2026
2007 College Opportunity Bonds, Series A	$ 6,028	August 1, 2007	August 1, 2012 / 2027
2008 College Opportunity Bonds, Series A	$ 5,894	August 1, 2008	August 1, 2013 / 2028
2009 College Opportunity Bonds, Series A	$ 6,903	August 1, 2009	August 1, 2014 / 2029
2010 College Opportunity Bonds, Series A	$ 8,426	August 1, 2010	August 1, 2015 / 2030
2011 College Opportunity Bonds, Series A	$ 9,031	August 1, 2011	August 1, 2016 / 2031
2012 College Opportunity Bonds, Series A	$ 11,738	August 1, 2012	August 1, 2017 / 2032
2013 College Opportunity Bonds, Series A	$ 10,998	August 1, 2013	August 1, 2018 / 2033
2014 College Opportunity Bonds, Series A	$ 9,781	August 1, 2014	August 1, 2019 / 2034
2015 College Opportunity Bonds, Series A	$ 9,209	August 1, 2015	August 1, 2020 / 2035
2016 College Opportunity Bonds, Series A	$ 8,675	August 1, 2016	August 1, 2021 / 2036
2017 College Opportunity Bonds, Series A	$ 9,442	August 1, 2017	August 1, 2022 / 2037
2018 College Opportunity Bonds, Series A	$ 8,136	August 1, 2018	August 1, 2023 / 2038
2019 College Opportunity Bonds, Series A	$ 8,386	August 1, 2019	August 1, 2024 / 2039
2020 College Opportunity Bonds, Series A	$ 7,048	August 1, 2020	August 1, 2025 / 2040
2021 College Opportunity Bonds, Series A	$ 7,836	August 1, 2021	August 1, 2026 / 2041
Total	$ 172,065		

The U. Plan tuition certificates represent a beneficial ownership interest in these bonds. The bonds bear interest at a rate equal to the annual increase in the consumer price index plus 2.5%. Between the date deposits are collected from participants and the purchase of the bonds, the amounts collected and a related liability to participants are recorded on the Statement of Net Position as certificates payable. Once bonds are purchased, the liability is removed from the Statement of Net Position of the Authority. When bonds mature, the cash is moved to an investment account restricted to MEFA's use and an associated liability to U. Plan participants is recorded on the Statement of Net Position. As of June 30, 2022 and 2021, included in accounts payable and accrued expenses, were matured certificates payable to U. Plan participants in the amounts of $10.5M and $10.1M, respectively.

The U. Fund was developed by the Authority on behalf of the Commonwealth of Massachusetts under section 529 of the Internal Revenue Code of 1986, as amended. The purpose of the U. Fund is to allow families to save for higher education expenses through the investment in mutual funds, which are professionally managed by Fidelity Investments. At June 30, 2022 and 2021, the U. Fund was composed of thirty-six mutual fund portfolios generally comprised of equity, fixed income and money market funds. Each portfolio is designed to accommodate the asset allocation based on the risk profile of the participants. As of June 30, 2022 and 2021, net assets for the U. Fund were $7,698M and $8,464M, respectively.

10. RELATED PARTIES

During fiscal year 2022, four members of the Authority were officers/trustees of participating institutions and three members of the Authority were officers/trustees of participating institutions in fiscal year 2021. For the fiscal years ended June 30, 2022 and 2021, the Authority purchased loans totaling $10.8M and $8.7M, respectively, in principal balance, from these institutions. At June 30, 2022 and 2021 $67.7M and $52.5M, respectively, of loans purchased from those institutions were outstanding.

11. DEFINED CONTRIBUTION PLANS

All employees of the Authority participate in the Massachusetts Educational Financing Authority Retirement Savings Plan (the "Plan"); a defined contribution plan created in accordance with Internal Revenue Code Sections 401(a) and 414(d). Plan benefit terms are established and may be amended by the Authority acting in its capacity as Plan Administrator. The Authority contributes an amount equal to 12.4% of an employee's gross salary to the Plan, which vests at 100% after two years of employment.

The Authority also offers the Deferred Compensation Plan of the Massachusetts Educational Financing Authority (the "Deferred Plan"). The Deferred Plan was created under Internal Revenue Code Section 457(b) and allows employees the opportunity to make pre-tax contributions to the plan subject to IRS limitations. Deferred Plan benefit terms are established and may be amended by the Authority acting in its capacity as Plan Administrator. The Authority provides a matching contribution equal to 100% of the amount contributed to the Deferred Plan up to 6% of an employee's gross salary. Total employee contributions to the Deferred Plan for the years ended June 30, 2022 and 2021 were $457K and $414K, respectively. Employee contributions to the Deferred Plan vest immediately.

It is the Authority's policy to fund contributions on a current basis. Total retirement plan expense included in general and administrative expense on the Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2022 and 2021 was $1,052K and $987K, respectively. The Authority pays administrative expenses of the plans for the plan participants and Matrix Financial Solutions is the custodian of the plan assets.

12. LEASE COMMITMENT

The Authority entered into a ten-year lease agreement for its current office space commencing in March 2018, with an initial term of ten years and a five-year renewal option. In accordance with GASB 87, a lease liability and corresponding lease asset have been recognized for this lease.

At June 30, 2022 and 2021, the balance of the lease liability was as follows:

(in thousands)

	2022	2021
Lease liability, current	$ 676	$ 649
Lease liability, non-current	3,524	4,199
Total lease liability	$ 4,200	$ 4,848

A summary of the principal and interest requirements to maturity, presented separately, for the lease liability is presented below (in thousands):

Year Ending June 30	Total Lease Payments	Interest	Principal
2023	755	80	675
2024	769	66	703
2025	782	51	731
2026	796	36	760
2027	809	20	789
2028	546	4	542
Total	$4,457	$257	$4,200

The office space lease is subject to the Authority paying certain variable operating costs, such as annual escalation for increases in real estate taxes and operating expenses, which are not included in the measurement of the lease liability balances above. Total expense relating to these costs for the years ended June 30, 2022 and 2021 was $26K and $45K, respectively.

