

# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

2009 ANNUAL REPORT



**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY**

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**MEMBERS:**

Bill Lockyer, Chairperson  
*State Treasurer*

John Chiang, Vice Chairperson  
*State Controller*

Ana J. Matosantos, Director  
*Department of Finance*

Sylvia Scott-Hayes

Michael L. Jackson

**EXECUTIVE DIRECTOR:**

Ronald L. Washington

March 30, 2010

Dear Colleague:

I am pleased to present to you the 2009 California Educational Facilities Authority (“CEFA” or “Authority”) annual report. Established in 1973, the Authority continues to serve as a conduit issuer of tax-exempt bonds on behalf of California independent colleges and universities. As of December 31, 2009, the Authority has issued approximately \$9,574,543,538 in tax-exempt bonds, which has enabled our borrowers to realize their capital and construction financing objectives.

The annual report highlights the Authority’s activity for the 2009 calendar year. In total, the Authority approved 5 new applications, amended 4 applications, and closed 11 financings, issuing \$961,975,000 in bonds.

The success of the Authority is made possible by the hard work and dedication of its Board Members and staff. The Authority continues to serve as a valuable resource by assisting higher educational institutions in expanding educational opportunities for all California students and their families.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ronald L. Washington".

Ronald L. Washington  
Executive Director

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**THE AUTHORITY**

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The California Educational Facilities Authority (“CEFA” or “Authority”) was established in 1973 and operates pursuant to the California Educational Facilities Authority Act (the “CEFA Act”), as set forth in sections 94100-94216.11 of the California Education Code.

CEFA was created for the purpose of issuing revenue bonds to assist private nonprofit institutions of higher learning in the expansion and construction of educational facilities. Because it is authorized to issue tax-exempt bonds, the Authority may be able to provide financing terms that are more favorable to private institutions than might otherwise be available through commercial lenders or other taxable debt instruments.

The CEFA Act explicitly states that bonds issued by the Authority shall not be a debt, liability, or claim on the full 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 institution is normally pledged to the payment of the bonds.

**CEFA Mission Statement**

The mission of the California Educational Facilities Authority is to provide students with better access and broader opportunities in higher education by providing qualified non-profit private higher education institutions with the assistance needed to reduce their capital costs of financing academic related facilities through a tax exempt revenue bond program.

**Authority Members**

- |                    |   |
|--------------------|---|
| Bill Lockyer       | <i>Chairman, California State Treasurer</i>                               |
| John Chiang        | <i>California State Controller</i>  |
| Ana J. Matosantos  | <i>Director, California Department of Finance</i>                         |
| Sylvia Scott-Hayes | <i>Trustee, Los Angeles Community College District Board</i>              |
| Michael L. Jackson | <i>Vice President, Student Affairs, University of Southern California</i> |

**CEFA PROGRAMS**

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**Bond Financing** – This program provides borrower access to low interest rate capital markets through the issuance of tax-exempt bonds. Given the cost of issuing bonds, this is the option most often pursued by borrowers with capital project financing needs in excess of \$5 million. Colleges or universities with more modest financing needs may be grouped or “pooled” by CEFA into a single bond financing, allowing bond issuance costs to be shared by the pool participants.

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**CEFA PROGRAMS -cont-**

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**Simplified Equipment Financing Program (“SEFP”)** – Designed as a simple, economical, fast, and practical way for nonprofit colleges and universities to finance a broad range of essential equipment needs, the SEFP can be used to fund qualifying purchases of \$100,000 or more. Qualifying purchases include, but are not limited to, computer hardware and software, classroom furnishings and laboratory equipment, vehicles, communication systems, heating, air-conditioning, ventilation, and other energy-efficient projects. CEFA does not charge an application fee for this program and the financing terms generally range from 3 to 15 years with flexible repayment options.

**Student Loan Programs** - In the late 1990s, CEFA developed two fixed interest rate student loan programs. Bonds were issued in 1997 and 2001 for the Cal Loan Program, which offered financial needs-based loans. In 1998, bonds were issued for the Cal Edge Loan Program, which offered credit-based loans.

