CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED JUNE 30, 2013 AND 2012

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

CEFA Members
California Educational Facilities Authority
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the California Educational Facilities Authority (CEFA), a fund of the State of California, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise CEFA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of CEFA as of June 30, 2013 and 2012, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only CEFA and do not purport to, and do not, present fairly the financial position of the State of California, as of June 30, 2013 and 2012, and the changes in its financial position or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CEFA's basic financial statements. The Consolidating Financial Statements and Statement of Bonds and Collateralized Notes are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Consolidating Financial Statements and Statement of Bonds and Collateralized Notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Consolidating Financial Statements and Statement of Bonds and Collateralized Notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2013 on our consideration of CEFA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CEFA's internal control over financial reporting and compliance.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

September 23, 2013

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

BALANCE SHEETS
JUNE 30, 2013 AND 2012

ASSETS	2013	2012
CURRENT ASSETS:		
Cash and Investments in State Treasury	$ 11,493,708	$ 12,000,209
Restricted Cash and Investments with Fiscal Agent	577,320	1,364,348
Accounts Receivable	1,045,702	2,029,515
Due from Other External Funds	7,189	10,800
Prepaid Expenses	8,420	12,077
Other Assets		8,584
Total Current Assets	13,132,339	15,425,533
NON-CURRENT ASSETS:		
Restricted Cash and Investments with Fiscal Agent	554,314	643,685
Accounts Receivable (Net)	1,731,493	1,556,828
Other Assets (Net)		56,365
Capital Assets (Net)		16,250
Total Non-Current Assets	2,285,807	2,273,128
TOTAL ASSETS	$ 15,418,146	$ 17,698,661
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts Payable	$ 45,310	$ 61,721
Accrued Expenses	102,723	133,934
Current Accrued Vacation	29,473	21,183
Accrued Administrator Compensation	345,549	301,074
Due to Other External Funds	27,252	15,252
Total Current Liabilities	550,307	533,164
NON-CURRENT LIABILITIES:		
Accrued Vacation	64,356	68,408
Bonds Payable	5,100,000	6,800,000
OPEB Obligation	271,000	208,000
Participant Collateral Accounts	270,000	270,000
Total Non-Current Liabilities	5,705,356	7,346,408
TOTAL LIABILITIES	6,255,663	7,879,572
NET POSITION		
Restricted for Educational Purposes	9,162,483	9,819,089
Total Net Position	9,162,483	9,819,089
TOTAL LIABILITIES AND NET POSITION	$ 15,418,146	$ 17,698,661

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

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
OPERATING REVENUES:		
Interest Income on Student Loans	$ 714,139	$ 808,565
Fee Revenue	465,170	411,341
Total Operating Revenues	1,179,309	1,219,906
OPERATING EXPENSES:		
Personnel	509,474	518,445
Operating Expenses	1,141,068	1,805,959
Total Operating Expenses	1,650,542	2,324,404
OPERATING LOSS	(471,233)	(1,104,498)
NON-OPERATING REVENUES (EXPENSES):		
Interest Income on Investments	129,227	150,244
Interest Expense	(314,600)	(417,600)
CHANGE IN NET POSITION	(656,606)	(1,371,854)
NET POSITION		
NET POSITION, Beginning of Year	9,819,089	11,190,943
NET POSITION, End of Year	$ 9,162,483	$ 9,819,089

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

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Principal Repayments from Students	$ 1,023,761	$ 1,716,680
Interest Receipts from Student Loans	194,526	348,548
Receipts from Fees	470,170	433,791
Payments to Employees	(442,236)	(439,950)
Payments to Suppliers of Goods and Services	(717,559)	(828,940)
Net Cash Provided by Operating Activities	528,662	1,230,129
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Interest Paid on Bonds Payable	(344,400)	(441,300)
Payment on Bonds Payable	(1,700,000)	(1,500,000)
Net Cash Used by Noncapital Financing Activities	(2,044,400)	(1,941,300)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Receipts from Investments	132,838	154,447
Net Cash Provided by Investing Activities	132,838	154,447
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,382,900)	(556,724)
BEGINNING CASH AND CASH EQUIVALENTS	14,008,242	14,564,966
ENDING CASH AND CASH EQUIVALENTS	$ 12,625,342	$ 14,008,242
RECONCILIATION OF NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	$ (471,233)	$ (1,104,498)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH PROVIDED BY OPERATIONS:		
Amortization	64,949	14,466
Depreciation	16,250	22,830
(Increase) Decrease in:		
Accounts Receivable	509,148	1,279,113
Due to/from Other External Funds	12,000	(3,086)
Prepaid Expenses	3,657	2,603
Increase (Decrease) in:		
Accounts Payable	(16,411)	5,485
Accrued Expenses	(1,411)	(2,136)
Accrued Vacation	4,238	12,495
Accrued Administrator Compensation	44,475	37,607
Allowance for Uncollectible Accounts	300,000	900,000
OPEB Obligation	63,000	66,000
Other Liabilities		(750)
Net Cash Provided by Operating Activities	$ 528,662	$ 1,230,129

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL

The California Educational Facilities Authority (CEFA) was created by Chapter 1432, Statutes of 1972, which became effective March 7, 1973, and was subsequently amended. Legislation pertaining to the Act is contained in Division 10, Part 59, Chapter 2 of the Education Code commencing with Code Section 94100. Effective January 1, 1996, legislation was passed to consolidate the California Student Loan Authority (CSLA) with CEFA. The Student Loan Authority Fund and the Educational Facilities Authority Fund are maintained within CEFA and the combined balance sheet and results of operations and cash flows are presented in these financial statements.