At June 30, 2022 and 2021, the net balance of the corresponding lease asset, which is included in capital assets, was as follows:

(in thousands)	2022	2021
Lease asset, gross	$ 5,470	$ 5,470
Accumulated amortization	(1,427)	(714)
Lease asset, net	$ 4,043	$ 4,756

13. CAPITAL ASSETS

The activity related to the Authority's capital assets for the fiscal years ended 2022 and 2021, respectively, was as follows:

(in thousands)	June 30, 2021	Additions	June 30, 2022
Software	$ 12,306	$ 2,157	$ 14,463
Leases	6,034	-	6,034
Computer hardware	722	8	730
Furniture	434	-	434
Equipment	282	-	282
Total capital assets (at cost)	19,778	2,165	21,943
Accumulated depreciation	(11,704)	(2,255)	(13,959)
Capital assets, net	$ 8,074	$ (90)	$ 7,984

	June 30, 2020	Additions	June 30, 2021
Software	$ 10,495	$ 1,811	$ 12,306
Leases	6,034	-	6,034
Computer hardware	686	36	722
Furniture	434	-	434
Equipment	282	-	282
Total capital assets (at cost)	17,931	1,847	19,778
Accumulated depreciation	(9,419)	(2,285)	(11,704)
Capital assets, net	$ 8,512	$ (438)	$ 8,074

Included in general and administrative expenses are depreciation expenses of \$2.3M for the years ended June 30, 2022 and June 30, 2021.

14. SUBSEQUENT EVENTS

On September 23, 2022, the Authority voluntarily decreased the Letter of Credit from \$350M to \$100M. This subsequently reduced the additional lending liquidity for the MEFA loan program to the stated Letter of Credit amount.

On October 5, 2022, as part of the annual cycle of the U. Plan prepaid tuition program, the Authority purchased Commonwealth of Massachusetts General Obligation Bonds in the amount of \$7.2M at which time the corresponding liability to program participants was removed from the Statement of Net Position of the Authority.

NOTES TO FIDUCIARY FUND FINANCIAL STATEMENTS

1. THE ATTAINABLE PLAN

In May 2017, the Authority, on behalf of the Commonwealth, introduced the Attainable Savings Plan (the "Attainable Plan"). The Attainable Plan, established under the Achieving a Better Life Experience (ABLE) Act of 2014, is a tax advantaged savings plan under Section 529A of the Internal Revenue Code that allows individuals with disabilities to save for qualifying disability expenses through investment portfolios ("Portfolios") managed by Fidelity Management & Research Company LLC (FMR) and held by the Authority on behalf of the account owners in a custodial fund. A custodial fund is a type of fiduciary fund which is used to report assets held in a trustee or custodial capacity for others and therefore cannot be used to support a government's own programs. Fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flow. The Governmental Accounting Standards Board ("GASB") requires fiduciary funds be reported separately from the basic financial statements of business type activities.

2. BASIS OF PRESENTATION

Accounting and Reporting Standards

The GASB defines the basic financial statements of a fiduciary custodial fund as the Statement of Fiduciary Net Position, which presents information on the Attainable Plan's assets and liabilities and a Statement of Changes in Fiduciary Net Position, which presents information showing how the Attainable Plan's net position changed during the year. The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position present only the Attainable Plan, not the financial position of the Authority or changes to its financial position or cash flows in accordance with accounting principles generally accepted in the United States of America.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These fiduciary fund financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB, which requires management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. The following summarizes the significant accounting policies of the Attainable Plan:

Investment Valuation

Each Portfolio categorizes the inputs to valuation techniques used to value its investments into a disclosure hierarchy consisting of three levels as shown below:

Level 1 – quoted prices in active markets for identical investments
Level 2 – other significant observable inputs
Level 3 – unobservable inputs (including each Portfolio's own assumptions based on the best information available)

Investments in the underlying funds are valued at their closing net asset value (NAV) each business day. As of June 30, 2022, and June 30, 2021, all investments held by the Portfolios are categorized as Level 1 under the fair value hierarchy

Investment Transactions and Income

For financial reporting purposes, the Portfolios' investment holdings and NAV include trades executed through the end of the last business day of the period. The NAV per unit for processing designated beneficiary transactions is calculated as of the close of business of the New York Stock Exchange and includes trades executed through the end of the prior business day. Gains and losses on securities sold are determined on the basis of average cost. Income and capital gain distributions from the underlying funds, if any, are recorded on the ex-dividend date. Interest income is accrued as earned. There are no distributions of net investment gains or net investment income to the Portfolios' designated beneficiaries or persons with signature authority.

Expenses

Expenses are recorded on the accrual basis. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known. Expenses included in the accompanying financial statements reflect the expenses of each Portfolio and do not include any expenses associated with the underlying funds.

Contributions and Withdrawals
Contributions and withdrawals are recognized on the trade date. Contributions on the Statement of Changes in Fiduciary Net Position include any contributions to the Attainable Plan made by account owners and any exchanges within the Attainable Plan that result in a reinvestment of assets. Withdrawals in the Statement of Changes in Fiduciary Net Position include any withdrawals from the Attainable Plan made by account owners and any exchanges within the Attainable Plan that result in a withdrawal and subsequent reinvestment of assets.

Other
There are no unrecognized tax benefits in the accompanying financial statements in connection with the tax positions taken by each Portfolio. The Portfolios do not file any tax returns since the Attainable Plan is exempt from federal and state income tax under Section 529A of the Internal Revenue Code.