As the market for student loans shifted from higher fixed interest rates to lower variable rate interest rates, demand for both of the programs declined significantly, resulting in no new loan originations in 2009. Currently, the administrator, trustee and servicer continue in their roles as students repay their outstanding loans. Meanwhile, CEFA continues to explore viable student loan opportunities to further assist college students and their families in financing the costs of attending college.

**Academic Assistance Grant Program (“AAGP”)** – Chapter 1081, Statutes of 2002 (Senate Bill 1624 – Romero) authorized CEFA to develop a competitive grant program to assist eligible private colleges and universities in creating and expanding academic assistance programs that enhance postsecondary educational opportunities for low income and very-low income California students in grades 7-12. The goal of the Academic Assistance Grant Program (“AAGP”) was to promote access to higher education and to prepare students for college. The AAGP was limited to a total of \$2 million with a cap of \$250,000 per applicant. Nine colleges and universities were awarded grants, paid out over a three-year period, beginning July 2006, with the final disbursement in July of 2008. Under the AAGP Grant Agreement, grantees were required to submit a final report at the conclusion of the program. CEFA staff received and reviewed all reports from the participating grantees. The final reports reflect a high success rate within each of the programs. The majority of graduating participating students have gone on to college, while the remaining participating students have maintained a C or higher grade average and have also raised their grade by one or more letter grades.

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**Academic Assistance Grant Program (AAGP) -cont-**

The following table provides a summary of the three year grant disbursements.

School	Total Amount Awarded	Calendar Year		
		Disbursed 2006	Disbursed 2007	Disbursed 2008
California College of the Arts	\$ 160,000	\$53,333	\$53,333	\$ 53,334
California Institute of Technology	249,872	83,291	83,291	83,290
Loyola Marymount University	250,000	71,500	83,500	95,000
Mount St. Mary's College	240,000	80,000	80,000	80,000
Pomona College	250,000	83,333	83,333	83,334
Scripps College	189,313	94,657	94,656	0
Stanford University	160,000	53,333	53,333	53,334
University of Southern California	248,858	82,953	82,953	82,952
University of the Pacific-McGeorge	250,000	83,333	83,333	83,334
Total	<u>\$1,998,043</u>	<u>\$685,733</u>	<u>\$697,732</u>	<u>\$614,578</u>

The following provides a summary of the participating grantee's programs.

**California College of the Arts** – The College established a new program, the “Center for Art and Public Life”, in partnership with the East Oakland School of the Arts which utilized the grant funding for a mentorship program focusing on incoming 9<sup>th</sup> grade students to help expand post secondary educational opportunities. Highlights of the program included the students developing personal narratives on film which were featured at the Museum of the African Diaspora and the Oakland Museum of California. Post-program evaluations show that students in the program have increased their understanding of art making as well as an increased understanding of the importance of attending college and the skills necessary to be accepted into college.

**California Institute of Technology** – The Institute administers the Caltech Rise program, a math and science tutoring program for Pasadena Unified School District students. The Institute utilized grant money to expand the tutoring program which provides students with free academic tutoring in the areas of math and science through an after-school tutoring program. In addition, the RISE program helps students prepare for the California High School Exit Exam, the SATs and provides college information seminars and college campus visits. Post-program evaluations showed 74% of participating students maintained a grade of C or higher in mathematics and 69% raised their math grade by one or more letter; and 76% of participating students maintained a grade of C or higher in science and 54% raised their science grade by one or more letter.

**Loyola Marymount University** – The University offers a Science and Engineering Community Outreach Program, a campus-based academic assistance program for low income and under-represented high school students that focuses on introducing students to science, technology, engineering and math. The University utilized grant money to increase the number of high school participants in the program. Highlights of the program included students designing and building mousetrap cars and robots using Lego's MINDSTORMS NXT, and a visit to the Peterson Museum, Northrop Grumman and DreamWorks where they met and observed scientists and engineers perform their daily duties. Post-program evaluations showed 65% of students increased their scores

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**Academic Assistance Grant Program (AAGP) -cont-**

in pre and post mathematics exams by 10% or more and the other 35% were within 10% of their pre-exam scores.