CEFA was created for the purpose of issuing revenue bonds to assist private non-profit institutions of higher learning in the expansion and construction of educational facilities. Because it is authorized to issue tax-exempt bonds, CEFA may provide more favorable financing to such private institutions to reduce their capital costs of financing.

The law specifically provides that bonds issued under the Act shall not be a debt, liability or claim on the faith and credit or the taxing power of the State of California, or any of its political subdivisions. The full faith and credit of the participating institutions, however, is normally pledged to the payment of the bonds. Bonds are issued at either public or private sales after details of the proposed project and satisfactory evidence of the ability of the participating institution to meet financial obligations have been submitted to CEFA and approved by the Board.

The CSLA was originally established for the primary purpose of financing insured student and parent loans directly to students. Following the consolidation with CEFA, CEFA is authorized to issue negotiable revenue bonds in order to provide funds for achieving its purposes and to assign and pledge all or any portion of its interests in insured loans or the revenue there from for the benefit of holders of CEFA’s bonds. Neither the full faith and credit nor the taxing power of the State of California or its political subdivisions is liable for payment of the debt of the CEFA.

CEFA’s authority was expanded to include the financing of student loans. Students attending both public and private non-profit colleges and universities were eligible. In 1997, the first bond issuance under this program funded the Cal Loan Program to enable students to borrow defined amounts if basic student aid is insufficient to cover expenses. The bonds are payable out of funds pledged under the program’s indenture, which included payments, proceeds, charges and other cash income received in account of, or with respect to, any student loan. In June 27, 2001, CEFA issued a second series of Cal Loan Bonds while also contributing an additional amount of up-front cash. The Cal Loan program has discontinued issuing loans.

ALL Student Loan Resources Corporation (ASLRC) provides program oversight for Cal Loan program.

In 2002, CEFA's authority was further expanded to include the financing of grants to eligible colleges for outreach programs contributing to the expansion of postsecondary educational opportunities for low- and very low-income students. Funds for the $2 million program were provided from CEFA's existing fund balance and were disbursed over a three-year period. The last disbursement period occurred during the fiscal year ending June 30, 2008.

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

B. THE REPORTING ENTITY

These financial statements present information on the financial activities of CEFA. CEFA is an enterprise fund of the State of California. The financial information is included in the State of California's Comprehensive Annual Financial Report and presented as a Business-Type Activity. The California State Treasurer by legislation serves as the Chairperson and is responsible for the oversight of CEFA.

C. BASIS OF PRESENTATION

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

D. ACCOUNTS RECEIVABLE

Accounts receivable consist of loans that are either deferred or in repayment. A reserve of $9,400,000 and $9,100,000 for the Cal Loan program (netted against accounts receivable) was established as of June 30, 2013 and 2012, respectively.

E. REVENUES

Educational Facilities Authority Fund (EFAF)

Fees are for the staff work related to bond financing and post-issuance activities and for the review of bond transactions as follows: $1,000 non-refundable application fee (no application fee charged for equipment loans), and .15% of the aggregate issue amount (.075% for equipment loans) of each successful financing up to a maximum amount of $75,000. The administration fees are $500 annually for the first five years, and $250 annually thereafter for the life of the bond issue. The annual administration fees for equipment loans are waived if the participant has other CEFA debt. Fees are used to cover operating costs such as general communications, printing, professional services both internal and external, facilities operations, employee benefits, and other miscellaneous operating expenses, in addition to salaries and wages.

Student Loan Authority Fund (SLAF)

The Cal Loan Bond funds earn interest on student loans outstanding and on the investments of bond trust funds and from loan guarantee fees. Net excess earnings (net position) are restricted for the respective loan programs.

Administration fund cash for both EFAF and SLAF is held by Surplus Money Investment Fund (SMIF) and generates investment income.

CEFA distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing student loans.

F. BUDGET

As enterprise funds, EFAF and SLAF are designed to be self-supporting, and therefore are not considered a budgetary fund. The Education Code sections of the Act (E.C. 94100 et. Seq.) do not require annual budgets or the establishment of appropriation limits. Section 94141 specifically limits expenses to moneys from revenues generated by operations.

G. CASH AND CASH EQUIVALENTS

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

H. CAPITAL ASSETS

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

I. RISK MANAGEMENT

CEFA is an enterprise fund of the State of California, which is primarily self-insured against loss or liability. The State generally does not maintain reserves; losses are covered by appropriations in the year in which the payment occurs. CEFA has not had any claims subject to this coverage in the last ten years. Additional disclosures are presented in the basic financial statements of the State of California.

J. ACCRUED VACATION

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

K. ACCRUED ADMINISTRATOR COMPENSATION

Accrued administrator compensation represents an accrued bonus due to the program administrator for the Cal Loan program based on student loans issued. The administrator will not receive the compensation until the bonds are called and all other liabilities are paid.

L. NET POSITION

Net position is restricted by enabling legislation for the purposes of providing student loans, financing of grants to eligible colleges for outreach programs, and issuing revenue bonds to assist private non-profit institutions of higher learning in the expansion and construction of educational facilities.

M. USE OF ESTIMATES TO PREPARE FINANCIAL STATEMENTS

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. A significant estimate included in these financial statements is the loan loss reserve of $9,400,000 for the estimated uncollectible student loan receivables (see Note 3).