4. PLAN FEES

The Authority has entered into a Management & Administrative Services agreement with Fidelity Brokerage Services, LLC to provide administrative, record keeping, distribution and marketing services to the Attainable plan. Under this agreement and a related agreement with FMR, a Management and Administration Fee is charged to the Portfolios at an annual rate based on the net assets of each Portfolio. This fee has two components, a Program Manager fee paid to FMR, which ranges from .00% to .15% and a State Sponsor fee paid to the Authority, which ranges from .00% to .05%.

For the year ended June 30, 2022 and 2021, FMR voluntarily agreed to waive certain fees in order to avoid a negative yield. Waivers are shown on the Statements of Changes in Fiduciary Net Position under the caption "Less fee waived by Manager". The fees waived for ABLE Money Market Portfolio were $22,358 and $19,312, respectively for the years ended June 30, 2022 and 2021.

5. INVESTMENTS

The following summarizes the value of the investments of the Attainable Plan:

Portfolios	Underlying Funds	June 30, 2022	June 30, 2021
ABLE Conservative Income 20%	Fidelity Asset Manager® 20%	$6,062,560	$5,132,009
ABLE Income 30% Portfolio	Fidelity Asset Manager® 30%	4,591,739	4,101,322
ABLE Moderate Income 40% Portfolio	Fidelity Asset Manager® 40%	4,838,084	4,163,407
ABLE Balanced 50% Portfolio	Fidelity Asset Manager® 50%	11,317,697	10,204,614
ABLE Moderate Growth 60% Portfolio	Fidelity Asset Manager® 60%	10,499,678	9,411,021
ABLE Growth 70% Portfolio	Fidelity Asset Manager® 70%	11,322,716	10,289,168
ABLE Aggressive Growth 85% Portfolio	Fidelity Asset Manager® 85%	18,662,857	16,143,063
ABLE Money Market Portfolio	Fidelity® Government Cash Reserves	15,246,796	11,652,509
		$82,542,127	$71,097,113

At June 30, 2022 and June 30, 2021, the costs of investments were $86,018,030 and $61,963,116, respectively.

6. INVESTMENT RISK

Certain investments are subject to a variety of investment risks based on the amount of risk in the underlying funds. GASB requires that entities disclose certain essential risk information about deposits and investments. All of the Portfolios are uninsured, unregistered and are held by a custodian in the Attainable Plan's name.

Investment policy. The Attainable Plan does not have specific investment policies which address credit, interest rate, foreign currency or custodial credit risk. The Attainable Plan's Portfolios are managed based on specific investment objectives and strategies which are disclosed in the current Attainable Plan Fact Kit.

Custodial credit risk. Custodial credit risk represents the potential inability of a custodian to return Attainable Plan deposits and investments in the event of a failure. An account owner has an investment in a

Portfolio and not a direct investment in any underlying mutual fund or other investment vehicle to which funds in that Portfolio may be allocated. Because of this ownership structure, the custodial credit risk is mitigated.

Underlying fund risk. The Portfolios can be subject to certain risks related to underlying funds' investments in securities and financial instruments. These securities and financial instruments are subject to risks specific to their structure, sector or market. The extent to which the investment performance and risks associated with the Portfolio correlate to those of a particular underlying fund will depend upon the extent to which a Portfolio's assets are allocated in the underlying funds, which will vary. Specific risks and concentrations present in the underlying funds are disclosed within each underlying fund's financial statements, as appropriate.

7. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The Statement of Fiduciary Net Position as at June 30, 2021 has been restated to correct a misclassification of "Due to designated beneficiaries", which was presented as a liability due to a misinterpretation of GASB Statement No. 84, Fiduciary Activities ("GASB 84") during the implementation of that standard, and is restated to be presented as "Fiduciary Net Position". As such, "Total Liabilities" of $71,232,210 as previously reported in the Statement of Fiduciary Net Position as at June 30, 2021 has been restated to $144,297.

The misclassification of "Due to designated beneficiaries" during the implementation of GASB 84 also resulted in the omission of the Statement of Changes in Fiduciary Net Position for the year ended June 30, 2021. Accordingly, the Attainable Plan is including a Statement of Changes in Fiduciary Net Position for the year ended June 30, 2021 to restate for the prior year omission. There was no impact on participants' balances as at June 30 2021 as a result of these restatements.

8. ADDITIONAL INFORMATION

In the normal course of business, the Portfolios may enter into contracts that provide general indemnifications. The Portfolios' maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against the Portfolios. The risk of material loss from such claims is considered remote.

9. CORONA VIRUS PANDEMIC

The outbreak of COVID-19 has spread globally, including throughout the United States and in Massachusetts, and on March 11, 2020, was declared a pandemic by the World Health Organization. Developments that disrupt global economies and financial markets, such as the COVID-19 pandemic, may magnify factors that affect the Portfolios' performance.

Supplemental Schedules

The following supplementary information, which provides financial information segregated by fund, is presented for purposes of additional analysis and is not a required part of the financial statements of the Authority.