**Mount St. Mary's College** – The College dedicated their grant award to expand their Student Ambassador Program which partners with local area high schools and community-based organizations which provide high school students assistance in the college application process, financial aid, scholarship research and general tools to become a more effective student. Highlights of the program included 46 Student Ambassadors working over 9,000 hours and served over 7,000 youth from 43 local high schools and non-profit agencies throughout Los Angeles. Ambassadors also expanded their services by establishing new partnerships with elementary and junior high schools. Post-program evaluations show 2,000 students who have been mentored through the Ambassador Program over the past three years have been accepted to a college or university.

**Pomona College** – The College operates the Summer Scholars Enrichment Program (SSEP), an academically intensive, four-week summer program for students in grades 9-12. Grant money was used to increase the number of low-income student participants, to enhance academic assistance services at the program's Saturday Academy, and to expand bi-lingual seminars and workshops to improve family/parental involvement. SSEP Program highlights included a visit to the Griffith Park Observatory, participation in a College Transition retreat, a six week SAT prep course, and conducted a research project with a Pomona College faculty member. Post-program evaluations show 100% of students who participated in SSEP during their final high school summer have been admitted to colleges and universities.

**Scripps College** – The College utilized grant funds to help fund their two week residential Summer Academy Program (SCA) and to expand their program to include a year-round academic assistance program, a Saturday Academy providing a monthly writing course, and "College Clubs" at select middle schools in order to increase college awareness and preparation. The SCA also established mobile homework support centers. Highlights of the program included the opportunity for SCA students to read mock college applications and the opportunity to participate in a simulated college admission selection committee with members of the Scripps College Admission Office; and offered numerous workshops, including a bilingual financial aid workshop for students and their parents. Post-program evaluations show 39 of the 45 SCA seniors eligible for college admission in 2009 will attend college. Surveys suggest that the mobile tutoring and mentoring program helped students increase their academic confidence in a number of subjects.

**Stanford University** – Grant funds were used to help expand the University's Medical Youth Science Program (SMYMP). The SMYMP offers a 5-week summer residential program that focuses mainly on educational enrichment in biological and medical sciences and an academic year-round program that works with students to increase their knowledge of the college admissions process, financial aid and entrance exams. The year-round academic program curriculum targeted study skills development, the college application and financial aid processes, and strategies for standardized tests. Students were also trained to conduct research on health issues. Highlights of the program included faculty-led lectures, multi-cultural workshops, and student participation in anatomy labs. Post-program evaluations show all seniors participating in the SMYMP were accepted to college, most to the top universities in California. Students in the year-round program

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**Academic Assistance Grant Program (AAGP) -cont-**

reported significant increases in knowledge of college application process, how to write an essay for a college application and how to apply for financial aid.

**University of Southern California** – Grant funds were used to help fund the University’s SummerTIME and I AM program which was established to assist college-ready 12<sup>th</sup> graders from nine Los Angeles area high schools. Overall objectives of the program is to increase the percentage of college applications by 20%, to increase the percentage of student admissions to four-year colleges by 10 to 20%, and to increase reading and writing scores on the college preparatory exam by one grade level. The I AM mentors spend 2-3 hours a month helping their students with college and financial aid applications as well as engaging in critical dialogue about the high school-to-college transition. In addition, through year-round one-on-one mentoring, the University’s I AM program provide students with critical information and support leading to successful applications for college admission and financial aid. Highlights of the program included four hours of writing instruction for 19 days, participation in daily homerooms, College Knowledge sessions, supplement writing instruction with consultants, and individual financial aid assistance. Post-program evaluations shows 80% of students in the SummerTIME program improved on writing a pre-writing exam and 90% of the seniors secured financial aid. Of the 117 seniors completing the "I AM" program, 115 will be attending college or university in the upcoming academic year.

**University of the Pacific – McGeorge School of Law** – The University used grant funds to develop their Pacific Pathways Pipeline Program intended to provide academic assistance, mentoring, academic enrichment and guidance for K-12 students and to increase the likelihood for students in the program to obtain a college degree and attend graduate or professional school. Law-themed programs are the foundation for this program, exposing students to law students, lawyers, judges and issues relating to justice and civic responsibility. Highlights of the program included participating in financial aid workshops, law seminars hosted by Sacramento attorneys, diversity speaker series, the Western Association for College Admission Counseling’s Spring College Fair, Youth Court, Mock Trials and a local essay contest. Post-program evaluation shows high school students who participated in the mentoring program for more than one year saw improvements in their GPA, SAT and the CA High School Exit Exam scores.