N. CURRENT YEAR GASB IMPLEMENTATION

For the year ended June 30, 2013, CEFA implemented GASB Statement No. 62 (GASB 62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 63 (GASB 63), *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65 (GASB 65), *Items Previously Reported as Assets and Liabilities*. The objective of GASB 62 is to incorporate certain accounting and financial reporting guidance issued by the Financial Accounting Standards Board (FASB) or American Institute of Certified Public Accounts (AICPA) on or before November 30, 1989, into GASB's authoritative literature. The objective of GASB 63 is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on the Authority's net position. The objective of GASB 65 is to reclassify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues). The implementation of the three GASB statements resulted in certain changes in presentation but did not have a material impact on the financial statements.

2. CASH AND INVESTMENTS

A. GENERAL

Cash and investments at June 30, are classified in the accompanying financial statements as follows:

	2013	2012
Cash and Investments in State Treasury	$ 11,493,708	$ 12,000,209
Restricted Cash and Investments with Fiscal Agent	577,320	1,364,348
Restricted Cash and Investments with Fiscal Agent, Non-Current	554,314	643,685
Total Cash and Investments	$ 12,625,342	$ 14,008,242

Cash and investments at June 30, consist of the following:

	2013	2012
Deposits in SMIF	$ 11,492,000	$ 11,999,000
Cash in State Treasury	1,708	1,209
Money Market Funds with Fiscal Agent	424,725	556,151
Investments with Fiscal Agent	706,909	1,451,882
Total Cash and Investments	$ 12,625,342	$ 14,008,242

B. STATE TREASURY

CEFA invests excess cash funds in SMIF. All of the resources of SMIF are invested through the Pooled Money Investment Account (PMIA). The PMIA investment program is designated by the Pooled Money Investment Board and is administered by the office of the State Treasurer. As of June 30, 2013 and 2012, CEFA invested funds in SMIF in the amount of $11,492,000 and $11,999,000, respectively.

Additional disclosure detail required by GASB Statements No. 3, No. 31, and No. 40, regarding cash deposits and investments, are presented in the financial statements of the State of California for the years ended June 30, 2013 and 2012.

C. FISCAL AGENTS

CEFA has invested proceeds from its student loan program in trust indentures held at the Bank of New York Mellon Trust Company, N.A. Cash and investments of the trusts are restricted and are being held to make student loans, repay bond debt, finance program expenditures, and maintain reserves.

Investment of debt proceeds by fiscal agents are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the State of California's investment policy. The table below identifies the investment types that are authorized for investments held by CEFA's fiscal agents. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	1 year	None	None
Commercial Paper	270 days	None	None
Money Market Funds	None	None	None
Investment Agreements	None	None	None
General State Obligations	None	None	None
State or Municipality Bonds or Notes	None	None	None
Repurchase Agreements	30 days	None	None
Certificates of Deposit	None	None	None
Federal Funds	1 year	None	None

Changes in market interest rates will adversely affect the fair value of an investment, resulting in interest rate risk. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways to manage exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The interest rate risk inherent in a portfolio can be measured using the weighted average maturity of the portfolio. The debt agreements have no specific limitations with respect to this metric.

Funds can be withdrawn from Cal Loan's guaranteed investment contracts with a two-day notice. Funds can be withdrawn from all of the money market accounts daily.

CEFA's cash and investments as of June 30 are stated at fair value and are summarized below.

	2013				
Investment Type	**Weighted Average Maturity (in years)**	**Maturity Date**	**Interest Rates**	**Cal Loan**	**Carrying Value**
Guaranteed Investment Contract	2.92	6/01/16	6.37%	$ 666,089	$ 666,089
Guaranteed Investment Contract	7.67	3/01/21	5.25	40,820	40,820
Money Market Funds	N/A	N/A	0.01	424,725	424,725
Total				$ 1,131,634	$ 1,131,634

	2012				
Investment Type	**Weighted Average Maturity (in years)**	**Maturity Date**	**Interest Rates**	**Cal Loan**	**Carrying Value**
Guaranteed Investment Contract	3.92	6/01/16	6.37%	$ 1,444,573	$ 1,444,573
Guaranteed Investment Contract	8.67	3/01/21	5.25	7,309	7,309
Money Market Funds	N/A	N/A	0.01	556,151	556,151
Total				$ 2,008,033	$ 2,008,033

All of the guaranteed investment contracts are issued by Financial Guarantee Insurance Company; they are unrated by credit rating agencies and are uninsured and not registered in CEFA's name. The Cal Loan money market funds are invested in the Dreyfus Government money market funds at June 30, 2013 and 2012. The Dreyfus Government money market funds are rated AAA, the fund is uninsured, and not registered in CEFA's name.

The following table presents a summary of the legal restrictions on cash and investments with fiscal agent as of June 30:

Categories	**2013**	**2012**
Cal Loan		
Current:		
Proceeds Fund – Student Loan Account	$ 465,112	$ 1,247,267
Reserve Fund - Revenue	92,113	84,020
Guaranty Reserve	1,826	1,826
Accrued Interest	18,269	31,235
Total Current Cash and Investments with Fiscal Agent	577,320	1,364,348
Non-Current:		
Reserve Fund – General Account	554,314	643,685
Total Cash and Investments with Fiscal Agent	$ 1,131,634	$ 2,008,033

3. ACCOUNTS RECEIVABLE

A detail of the accounts receivable at June 30 is as follows:

	2013	2012
Cal Loan:		
Student Loan Receivables	$ 8,599,485	$ 9,611,967
Student Loan – Interest	3,577,210	3,068,876
Allowance for Loan Losses	(9,400,000)	(9,100,000)
	2,776,695	3,580,843
EFAF		
Fees	500	5,500
Accounts Receivable, Net	$ 2,777,195	$ 3,586,343