Massachusetts Educational Financing Authority

Supplemental Schedule 1

Statements of Net Position

June 30, 2022 and 2021

	2022					2021				
Assets	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**
Current assets										
Cash and cash equivalents	$ 283,050	$ 34	$ 2,518	$ 7,904	$ 293,506	$ 376,867	$ 22,940	$ 1,114	$ 548	$ 401,469
Investments	-	-	19,928	-	19,928	-	-	19,241	-	19,241
Education loan notes receivable, net	134,809	16	-	1,059	135,884	123,922	6,689	-	1,413	132,024
Interest receivable on education loan notes	28,896	-	-	1	28,897	31,402	74	-	-	31,476
Prepaid expenses and other assets	535	16	3,031	637	4,219	190	-	2,855	655	3,700
Interfund balances	(843)	-	-	843	-	(732)	-	-	732	-
Total current assets	446,447	66	25,477	10,444	482,434	531,649	29,703	23,210	3,348	587,910
Non-current assets										
Cash and cash equivalents	335,260	-	-	-	335,260	29,063	-	-	-	29,063
Investments	-	-	39,326	57,351	96,677	-	-	39,299	63,630	102,929
Derivative instruments	-	-	-	208	208	-	-	-	142	142
Education loan notes receivable, net	1,495,062	189	-	13,446	1,508,697	1,465,003	75,074	-	15,424	1,555,501
Capital assts, net of accumulated depreciation	-	-	-	7,984	7,984	-	-	-	8,074	8,074
Total assets	$ 2,276,769	$ 255	$ 64,803	$ 89,433	$ 2,431,260	$ 2,025,715	$ 104,777	$ 62,509	$ 90,618	$ 2,283,619
Liabilities										
Current liabilities										
Accounts payable and accrued expenses	$ 715	$ -	$ 10,490	$ 4,919	$ 16,124	$ 1,506	$ 2	$ 10,103	$ 4,105	$ 15,716
Bonds payable - current portion	75,327	-	-	-	75,327	164,000	-	-	-	164,000
Certificates payable	-	-	5,488	-	5,488	-	-	5,539	-	5,539
Accrued interest payable	28,656	-	-	-	28,656	33,627	5	-	-	33,632
Total current liabilities	104,698	-	15,978	4,919	125,595	199,133	7	15,642	4,105	218,887
Non-current liabilities										
Notes payable	-	-	-	-	-	-	95,210	-	-	95,210
Bonds payable - net of current portion	2,026,290	-	-	-	2,026,290	1,694,954	-	-	-	1,694,954
Other liabilities - non-current	-	-	-	3,524	3,524	-	-	-	4,199	4,199
Total liabilities	2,130,988	-	15,978	8,443	2,155,409	1,894,087	95,217	15,642	8,304	2,013,250
Deferred inflows of resources										
Net gain on bond refunding	1,107	-	-	-	1,107	2,491	-	-	-	2,491
Total deferred inflows of resources	1,107	-	-	-	1,107	2,491	-	-	-	2,491
Total liabilities and deferred inflows of resources	2,132,095	-	15,978	8,443	2,156,516	1,896,578	95,217	15,642	8,304	2,015,741
Net position										
Net investment in capital assets	-	-	-	7,984	7,984	-	-	-	8,074	8,074
Restricted	144,674	255	16,687	1,932	163,548	129,137	9,560	15,651	1,931	156,279
Unrestricted	-	-	32,138	71,074	103,212	-	-	31,216	72,309	103,525
Total net position	144,674	255	48,825	80,990	274,744	129,137	9,560	46,867	82,314	267,878
Total liabilities, deferred inflows and net position	$ 2,276,769	$ 255	$ 64,803	$ 89,433	$ 2,431,260	$ 2,025,715	$ 104,777	$ 62,509	$ 90,618	$ 2,283,619

Massachusetts Educational Financing Authority

Supplemental Schedule 1

Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2022 and 2021

2022

Operating revenues	Trusteed Bond Funds	Trusteed Note Funds	College Savings Funds	Authority Funds	Total
Interest on education loan notes receivable	$ 90,243	$ 4,181	$ -	$ 2	$ 94,426
College savings plan interest and fees	-	-	7,168	40	7,208
Other revenue	-	-	867	-	867
Total operating revenues	90,243	4,181	8,035	42	102,501
Operating expenses					
Bond and note interest expense	54,959	486	-	-	55,445
Costs of bond and note issuance	5,488	-	-	9	5,497
Provision for doubtful education loan notes receivable	4,922	(845)	-	1,242	5,319
General and administrative	15,095	3	6,286	7,900	29,284
Other expense	1,145	-	-	1	1,146
Total operating expenses	81,609	(356)	6,286	9,152	96,691
Operating income (loss)	8,634	4,537	1,749	(9,110)	5,810
Non-operating revenues (expenses)					
Interest and dividends	652	37	209	91	989
Increase in fair value of derivative instruments	-	-	-	67	67
Net asset transfers	(16,989)	-	-	16,989	-
Net non-operating revenues	(16,337)	37	209	17,147	1,056
Income (loss) before interfund transfers	(7,703)	4,574	1,958	8,037	6,866
Interfund transfers	23,240	(13,879)	-	(9,361)	-
Total increase (decrease) in net position	15,537	(9,305)	1,958	(1,324)	6,866
Net position, beginning of year	129,137	9,560	46,867	82,314	267,878
Net position, end of year	$ 144,674	$ 255	$ 48,825	$ 80,990	$ 274,744

2021

Operating revenues	Trusteed Bond Funds	Trusteed Note Funds	College Savings Funds	Authority Funds	Total
Interest on education loan notes receivable	$ 99,370	$ 3,497	$ -	$ 7	$ 102,874
College savings plan interest and fees	-	-	6,810	25	6,835
Other revenue	-	-	818	-	818
Total operating revenues	99,370	3,497	7,628	32	110,527
Operating expenses					
Bond and note interest expense	65,547	158	-	-	65,705
Costs of bond and note issuance	3,641	-	-	42	3,683
Provision for doubtful education loan notes receivable	5,481	(261)	-	1,223	6,443
General and administrative	10,428	7	5,473	12,475	28,383
Other expense	1,215	(62)	-	-	1,153
Total operating expenses	86,312	(158)	5,473	13,740	105,367
Operating income (loss)	13,058	3,655	2,155	(13,708)	5,160
Non-operating revenues (expenses)					
Interest and dividends	46	3	48	9	106
Increase in fair value of derivative instruments	-	-	-	38	38
Net asset transfers	-	-	-	-	-
Net non-operating revenues	46	3	48	47	144
Income (loss) before interfund transfers	13,104	3,658	2,203	(13,661)	5,304
Interfund transfers	(2,148)	2,165	-	(17)	-
Total increase (decrease) in net position	10,956	5,823	2,203	(13,678)	5,304
Net position, beginning of year	118,181	3,737	44,664	95,992	262,574
Net position, end of year	$ 129,137	$ 9,560	$ 46,867	$ 82,314	$ 267,878