**2009 LEGISLATIVE CHANGES**

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**Chapter 557, Statutes of 2009 (Senate Bill 99 – Committee on Local Government (Wiggins, Aanestad, Cox, Kehoe & Wolk)** –In part, this bill imposes additional transparency and accountability requirements on conduit financing providers in California and also clarifying their audit and reporting requirements..

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**SUMMARY OF 2009 CALENDAR YEAR FINANCINGS**

In 2009, the Authority authorized \$393,970,000 in bond financings for 5 California colleges and universities which resulted in the issuance of \$861,975,000 in bond financings for 8 institutions and the authorization of \$100,000,000 in Tax-Exempt Commercial Paper. The following table provides a summary of all CEFA bond issues that closed in 2009.

School	Amount Issued	Closing Date	Sr. Manager(s)
University of Southern California, Series 2009A	\$ 217,605,000	01/15/09	Morgan Stanley/Prager, Sealy & Co., LLC
University of Southern California, Series 2009B	197,900,000	02/25/09	Morgan Stanley/Prager, Sealy & Co., LLC
Claremont McKenna College, Series 2009	83,095,000	01/22/09	Prager, Sealy & Co., LLC
Pomona College, Series 2009 A	62,290,000	04/02/09	Wedbush Morgan Securities
University of the Pacific, Series 2009	15,000,000	05/28/09	Prager, Sealy & Co., LLC
University of Southern California, Series 2009C	82,305,000	07/08/09	Morgan Stanley/Prager, Sealy & Co., LLC
California Institute of Technology (CPU)	100,000,000	07/28/09	Goldman, Sachs & Co. (Dealer)
California Institute of Technology, Series 2009	\$80,000,000	07/28/09	Prager, Sealy & Co., LLC/Morgan Stanley
Stanford University, Series T-5	51,765,000	07/28/09	Morgan Stanley
Art Center College of Design, Series 2009	\$9,940,000	08/13/09	Wells Fargo Securities
Pitzer College, Series 2009	62,075,000	11/18/09	Wedbush Morgan Securities
<b>TOTAL</b>	<b>\$ 961,975,000</b>		

**University of Southern California, Series 2009A- \$217,605,000, Series 2009B - \$197,900,000** – Bonds were issued to finance renovation of the Norris Cancer Center; the acquisition and renovation of the USC University Hospital, including its parking structure; the construction and equipping of the University’s Campus Center; and various other capital improvements and capital expenditures.

**Claremont McKenna College, Series 2009 - \$83,095,000** – Bonds were issued to finance various capital improvement projects, including the acquisition, construction, expansion, replacement, renovation, improvement and equipping of certain educational facilities, including the renovation of two dormitories and a new Tennis Center and Recreation Athletic Field.

**Pomona College, Series 2009 A – \$62,290,000** – Bonds were issued to refund a portion of the CEFA Series 1999 bonds and all of the outstanding CEFA Series 2005B and Series 2008B bonds. In addition, the College plans to add a projects to the CEFA Series 2008A project list to be paid from available proceeds of the 2008A bonds. The projects include necessary renovations to the Seaver South Building, updating and modernizing the laboratories, and providing additional faculty space for the College’s Biology program.

**University of the Pacific, Series 2009 - \$15,000,000** – Bonds were issued to finance various capital improvement projects, including the building of a new facility that will provide an indoor gymnasium. In addition, the University used bond proceeds to current refund all or a portion of the CEFA Series 1998 bonds, resulting in a net present value savings of approximately \$135,000 for the University.

**University of Southern California, Series 2009 C - \$82,305,000** – Bonds were issued to current refund their CEFA Series 1998A and Series 1999 bonds.

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**SUMMARY OF 2009 CALENDAR YEAR FINANCINGS -cont-**

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**California Institute of Technology, Series CP - \$100,000,000** – California Institute of Technology (Caltech) intends to use tax-exempt and taxable commercial paper notes to finance multi-year capital building and renovation projects. New projects include the construction of an Astrophysics Laboratory, an Information Science and Technology Center, a new Chemistry Building, as well as many infrastructure and equipment projects.