4. DUE TO/FROM OTHER FUNDS – EXTERNAL FUNDS

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

Due From (Due To)	Description	2013	2012
SLAF			
SMIF	Interest Income	$ 5,003	$ 7,396
Legal Services	DOJ Attorney Services	(170)	(43)
EFAF			
SMIF	Interest Income	2,032	3,404
General Fund	Miscellaneous	(18,010)	(8,006)
State Compensation Insurance Fund	Insurance Premium Refund	154	
Department of General Service	Records Center Management	(274)	(58)
Legal Services	DOJ Attorney Services	(8,798)	(7,145)
Net Due From (To) Other Funds		$ (20,063)	$ (4,452)

The amount due from SMIF represents unpaid interest earned by CEFA. The amount due to other funds represents expenses paid by other funds within the State of California on behalf of CEFA.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013, was as follows:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
Capital assets, being depreciated and amortized:				
Equipment	$ 7,071			$ 7,071
Computer software - amortizable	65,000			65,000
Total capital assets being depreciated and amortized:	72,071			72,071
Less accumulated depreciation and amortization for:				
Equipment	(7,071)			(7,071)
Software	(48,750)	$ (16,250)		(65,000)
Total accumulated depreciation and amortization	(55,821)	(16,250)		(72,071)
Total capital assets, being depreciated	$ 16,250	$ (16,250)	$	$

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance July 01, 2011	Additions	Reductions	Balance June 30, 2012
Capital assets, being depreciated and amortized:				
Equipment	$ 7,071			$ 7,071
Computer software - amortizable	65,000			65,000
Total capital assets being depreciated and amortized:	72,071			72,071
Less accumulated depreciation and amortization for:				
Equipment	(5,908)	$ (1,163)		(7,071)
Software	(27,083)	(21,667)		(48,750)
Total accumulated depreciation and amortization	(32,991)	(22,830)		(55,821)
Total capital assets, being depreciated	$ 39,080	$ (22,830)	$	$ 16,250

6. BONDS PAYABLE

The detail of the bonds payable is as follows:

5.40% Term Series 2001 A Bonds, due March 1, 2021. Student loan revenue bonds (Cal Loan). Interest due semi-annually, payable from revenues and recoveries of principal, including all receipts with respect to student loans financed pursuant to the indenture.	$ 5,100,000

The Cal Loan bonds are interest only, with no principal payments due until maturity. Principal payments of $1,700,000 and $1,500,000 were made for the Cal Loan Series 2001A Bonds during 2013 and 2012, respectively.

CEFA has pledged future student loan revenue, which includes payments, proceeds, charges and other cash income received in account of, or with respect to, any student loan, net of specified operating expenses, to repay $5,100,000 in revenue bonds as described above. The bonds are payable solely from student loan net revenues and are payable through 2021. Annual principal and interest payments on the bonds are expected to require approximately 100 percent of net revenues, as the bonds are subject to mandatory accelerated redemption provisions. As of June 30, 2013 the total principal and interest remaining to be paid on the Cal Loan bonds is $7,211,400. Cal Loan principal and interest paid for the current year and total student loan net revenues were $2,044,400 and $1,481,386, respectively.

Bonds Payable activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
5.10% Series 2001A	$ 800,000		$ 800,000	
5.40% Series 2001A	6,000,000		900,000	$ 5,100,000
Long-term liabilities	$ 6,800,000	$	$ 1,700,000	$ 5,100,000

Bonds Payable activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
5.10% Series 2001A	$ 2,300,000		$ 1,500,000	$ 800,000
5.40% Series 2001A	6,000,000			6,000,000
Long-term liabilities	$ 8,300,000	$	$ 1,500,000	$ 6,800,000

The summary of principal and interest for bonds payable as of June 30, 2013 are as follows:

5.4% 2001 A Bonds (Cal Loan)

Year Ending June 30,	Principal	Interest	Total
2014		$ 275,400	$ 275,400
2015		275,400	275,400
2016		275,400	275,400
2017		275,400	275,400
2018		275,400	275,400
2019-2021	$ 5,100,000	734,400	5,834,400
Total	$ 5,100,000	$ 2,111,400	$ 7,211,400

7. ACCRUED VACATION

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

Accrued vacation activity for the year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Accrued vacation	$ 89,591	$ 33,711	$ (29,473)	$ 93,829	$ 29,473

Accrued vacation activity for the year ended June 30, 2012, was as follows:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year
Accrued vacation	$ 77,096	$ 33,678	$ (21,183)	$ 89,591	$ 21,183

8. RETIREMENT PLAN

CEFA is a participant in the State of California's Public Employees' Retirement System (CalPERS), which is a defined benefit, agent multiple-employer contributory retirement plan. Since all State agencies are considered collectively to be a single employer, the actuarial present value of vested and non-vested accumulated plan benefits attributable to CEFA's employees cannot be determined. The significant actuarial assumptions used to compute the actuarially determined State contribution requirements are the same as those used to compute the State pension benefit obligation as defined by CalPERS. Generally, full-time and permanent part-time employees are eligible to participate in CalPERS. Depending upon the plan option selection, benefits vest after five or ten years of service. Participants are eligible for service retirement after age 50 or 55 and must have five or ten years of CalPERS credited service, depending upon the tier of participation. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. The amount of pension contributions by CEFA to CalPERS is actuarially determined under a program wherein contributions plus the expected earnings of CalPERS will provide the necessary funds to pay the earned benefits of the employees when due. The total payroll of CEFA is covered.