Massachusetts Educational Financing Authority

Supplemental Schedule 1

Statements of Cash Flows

For the years ended June 30, 2022 and 2021

	2022					2021				
Cash flows from operating activities:	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**
Payments for disbursed loans	$ (248,823)	$ (95,082)	$ -	$ -	$ (343,905)	$ (136,954)	$ (185,219)	$ -	$ (4)	$ (322,177)
Payments received on outstanding loan principal	373,947	20,753	-	1,090	395,790	413,922	8,315	-	1,482	423,719
General & administrative payments	(15,852)	(5)	(6,096)	(4,700)	(26,653)	(9,690)	(9)	(5,066)	(9,464)	(24,229)
Interest received on education loans	77,731	3,868	-	-	81,599	82,447	4,511	-	7	86,965
Proceeds from other sources	-	-	8,087	40	8,127	-	-	7,539	25	7,564
Net cash provided by (used in) operating activities	187,003	(70,466)	1,991	(3,570)	114,958	349,725	(172,402)	2,473	(7,954)	171,842
Cash flows from non-capital financing activities:										
Proceeds from issuance of bonds	787,516	-	-	-	787,516	301,445	-	-	-	301,445
Proceeds from issuance of commercial paper notes	-	72,210	-	-	72,210	-	263,210	-	-	263,210
Costs of bond and note issuance	(5,488)	-	-	(9)	(5,497)	(3,639)	-	-	(44)	(3,683)
Bond and note nterest paid	(74,077)	(492)	-	-	(74,569)	(75,439)	(186)	-	-	(75,625)
Principal payments on bonds payable	(532,091)	-	-	1	(532,090)	(314,979)	-	-	-	(314,979)
Principal payments on commercial paper notes	-	(167,420)	-	-	(167,420)	-	(262,095)	-	-	(262,095)
Net asset transfers	(150,757)	143,241	-	7,516	-	(160,558)	160,684	-	(126)	-
Net cash provided by (used in) non-capital financing activities	25,103	47,539	-	7,508	80,150	(253,170)	161,613	-	(170)	(91,727)
Cash flows from capital financing activities:										
Purchase of capital equipment and software development	-	-	-	(2,165)	(2,165)	-	-	-	(1,846)	(1,846)
Lease payments	-	-	-	(742)	(742)	-	-	-	(728)	(728)
Net cash used in capital financing activities	-	-	-	(2,907)	(2,907)	-	-	-	(2,574)	(2,574)
Cash flows from investing activities:										
Proceeds from maturity/sale of investments	-	-	9,877	25,500	35,377	-	-	9,053	10,000	19,053
Purchases of investments	-	-	(10,642)	(19,221)	(29,863)	-	-	(11,406)	(14)	(11,420)
Interest and dividends received on cash and investments	274	21	178	46	519	59	4	50	15	128
Net cash provided by (used in) investing activities	274	21	(587)	6,325	6,033	59	4	(2,303)	10,001	7,761
Net increase (decrease) in cash and cash equivalents	212,380	(22,906)	1,404	7,356	198,234	96,614	(10,785)	170	(697)	85,302
Cash and cash equivalents, beginning of year	405,930	22,940	1,114	548	430,532	309,316	33,725	944	1,245	345,230
Cash and cash equivalents, end of year	$ 618,310	$ 34	$ 2,518	$ 7,904	$ 628,766	$ 405,930	$ 22,940	$ 1,114	$ 548	$ 430,532

Massachusetts Educational Financing Authority
Supplemental Schedule 1
Statements of Cash Flows, Continued
For the years ended June 30, 2022 and 2021

	2022					2021				
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**	**Trusteed Bond Funds**	**Trusteed Note Funds**	**College Savings Funds**	**Authority Funds**	**Total**
Operating income (loss)	$ 8,634	$ 4,537	$ 1,749	$ (9,110)	$ 5,810	$ 13,058	$ 3,655	$ 2,155	$ (13,708)	$ 5,160
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:										
Depreciation expense	-	-	-	2,255	2,255	-	-	-	2,285	2,285
Lease financing expense	-	-	-	94	94	-	-	-	106	106
Provision for doubtful education loan notes receivable	4,922	(845)	-	1,242	5,319	5,481	(261)	-	1,223	6,443
Costs of bond and note issuance	5,488	-	-	9	5,497	3,639	-	-	44	3,683
Bond and note interest expense	54,959	486	-	-	55,445	65,547	158	-	-	65,705
Changes in assets and liabilities:										
Education loan notes receivable	110,864	(74,329)	-	1,090	37,625	262,825	(176,933)	-	1,477	87,369
Interest receivable on education loan notes	2,894	(315)	-	1	2,580	(1,564)	981	-	-	(583)
Accounts payable and accrued expenses	(793)	-	387	787	381	753	(2)	388	578	1,717
Prepaid expenses and other assets	35	-	(145)	62	(48)	(14)	-	(70)	41	(43)
Net cash provided by (used in) operating activities	$ 187,003	$ (70,466)	$ 1,991	$ (3,570)	$ 114,958	$ 349,725	$ (172,402)	$ 2,473	$ (7,954)	$ 171,842