**California Institute of Technology, Series 2009 - \$80,000,000** – Bonds were issued in conjunction with Caltech’s commercial paper program. Proceeds were used to fund various capital projects and to refund all or a portion of the CEFA Series 1994 and the CEFA Series 1998 bonds. Caltech intends to design, build and pursue certification of all new buildings at a LEED Silver level or higher.

**Stanford University, Series T-4 - \$51,765,000** – Bond proceeds were used to advance refund a portion of the University’s CEFA 1999 Series P bonds.

**Art Center College of Design, Series 2009 - \$9,940,000** – Bond proceeds were used, in part, to refinance a taxable loan that was used to construct classrooms, galleries, studio space, and administrative offices on their South Campus. In addition, the College used a portion of the proceeds to reimburse expenditures related to the completion of several renovation projects on their South Campus. The College’s South Campus is in a former industrial zone now designated by the city of Pasadena for research, medical and educational uses and the building is among the first LEED certified buildings in the city.

**Pitzer College, Series 2009 - \$62,075,000** – Bonds were issued to finance the construction of two residence halls, the acquisition of land adjacent to the main campus, and infrastructure improvements to various academic and administrative buildings and residence halls. In addition, bond proceeds were used to refund all or a portion of the CEFA Series 1999A and the CEFA Series 2005B bonds.

**CEFA PORTFOLIO**

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As of December 31, 2009, the Authority had 129 outstanding bond issues totaling \$4,624,586,060. A complete listing of the bonds outstanding, issues through fiscal year 2008-09, is provided on page 20 of the attached Independent Auditor’s Report (Appendix A).

**CEFA FINANCIAL STATEMENTS**

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Appendix A includes a complete copy of the California Educational Facilities Authority’s June 30, 2009 and 2008 Independent Auditor’s Report as prepared by Gilbert Associates, Inc., Certified Public Accountants of Sacramento, CA.

**AUTHORITY STAFF**

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The Authority staff and contact information is provided in Appendix B.

**CALIFORNIA EDUCATIONAL  
FACILITIES AUTHORITY**

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

**YEARS ENDED  
JUNE 30, 2009 AND 2008**

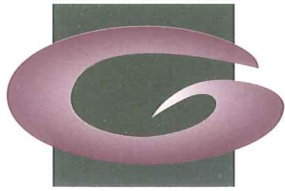
# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

JUNE 30, 2009 AND 2008

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## **INDEPENDENT AUDITOR'S REPORT**

### **CEFA Members**

**California Educational Facilities Authority  
Sacramento, California**

We have audited the accompanying financial statements of the California Educational Facilities Authority (CEFA), a fund of the State of California, as of and for the fiscal years ended June 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of CEFA's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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, 2009 and 2008, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements, referred to above present fairly, in all material respects, the financial position of CEFA as of June 30, 2009 and 2008, and the changes in financial position, and cash flows, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise CEFA's basic financial statements. The additional information, as described in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements. The additional information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Gilbert Associates, Inc.*

**GILBERT ASSOCIATES, INC.**  
**Sacramento, California**

**October 15, 2009**

# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

## BALANCE SHEETS JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash & Investments in State Treasury	\$ 12,294,067	\$ 12,017,952
Restricted Cash & Investments with Fiscal Agent	5,148,995	10,071,171
Accounts Receivable	3,863,070	5,109,932
Due from Other External Funds	55,105	96,013
Prepaid Expenses	33,852	29,519
Other Assets	13,583	16,630
Deferred Charges	15,885	23,068
Total Current Assets	<u>21,424,557</u>	<u>27,364,285</u>
<b>NON-CURRENT ASSETS:</b>		
Restricted Investments with Fiscal Agent	1,951,800	1,868,832
Accounts Receivable (Net)	12,779,461	15,914,887
Deferred Charges (Net)	<u>210,472</u>	<u>303,131</u>
Total Non-Current Assets	<u>14,941,733</u>	<u>18,086,850</u>
<b>TOTAL ASSETS</b>	<u>\$ 36,366,290</u>	<u>\$ 45,451,135</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 46,812	\$ 34,813
Accrued Arbitrage	12,259	12,259
Accrued Expenses	599,196	746,194
Due to Other External Funds	7,371	22,636
Other Liabilities	<u>224,061</u>	<u>214,861</u>
Total Current Liabilities	<u>889,699</u>	<u>1,030,763</u>
<b>NON-CURRENT LIABILITIES:</b>		
Accrued Vacation	26,215	54,019
Bonds Payable	22,105,000	30,315,000
OPEB Obligation	48,000	48,000
Participant Collateral Accounts	<u>270,000</u>	<u>270,000</u>
Total Non-Current Liabilities	<u>22,449,215</u>	<u>30,687,019</u>
<b>TOTAL LIABILITIES</b>	<u>23,338,914</u>	<u>31,717,782</u>
<b>NET ASSETS</b>		
Restricted for Educational Purposes	<u>13,027,376</u>	<u>13,733,353</u>
Total Net Assets	<u>13,027,376</u>	<u>13,733,353</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 36,366,290</u>	<u>\$ 45,451,135</u>