CEFA's contributions to CalPERS for the years ended June 30, 2013 and 2012 were $60,376 and $54,889, respectively. Participant contributions range from zero to six percent of their salary depending on the tier of participation. The excess of plan assets over vested and unvested benefits at June 30, 2013 and 2012 was not available. Such information is available for CalPERS as a whole, which is audited annually by other independent auditors. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Additional disclosure detail required by GASB Statements No. 25, No. 27, and No. 50, regarding the defined benefit plan are presented in the financial statements of the State of California for the year ended June 30, 2013.

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The State of California (the State) provides health care and dental benefits to annuitants of retirement systems to which the State contributes as an employer. A portion of the State's post-employment benefit costs have been allocated to CEFA as follows:

	2013	2012
Annual required contribution	$ 95,000	$ 102,000
Interest on net OPEB obligation	12,000	10,000
Adjustment to annual required contribution	(10,000)	(9,000)
Annual OPEB cost (expense)	97,000	103,000
Contributions made	(34,000)	(37,000)
Increase in net OPEB obligation	63,000	66,000
Net OPEB obligation – beginning of year	208,000	142,000
Net OPEB obligation – end of year	$ 271,000	$ 208,000

Additional disclosure detail required by GASB Statement No. 45, regarding post-retirement benefits, is presented in the financial statements of the State of California for the year ended June 30, 2013.

10. CONDUIT FINANCING PROGRAMS

CEFA acts as a conduit issuer by assisting eligible private nonprofit institutions of higher learning in obtaining financing through the issuance of revenue bonds. The financings are secured by the full faith and credit of the participating institutions, and CEFA is not responsible for payment on any financing. As a result, the financing obligations are not recorded in CEFA's financial statements. The borrowers' obligations generally are, but need not be, secured by insurance, a letter of credit or guaranty.

As of June 30, 2013 and 2012, there were $4,535,481,581 and $4,379,134,084, respectively, in conduit financings outstanding. CEFA assisted with the issuance of financings in the amount of $529,745,000 and $318,090,000 for the years ended June 30, 2013 and 2012, respectively. Additionally, the amounts of bonds authorized by CEFA with active resolutions that remain unsold were $1,359,805,000 and $652,965,000 as of June 30, 2013 and 2012, respectively.

ADDITIONAL INFORMATION

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

CONSOLIDATING BALANCE SHEET
JUNE 30, 2013

	Student Loan Authority Fund			Educational Facilities Authority	
	Administration	**Cal Loan**	**Total**	**Fund**	**Total**
ASSETS					
CURRENT ASSETS:					
Cash & Investments in State Treasury	$ 8,164,799		$ 8,164,799	$ 3,328,909	$ 11,493,708
Restricted Cash and Investments with Fiscal Agent		$ 577,320	577,320		577,320
Accounts Receivable		1,045,202	1,045,202	500	1,045,702
Due from Other External Funds	5,003		5,003	2,186	7,189
Prepaid Expenses		8,420	8,420		8,420
Total Current Assets	8,169,802	1,630,942	9,800,744	3,331,595	13,132,339
NON-CURRENT ASSETS:					
Restricted Cash and Investments with Fiscal Agent		554,314	554,314		554,314
Accounts Receivable (Net)		1,731,493	1,731,493		1,731,493
Advances to (from) Other Funds	2,000,000	(2,000,000)			
Total Non-Current Assets	2,000,000	285,807	2,285,807		2,285,807
TOTAL ASSETS	$ 10,169,802	$ 1,916,749	$ 12,086,551	$ 3,331,595	$ 15,418,146
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES:					
Accounts Payable	$ 6,229	$ 4,748	$ 10,977	$ 34,333	$ 45,310
Accrued Expenses		102,723	102,723		102,723
Accrued Vacation				29,473	29,473
Accrued Administrator Compensation		345,549	345,549		345,549
Due to Other External Funds	170		170	27,082	27,252
Total Current Liabilities	6,399	453,020	459,419	90,888	550,307
NON-CURRENT LIABILITIES:					
Accrued Vacation				64,356	64,356
Bonds Payable		5,100,000	5,100,000		5,100,000
OPEB Obligation				271,000	271,000
Participant Collateral Accounts		270,000	270,000		270,000
Total Non-Current Liabilities		5,370,000	5,370,000	335,356	5,705,356
TOTAL LIABILITIES	6,399	5,823,020	5,829,419	426,244	6,255,663
NET POSITION:					
Restricted for Educational Purposes	10,163,403	(3,906,271)	6,257,132	2,905,351	9,162,483
Total Net Position	10,163,403	(3,906,271)	6,257,132	2,905,351	9,162,483
TOTAL LIABILITIES AND NET POSITION	$ 10,169,802	$ 1,916,749	$ 12,086,551	$ 3,331,595	$ 15,418,146

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2013

	Student Loan Authority Fund			Educational Facilities Authority	
	Administration	Cal Loan	Total	Fund	Total
OPERATING REVENUES:					
Interest Income on Student Loans		$ 714,139	$ 714,139		$ 714,139
Fee Revenue		12,982	12,982	$ 452,188	465,170
Total Operating Revenues		727,121	727,121	452,188	1,179,309
OPERATING EXPENSES:					
Personnel				509,474	509,474
Operating Expenses	$ 103,152	568,053	671,205	469,863	1,141,068
Total Operating Expenses	103,152	568,053	671,205	979,337	1,650,542
OPERATING INCOME (LOSS)	(103,152)	159,068	55,916	(527,149)	(471,233)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income on Investments	24,351	94,466	118,817	10,410	129,227
Interest Expense		(314,600)	(314,600)		(314,600)
CHANGE IN NET POSITION	(78,801)	(61,066)	(139,867)	(516,739)	(656,606)
NET POSITION Beginning of Year	10,242,204	(3,845,205)	6,396,999	3,422,090	9,819,089
NET POSITION End of Year	$ 10,163,403	$ (3,906,271)	$ 6,257,132	$ 2,905,351	$ 9,162,483