Massachusetts Educational Financing Authority

Supplemental Schedule 2

Statements of Net Position

June 30, 2022 and 2021

2022

Assets	FRN of 2008	Issue I Total	Issue J Total	Issue K Total	Issue L Total	Issue M Total	ABS of 2018	ABS of 2020	Trusteed Bond Funds
Current assets									
Cash and cash equivalents	$ 1,642	$ 49,188	$ 55,410	$ 34,423	$ 107,437	$ 31,594	$ 1,168	$ 2,188	$ 283,050
Education loan notes receivable, net	2,157	21,368	20,478	11,562	31,882	32,240	4,816	10,306	134,809
Interest receivable on education loan notes	344	1,167	1,541	1,970	19,052	4,379	238	205	28,896
Prepaid expenses and other assets	8	72	93	85	114	156	6	1	535
Interfund balances	-	(356)	(34)	-	(18)	(406)	(29)	-	(843)
Total current assets	4,151	71,439	77,488	48,040	158,467	67,963	6,199	12,700	446,447
Non-current assets									
Cash and cash equivalents	754	8,000	2,750	3,431	7,585	311,923	500	317	335,260
Education loan notes receivable, net	16,821	133,202	144,910	110,061	526,700	420,354	53,972	89,042	1,495,062
Total assets	$ 21,726	$ 212,641	$ 225,148	$ 161,532	$ 692,752	$ 800,240	$ 60,671	$ 102,059	$ 2,276,769
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	$ 17	$ 39	$ 63	$ 24	$ 217	$ 334	$ 9	$ 12	$ 715
Bonds payable - current portion	-	21,865	22,489	10,413	20,560	-	-	-	75,327
Accrued interest payable	79	4,017	3,841	2,665	12,591	5,387	36	40	28,656
Total current liabilities	96	25,921	26,393	13,102	33,368	5,721	45	52	104,698
Non-current liabilities									
Bonds payable - net of current portion	19,735	149,209	161,827	111,198	645,352	787,077	55,224	96,668	2,026,290
Total liabilities	19,831	175,130	188,220	124,300	678,720	792,798	55,269	96,720	2,130,988
Deferred inflows of resources									
Net gain (loss) on bond refunding	-	-	-	-	-	1,252	(145)	-	1,107
Total deferred inflows of resources	-	-	-	-	-	1,252	(145)	-	1,107
Total liabilities and deferred inflows of resources	19,831	175,130	188,220	124,300	678,720	794,050	55,124	96,720	2,132,095
Net position									
Restricted	1,895	37,511	36,928	37,232	14,032	6,190	5,547	5,339	144,674
Total net position	1,895	37,511	36,928	37,232	14,032	6,190	5,547	5,339	144,674
Total liabilities, deferred inflows and net position	$ 21,726	$ 212,641	$ 225,148	$ 161,532	$ 692,752	$ 800,240	$ 60,671	$ 102,059	$ 2,276,769

2021

Assets	FRN of 2008	Issue I Total	Issue J Total	Issue K Total	Issue L Total	Issue M Total	ABS of 2018	ABS of 2020	Trusteed Bond Funds
Current assets									
Cash and cash equivalents	$ 1,271	$ 84,218	$ 87,262	$ 62,659	$ 132,056	$ -	$ 3,840	$ 5,561	$ 376,867
Education loan notes receivable, net	2,569	30,901	25,200	17,340	29,655	-	5,408	12,849	123,922
Interest receivable on education loan notes	258	2,146	3,315	5,423	19,603	-	329	328	31,402
Prepaid expenses and other assets	-	62	47	25	28	-	5	23	190
Interfund balances	-	(271)	(34)	-	(216)	(182)	(29)	-	(732)
Total current assets	4,098	117,056	115,790	85,447	181,126	(182)	9,553	18,761	531,649
Non-current assets									
Cash and cash equivalents	754	8,000	2,852	3,671	12,933	-	486	367	29,063
Education loan notes receivable, net	20,999	214,301	215,558	183,790	627,471	-	72,889	129,995	1,465,003
Total assets	$ 25,851	$ 339,357	$ 334,200	$ 272,908	$ 821,530	$ (182)	$ 82,928	$ 149,123	$ 2,025,715
Liabilities									
Current liabilities									
Accounts payable and accrued expenses	$ 22	$ 131	$ 155	$ 149	$ 79	$ 924	$ 17	$ 29	$ 1,506
Bonds payable - current portion	-	84,423	39,570	27,849	12,158	-	-	-	164,000
Accrued interest payable	50	6,910	6,261	5,220	15,077	-	51	58	33,627
Total current liabilities	72	91,464	45,986	33,218	27,314	924	68	87	199,133
Non-current liabilities									
Bonds payable - net of current portion	23,940	202,157	251,443	202,810	795,013	-	77,131	142,460	1,694,954
Total liabilities	24,012	293,621	297,429	236,028	822,327	924	77,199	142,547	1,894,087
Deferred inflows of resources									
Net gain (loss) on bond refunding	-	737	-	1,972	-	-	(218)	-	2,491
Total deferred inflows of resources	-	737	-	1,972	-	-	(218)	-	2,491
Total liabilities and deferred inflows of resources	24,012	294,358	297,429	238,000	822,327	924	76,981	142,547	1,896,578
Net position									
Restricted	1,839	44,999	36,771	34,908	(797)	(1,106)	5,947	6,576	129,137
Total net position	1,839	44,999	36,771	34,908	(797)	(1,106)	5,947	6,576	129,137
Total liabilities, deferred inflows and net position	$ 25,851	$ 339,357	$ 334,200	$ 272,908	$ 821,530	$ (182)	$ 82,928	$ 149,123	$ 2,025,715