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)
STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING
JUNE 30, 2013

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2013
1997 CEFA Pool, Series A	30-Apr-97	1-Apr-13	$ 13,105,000	$ 13,105,000	
1997 CEFA Pool, Series C	1-Oct-97	1-Mar-15	17,485,000	17,485,000	
1998 CEFA Pool, Series A	28-May-98	1-Jul-23	35,050,000	35,050,000	
Chapman University, Series 2008 A (Variable Rate)	2-Jul-08	1-Oct-36	53,515,000	53,515,000	
Chapman University, Series 2008 B (Variable Rate)	2-Jul-08	1-Oct-26	21,665,000	21,665,000	
Chapman University, Series 2008 C (Variable Rate)	2-Jul-08	1-Oct-26	13,705,000	13,705,000	
Claremont University Center, Series 1999A (Claremont Graduate University)	16-Mar-99	1-Mar-17	7,180,000	7,180,000	
Claremont McKenna University, Series 2003	25-Jun-03	01-Jan-33	9,975,000	9,975,000	
Golden Gate University, Series 2001	18-Oct-01	1-Oct-31	29,360,000	29,360,000	
Golden Gate University, Series 2005	12-May-05	1-Oct-36	15,000,000	15,000,000	
Pomona College, Series 1999	10-Feb-99	1-Jan-13	17,885,000	17,885,000	
Scripps College, Series 2001	29-Aug-01	1-Aug-31	12,250,000	12,250,000	
Southern California University of Health Sciences (Formerly the Los Angeles College of Chiropractic, Series 1997)	4-Nov-97	1-Nov-17	18,000,000	18,000,000	
Stanford University, Series 1999 P	30-Mar-99	1-Dec-13	110,440,000	110,440,000	
University of San Diego, Series 2002A	06-Jun-02	1-Oct-32	14,110,000	14,110,000	
University of Southern California, Series 2003A	20-Mar-03	01-Oct-33	150,000,000	150,000,000	
1993 CEFA Pool, Series B	12-Aug-93	1-Jun-18	38,290,000	37,915,000	$ 375,000
Stanford University, Series 1993 L-1	28-Dec-93	1-Oct-14	5,055,000		5,055,000
Stanford University, Series 1994 L-2	19-Oct-94	1-Oct-14	8,775,000		8,775,000
California Institute of Technology, Series 1994 (Variable Rate Demand)	27-Oct-94	1-Jan-24	30,000,000		30,000,000
Stanford University, Series 1995 L-3	19-Oct-95	1-Oct-15	9,840,000		9,840,000
Stanford University, Series 1996 L-4	25-Oct-96	1-Oct-16	8,775,000		8,775,000
Stanford University, Series 1997 L-5	23-Oct-97	1-Oct-17	15,165,000		15,165,000
Mills College, Series 1997	20-Nov-97	1-Sep-22	11,065,000	5,275,000	5,790,000
California Western School of Law, Series 1998	4-Apr-98	1-Oct-28	16,000,000	4,660,000	11,340,000
Stanford University, Series 1998 L-6	28-Oct-98	1-Oct-22	17,815,000		17,815,000
University of San Diego, Series 1999 (part Capital Appreciation)	4-Feb-99	1-Oct-28	31,778,189	22,582,978	9,195,211
Claremont McKenna University, Series 1999	1-Mar-99	1-Nov-29	24,000,000	23,340,000	660,000
Life Chiropractic College West, 1999 (Variable Rate Demand)	4-Mar-99	1-Jan-25	18,000,000	4,675,000	13,325,000
Santa Clara University, Series 1999 (part Capital Appreciation & Current Interest)	15-Apr-99	1-Sep-26	82,181,741	23,121,943	59,059,798
1999 CEFA Pool, Series B	27-Apr-99	1-Apr-24	19,745,000	15,545,000	4,200,000
Stanford University, Series 1999 L-7	28-Oct-99	1-Oct-22	18,393,000		18,393,000
University of San Francisco, Series 2000 (Variable Rate Demand)	16-May-00	1-May-30	27,000,000	7,700,000	19,300,000
Loyola Marymount University, Series 2001A (part Capital Appreciation & Capitol Interest)	14-Jun-01	1-Oct-24	75,449,126	35,215,000	40,234,126
California College of Arts & Crafts, Series 2001	1-Jun-01	1-Aug-30	14,490,000	11,735,000	2,755,000
Art Center College of Design 2002 Series A (Variable & converted to Index Mode 8/10)	23-May-02	1-Dec-32	11,545,000	2,800,000	8,745,000
Art Center College of Design 2002 Series B (Variable & converted to Index Mode 8/10)	23-May-02	1-Dec-32	13,055,000	3,300,000	9,755,000
University of Redlands, 2003 Series A	27-Mar-03	01-Jun-33	17,280,000	3,710,000	13,570,000

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)
STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING
JUNE 30, 2013

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2013
University of San Francisco, Series 2003 (Variable Rate Demand)	28-May-03	01-May-33	40,000,000	5,845,000	34,155,000
Southwestern University Series 2003	29-May-03	01-Nov-23	11,880,000	4,360,000	7,520,000
University of Redlands, Series 2003B	11-Jun-03	01-Oct-25	17,000,000	5,410,000	11,590,000
University of Southern California, Series 2003B	08-Jul-03	01-Oct-15	12,795,000	9,205,000	3,590,000
Santa Clara University, Series 2003A	16-Jul-03	01-Sep-33	23,600,000	14,195,000	9,405,000
Harvey Mudd College, Series 2003	24-Jul-03	01-Dec-33	7,110,000	5,345,000	1,765,000
Stanford University, Series 2004 S-1 (Remarketed 4/08 Commercial Paper Rate Mode)	24-Jun-04	9-Jun-19	40,000,000		40,000,000
Stanford University, Series 2004 S-2 (Remarketed 4/08 Commercial Paper Rate Mode) (Remarked 5/15/13 Fixed Rate)	24-Jun-04	1-Nov-18	40,000,000	9,790,000	30,210,000
Stanford University, Series 2004 S-3 (Remarketed 4/08 Commercial Paper Rate Mode)	24-Jun-04	1-Nov-39	50,000,000		50,000,000
Stanford University, Series 2004 S-4 (Variable Rate Demand)	24-Jun-04	1-Nov-50	51,200,000		51,200,000
University of the Pacific, Series 2004	12-Aug-04	1-May-34	11,500,000	4,025,000	7,475,000
California Lutheran University, Series 2004A (Variable Rate Demand)	16-Nov-04	1-Oct-29	5,465,000		5,465,000
California Lutheran University, Series 2004C	16-Nov-04	1-Oct-29	27,915,000	3,720,000	24,195,000
Pomona College, Series 2005 A/1 (Current Interest Bonds)	24-Feb-05	1-Jul-45	16,735,000		16,735,000
Pomona College, Series 2005 A/2 (Capital Appreciation)	24-Feb-05	1-Jul-41	25,144,739		25,144,739
Occidental College, Series 2005A	12-Apr-05	1-Oct-36	54,320,000	48,700,000	5,620,000
Occidental College, Series 2005B	12-Apr-05	1-Oct-27	16,015,000	3,310,000	12,705,000
Pitzer College, Series 2005A	29-Apr-05	1-Apr-35	16,085,000		16,085,000
California College of Arts, Series 2005	12-May-05	1-Jun-35	18,535,000		18,535,000
Mills College, Series 2005 A	16-Jun-05	1-Sep-35	25,000,000	200,000	24,800,000
University of Redlands, Series 2005 A	7-Jul-05	1-Oct-35	27,180,000	3,280,000	23,900,000
Pepperdine University, Series 2005 A	3-Aug-05	1-Dec-35	92,365,000		92,365,000
University of Southern California, Series 2005	3-Aug-05	1-Oct-28	66,545,000	4,445,000	62,100,000
University of San Francisco, Series 2005B (Variable Rate Demand)	18-Aug-05	1-Oct-35	27,500,000	900,000	26,600,000
Pepperdine University, Series 2005B (Delayed Delivery)	6-Sep-05	1-Dec-32	16,340,000		16,340,000
Mills College, Series 2005 B (Delayed Delivery)	9-Sep-05	1-Sep-20	2,835,000	1,345,000	1,490,000
University of La Verne, Series 2005A	10-Nov-05	1-Jun-23	20,680,000	2,750,000	17,930,000
Woodbury University, Series 2006	1-Jan-06	1-Jan-36	19,995,000	2,565,000	17,430,000
Dominican University of California, Series 2006	25-Jan-06	1-Dec-36	19,795,000	535,000	19,260,000
University of the Pacific, Series 2006	31-May-06	1-Nov-36	77,180,000	5,080,000	72,100,000
California Institute of Technology, Series 2006 A (Variable Rate Demand)	12-Jul-06	1-Oct-36	82,500,000		82,500,000
California Institute of Technology, Series 2006 B (Variable Rate Demand)	12-Jul-06	1-Oct-36	82,500,000		82,500,000
Claremont Graduate University, 2007 Series A	15-Feb-07	1-Mar-42	36,000,000		36,000,000
California College of the Arts, (Shared Financing 2007)	27-Feb-07	1-Feb-24	11,240,000	2,785,000	8,455,000
Dominican University of California (Shared Financing 2007)	27-Feb-07	1-Feb-31	10,960,000	2,220,000	8,740,000
Keck Graduate Institute (Shared Financing 2007)	27-Feb-07	1-Feb-30	8,565,000	820,000	7,745,000

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)
STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING
JUNE 30, 2013