Massachusetts Educational Financing Authority

Supplemental Schedule 2

Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2022 and 2021

2022

	FRN of 2008	Issue I Total	Issue J Total	Issue K Total	Issue L Total	Issue M Total	ABS of 2018	ABS of 2020	Trusteed Bond Funds
Operating revenues									
Interest on education loan notes receivable	$ 424	$ 11,387	$ 12,931	$ 10,552	$ 35,774	$ 9,494	$ 3,806	$ 5,875	$ 90,243
Total operating revenues	424	11,387	12,931	10,552	35,774	9,494	3,806	5,875	90,243
Operating expenses									
Bond interest expense	283	5,735	7,316	4,829	21,722	9,303	2,838	2,933	54,959
Costs of bond issuance	-	-	-	-	-	5,488	-	-	5,488
Provision for doubtful education loan notes receivable	9	753	370	55	(3,251)	6,964	146	(124)	4,922
General and administrative	79	2,905	1,454	1,864	2,451	2,523	1,198	2,621	15,095
Other expense	-	147	317	120	170	52	32	307	1,145
Total operating expenses	371	9,540	9,457	6,868	21,092	24,330	4,214	5,737	81,609
Operating income (loss)	53	1,847	3,474	3,684	14,682	(14,836)	(408)	138	8,634
Non-operating revenues (expenses)									
Interest and dividends	3	76	83	83	147	253	3	4	652
Net asset transfers	-	(9,900)	(3,400)	(2,300)	-	-	-	(1,389)	(16,989)
Net non-operating revenues (expenses)	3	(9,824)	(3,317)	(2,217)	147	253	3	(1,385)	(16,337)
Income (loss) before interfund transfers	56	(7,977)	157	1,467	14,829	(14,583)	(405)	(1,247)	(7,703)
Interfund transfers	-	489	-	857	-	21,879	5	10	23,240
Total increase (decrease) in net position	56	(7,488)	157	2,324	14,829	7,296	(400)	(1,237)	15,537
Net position, beginning of year	1,839	44,999	36,771	34,908	(797)	(1,106)	5,947	6,576	129,137
Net position, end of year	$ 1,895	$ 37,511	$ 36,928	$ 37,232	$ 14,032	$ 6,190	$ 5,547	$ 5,339	$ 144,674

2021

	FRN of 2008	Issue I Total	Issue J Total	Issue K Total	Issue L Total	Issue M Total	ABS of 2018	ABS of 2020	Trusteed Bond Funds
Operating revenues									
Interest on education loan notes receivable	$ 436	$ 18,882	$ 17,535	$ 13,634	$ 34,672	$ -	$ 5,477	$ 8,734	$ 99,370
Total operating revenues	436	18,882	17,535	13,634	34,672	-	5,477	8,734	99,370
Operating expenses									
Bond interest expense	327	11,045	11,406	8,607	25,584	-	4,192	4,386	65,547
Costs of bond issuance	-	-	-	-	2,564	1,106	-	(29)	3,641
Provision for doubtful education loan notes receivable	(22)	874	272	310	4,804	-	(135)	(622)	5,481
General and administrative	99	1,291	1,130	795	3,401	-	2,254	1,458	10,428
Other expense	-	263	404	117	203	-	165	63	1,215
Total operating expenses	404	13,473	13,212	9,829	36,556	1,106	6,476	5,256	86,312
Operating income (loss)	32	5,409	4,323	3,805	(1,884)	(1,106)	(999)	3,478	13,058
Non-operating revenues (expenses)									
Interest and dividends	-	13	8	5	18	-	1	1	46
Net asset transfers	-	-	-	-	-	-	-	-	-
Net non-operating revenues (expenses)	-	13	8	5	18	-	1	1	46
Income (loss) before interfund transfers	32	5,422	4,331	3,810	(1,866)	(1,106)	(998)	3,479	13,104
Interfund transfers	-	-	-	-	(2,227)	-	11	68	(2,148)
Total increase (decrease) in net position	32	5,422	4,331	3,810	(4,093)	(1,106)	(987)	3,547	10,956
Net position, beginning of year	1,807	39,577	32,440	31,098	3,296	-	6,934	3,029	118,181
Net position, end of year	$ 1,839	$ 44,999	$ 36,771	$ 34,908	$ (797)	$ (1,106)	$ 5,947	$ 6,576	$ 129,137

Massachusetts Educational Financing Authority

Supplemental Schedule 2

Statements of Cash Flows

For the years ended June 30, 2022 and 2021

2022

	FRN of 2008	Issue I Total	Issue J Total	Issue K Total	Issue L Total	Issue M Total	ABS of 2018	ABS of 2020	Trusteed Bond Funds
Cash flows from operating activities:									
Payments for disbursed loans	$ -	$ -	$ -	$ -	$ (4,186)	$ (244,637)	$ -	$ -	$ (248,823)
Payments received on outstanding loan principal	4,731	55,695	62,603	50,568	115,024	22,670	19,336	43,320	373,947
General & administrative payments	(89)	(2,966)	(1,548)	(1,997)	(2,317)	(3,114)	(1,206)	(2,615)	(15,852)
Interest received on education loans	188	11,659	13,003	10,273	27,113	5,613	3,892	5,990	77,731
Net cash provided by (used in) operating activities	4,830	64,388	74,058	58,844	135,634	(219,468)	22,022	46,695	187,003
Cash flows from non-capital financing activities:									
Proceeds from issuance of bonds	-	-	-	-	-	787,516	-	-	787,516
Costs of bond issuance	-	-	-	-	-	(5,488)	-	-	(5,488)
Bond interest paid	(255)	(12,376)	(11,633)	(10,763)	(29,067)	(4,435)	(2,610)	(2,938)	(74,077)
Principal payments on bonds payable	(4,205)	(112,020)	(104,800)	(106,785)	(136,400)	-	(22,077)	(45,804)	(532,091)
Net asset transfers	-	24,943	10,383	30,195	(199)	(214,705)	5	(1,379)	(150,757)
Net cash (used in) provided by non-capital financing activities	(4,460)	(99,453)	(106,050)	(87,353)	(165,666)	562,888	(24,682)	(50,121)	25,103
Cash flows from investing activities:									
Interest and dividends received on cash and investments	1	35	38	33	65	97	2	3	274
Net cash provided by investing activities	1	35	38	33	65	97	2	3	274
Net increase (decrease) in cash and cash equivalents	371	(35,030)	(31,954)	(28,476)	(29,967)	343,517	(2,658)	(3,423)	212,380
Cash and cash equivalents, beginning of year	2,025	92,218	90,114	66,330	144,989	-	4,326	5,928	405,930
Cash and cash equivalents, end of year	$ 2,396	$ 57,188	$ 58,160	$ 37,854	$ 115,022	$ 343,517	$ 1,668	$ 2,505	$ 618,310