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2013
Woodbury University (Shared Financing 2007)	27-Feb-07	1-Feb-37	7,000,000	720,000	6,280,000
Saint Mary's College of California Equipment Financing, Series 2007	8-May-07	8-Mar-17	2,484,966	1,366,121	1,118,845
University of Southern California, Series 2007	24-May-07	1-Oct-37	263,395,000	6,310,000	257,085,000
Claremont McKenna College, Series 2007	31-May-07	1-Jan-38	40,425,000	1,240,000	39,185,000
University of the Pacific Equipment Financing, Series 2007	15-Jun-07	15-Jun-14	4,250,000	3,569,538	680,462
Stanford University, Series T-1	19-Jun-07	15-Mar-39	111,775,000		111,775,000
Saint Mary's College of California, Series 2007 (Remarketed 7/30/08) (Remarked 1/17/12) (Remarked 10/3/12)	30-Aug-07	1-Oct-43	71,100,000	5,900,000	65,200,000
Stanford University, Series T-3	6-Sep-07	15-Mar-26	25,360,000		25,360,000
Scripps College, Series 2007	31-Oct-07	1-Nov-37	30,555,000	1,860,000	28,695,000
Charles Drew University of Medicine & Science, Series 2007 (Variable Rate Demand)	15-Nov-07	1-Nov-42	43,000,000	10,300,000	32,700,000
Occidental College, Series 2008	6-Mar-08	31-Oct-38	20,000,000	1,050,000	18,950,000
Stanford University, Series T-4 (2008)	15-May-08	15-Mar-14	172,410,000		172,410,000
University of Redlands, Series 2008 A	22-May-08	1-Aug-38	21,125,000		21,125,000
Stanford University, Series 2008 TECP	15-May-08	1-May-38	300,000,000	201,687,000	98,313,000
Pomona College, Series 2008 A (Part Capital Appreciation & Current Interest)	5-Jun-08	1-Jan-18	59,475,000		59,475,000
California Lutheran University, Series 2008	31-Jul-08	1-Oct-38	38,060,000	1,125,000	36,935,000
Claremont Graduate University, 2008 Series A	21-Aug-08	1-Mar-38	15,000,000	330,000	14,670,000
Santa Clara University, Series 2008	11-Dec-08	1-Apr-37	72,485,000	8,115,000	64,370,000
University of Southern California, Series 2009A	15-Jan-09	1-Oct-39	217,605,000		217,605,000
Claremont McKenna College, Series 2009	22-Jan-09	1-Jan-39	83,095,000		83,095,000
University of Southern California, Series 2009B	25-Feb-09	1-Oct-39	197,900,000		197,900,000
Pomona College, Series 2009 A	2-Apr-09	1-Jan-24	62,290,000		62,290,000
University of the Pacific, Series 2009	28-May-09	1-Nov-39	15,000,000	1,455,000	13,545,000
University of Southern California, Series 2009C	9-Jul-09	1-Oct-24	82,305,000		82,305,000
Stanford University, Series T-5 (2009)	28-Jul-09	15-Mar-23	51,765,000		51,765,000
California Institute of Technology, Commercial Paper Revenue Notes	28-Jul-09	1-Jul-59	100,000,000	100,000,000	
California Institute of Technology, Series 2009	28-Jul-09	1-Nov-39	80,000,000		80,000,000
Art Center College of Design, Series 2009 (Variable Rate Demand)	13-Aug-09	1-Dec-39	9,940,000	565,000	9,375,000
Pitzer College, Series 2009	18-Nov-09	1-Apr-40	62,075,000	1,135,000	60,940,000
Carnegie Institution of Washington, 2010 Series A	24-Mar-10	1-Jul-40	34,525,000		34,525,000
Loyola Marymount University, Series 2010A	30-Mar-10	1-Oct-40	65,185,000	7,095,000	58,090,000
Loyola Marymount University, Series 2010B (Variable Rate Demand)	30-Mar-10	1-Oct-15	38,500,000	5,325,000	33,175,000
Stanford University, Series U-1	6-May-10	1-Apr-40	215,375,000		215,375,000
Santa Clara University, Series 2010	15-Sep-10	1-Feb-40	50,125,000	2,010,000	48,115,000
University of San Francisco, Series 2011	15-Feb-11	1-Oct-36	79,770,000	5,000,000	74,770,000
University of San Diego, Series 2011	16-Mar-11	1-Oct-22	18,640,000	3,145,000	15,495,000
Claremont University Consortium, Series 2011	7-Apr-11	1-Oct-35	9,000,000	720,000	8,280,000
Harvey Mudd College, Series 2011	19-May-11	1-Dec-41	15,065,000	375,000	14,690,000
Claremont McKenna College, Series 2011	7-Jul-11	1-Jan-30	5,480,000		5,480,000
Pomona College, Series 2011	12-Jul-11	1-Jan-17	7,310,000	2,275,000	5,035,000

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)
STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING
JUNE 30, 2013

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2013
Chapman University,Series 2011	3-Oct-11	1-Apr-31	100,000,000	2,130,000	97,870,000
Loyola Marymount University, Series 2011	22-Nov-11	1-Oct-24	22,105,000	4,565,000	17,540,000
University of the Pacific, Series 2012A	26-Jan-12	1-Nov-42	35,435,000	810,000	34,625,000
Art Center College of Design, Series 2012	7-Feb-12	1-Dec-41	20,000,000	665,000	19,335,000
Stanford University, Series U-2	17-Apr-12	1-Oct-32	77,760,000		77,760,000
Pepperdine University, Series 2012	5-Jun-12	1-Sep-33	50,000,000		50,000,000
Claremont University Consortium, Series 2012	2-Aug-12	1-Oct-33	8,065,000	365,000	7,700,000
University of Southern California, Series 2012A	29-Aug-12	1-Oct-23	41,595,000		41,595,000
California College of the Arts, Series 2012	25-Oct-12	1-Jun-30	11,465,000	570,000	10,895,000
Claremont McKenna College, Series 2012	28-Nov-12	1-Jan-42	30,000,000		30,000,000
Golden Gate University, Series 2012	19-Dec-12	1-Jan-43	46,000,000	407,600	45,592,400
Loyola Marymount University, Taxable Series 2013A	26-Mar-13	1-Oct-43	37,000,000		37,000,000
Stanford University, Series U-3	15-May-13	1-Jun-43	261,410,000		261,410,000
Stanford University, Series U-4	15-May-13	1-Jun-43	39,215,000		39,215,000
Occidental College, Series 2013A	5-Jun-13	1-Oct-43	48,625,000		48,625,000
Occidental College,Taxable Series 2013B	5-Jun-13	1-Oct-27	6,370,000		6,370,000
TOTAL					**$ 4,535,481,581**

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

Independent Auditor's Report

CEFA Members
California Educational Facilities Authority
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the California Educational Facilities Authority (CEFA), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise CEFA's basic financial statements, and have issued our report thereon dated September 23, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

September 23, 2013