2021

	FRN of 2008	Issue I Total	Issue J Total	Issue K Total	Issue L Total	Issue M Total	ABS of 2018	ABS of 2020	Trusteed Bond Funds
Cash flows from operating activities:									
Payments for disbursed loans	$ -	$ -	$ -	$ -	$ (136,954)	$ -	$ -	$ -	$ (136,954)
Payments received on outstanding loan principal	5,298	88,841	76,653	55,095	85,636	-	36,634	65,765	413,922
General & administrative payments	(96)	(1,267)	(1,061)	(695)	(3,537)	924	(2,260)	(1,698)	(9,690)
Interest received on education loans	253	18,673	16,761	11,962	20,551	-	5,499	8,748	82,447
Net cash provided by (used in) operating activities	5,455	106,247	92,353	66,362	(34,304)	924	39,873	72,815	349,725
Cash flows from non-capital financing activities:									
Proceeds from issuance of bonds	-	-	-	-	301,445	-	-	-	301,445
Costs of bond issuance	-	-	-	-	(2,564)	(1,105)	-	30	(3,639)
Bond interest paid	(383)	(18,038)	(14,461)	(11,703)	(22,576)	-	(3,803)	(4,475)	(75,439)
Principal payments on bonds payable	(5,450)	(86,520)	(62,130)	(36,235)	(20,005)	-	(35,855)	(68,784)	(314,979)
Net asset transfers	-	14	-	(120)	(160,558)	181	10	(85)	(160,558)
Net cash (used in) provided by non-capital financing activities	(5,833)	(104,544)	(76,591)	(48,058)	95,742	(924)	(39,648)	(73,314)	(253,170)
Cash flows from investing activities:									
Interest and dividends received on cash and investments	-	17	11	8	21	-	1	1	59
Net cash provided by investing activities	-	17	11	8	21	-	1	1	59
Net increase (decrease) in cash and cash equivalents	(378)	1,720	15,773	18,312	61,459	-	226	(498)	96,614
Cash and cash equivalents, beginning of year	2,403	90,498	74,341	48,018	83,530	-	4,100	6,426	309,316
Cash and cash equivalents, end of year	$ 2,025	$ 92,218	$ 90,114	$ 66,330	$ 144,989	$ -	$ 4,326	$ 5,928	$ 405,930

Massachusetts Educational Financing Authority

Supplemental Schedule 2

Statements of Cash Flows, Continued

For the years ended June 30, 2022 and 2021

2022

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	FRN of 2008	Issue I Total	Issue J Total	Issue K Total	Issue L Total	Issue M Total	ABS of 2018	ABS of 2020	Trusteed Bond Funds
Operating income (loss)	$ 53	$ 1,847	$ 3,474	$ 3,684	$ 14,682	$ (14,836)	$ (408)	$ 138	$ 8,634
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Provision for doubtful education loan notes receivable	9	753	370	55	(3,251)	6,964	146	(124)	4,922
Costs of bond issuance	-	-	-	-	-	5,488	-	-	5,488
Bond interest expense	283	5,735	7,316	4,829	21,722	9,303	2,838	2,933	54,959
Changes in assets and liabilities:									
Education loan notes receivable	4,581	55,409	61,432	47,363	101,796	(222,699)	19,362	43,620	110,864
Interest receivable on education loan notes	(86)	705	1,559	3,048	550	(3,096)	91	123	2,894
Accounts payable and accrued expenses	(4)	(93)	(93)	(125)	139	(592)	(7)	(18)	(793)
Prepaid expenses and other assets	(6)	32	-	(10)	(4)	-	-	23	35
Net cash provided by (used in) operating activities	$ 4,830	$ 64,388	$ 74,058	$ 58,844	$ 135,634	$ (219,468)	$ 22,022	$ 46,695	$ 187,003

2021

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	FRN of 2008	Issue I Total	Issue J Total	Issue K Total	Issue L Total	Issue M Total	ABS of 2018	ABS of 2020	Trusteed Bond Funds
Operating income (loss)	$ 32	$ 5,409	$ 4,323	$ 3,805	$ (1,884)	$ (1,106)	$ (999)	$ 3,478	$ 13,058
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Provision for doubtful education loan notes receivable	(22)	874	272	310	4,804	-	(135)	(622)	5,481
Costs of bond issuance	-	-	-	-	2,564	1,105	-	(30)	3,639
Bond interest expense	327	11,045	11,406	8,607	25,584	-	4,192	4,386	65,547
Changes in assets and liabilities:									
Education loan notes receivable	5,079	88,001	73,031	51,347	(57,212)	-	36,801	65,778	262,825
Interest receivable on education loan notes	37	893	3,253	2,194	(8,025)	-	18	66	(1,564)
Accounts payable and accrued expenses	(4)	35	68	110	(131)	925	(6)	(244)	753
Prepaid expenses and other assets	6	(10)	-	(11)	(4)	-	2	3	(14)
Net cash provided by (used in) operating activities	$ 5,455	$ 106,247	$ 92,353	$ 66,362	$ (34,304)	$ 924	$ 39,873	$ 72,815	$ 349,725