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

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**YEARS ENDED JUNE 30, 2009 AND 2008**

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	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES:</b>		
Interest Income on Student Loans	\$ 1,873,946	\$ 2,152,584
Fee Revenue	<u>811,487</u>	<u>646,212</u>
Total Operating Revenues	<u>2,685,433</u>	<u>2,798,796</u>
<b>OPERATING EXPENSES:</b>		
Salaries and Wages	318,108	354,851
Operating Expenses	2,431,630	1,824,798
Grant Expense	<u>                    </u>	<u>1,312,310</u>
Total Operating Expenses	<u>2,749,738</u>	<u>3,491,959</u>
<b>OPERATING LOSS</b>	(64,305)	(693,163)
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Interest Income on Investments	912,558	1,164,375
Interest Expense	(1,545,630)	(1,696,781)
Arbitrage Expense	<u>(8,600)</u>	<u>17,118</u>
<b>CHANGE IN NET ASSETS</b>	(705,977)	(1,208,451)
<b>NET ASSETS</b>		
<b>NET ASSETS, Beginning of Year</b>	<u>13,733,353</u>	<u>14,941,804</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 13,027,376</u>	<u>\$ 13,733,353</u>

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

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## STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Principal Repayments from Students	\$ 3,110,935	\$ 4,311,979
Interest Receipts from Student Loans	1,444,050	1,655,175
Receipts from Fees	812,737	643,212
Payments to Employees	(345,912)	(355,432)
Payments to Suppliers of Goods and Services	(631,238)	(976,409)
Grants Paid		(1,312,310)
Net Cash Provided by Operating Activities	<u>4,390,572</u>	<u>3,966,215</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Interest Paid on Bonds Payable	(1,705,818)	(1,720,033)
Payment on Bonds Payable	(8,210,000)	(1,960,000)
Net Cash Used by Noncapital Financing Activities	<u>(9,915,818)</u>	<u>(3,680,033)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Receipts from Investments	962,153	1,235,393
Proceeds from the Sale of Investments	(82,968)	(174,455)
Net Cash Provided by Investing Activities	<u>879,185</u>	<u>1,060,938</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(4,646,061)	1,347,120
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>22,089,123</u>	<u>20,742,003</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 17,443,062</u>	<u>\$ 22,089,123</u>
<b>RECONCILIATION OF NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Loss	\$ (64,305)	\$ (693,163)
<b>ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH PROVIDED BY OPERATIONS:</b>		
Amortization, Non-Cash	99,842	54,385
(Increase) Decrease in:		
Accounts Receivable	3,034,681	3,811,571
Allowance for Uncollectible Accounts	1,347,607	799,999
Due to/from Other External Funds	(23,952)	15,382
Prepaid Expenses	(4,333)	6,160
Other Assets	3,047	4,061
Increase (Decrease) in:		
Accounts Payable	11,999	(14,799)
Accrued Expenses	4,590	(2,978)
Accrued Vacation	(27,804)	(48,581)
OPEB Obligation		48,000
Other Liabilities	9,200	(13,822)
Net Cash Provided by Operating Activities	<u>\$ 4,390,572</u>	<u>\$ 3,966,215</u>

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



# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

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### 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 than might otherwise be obtainable. The provisions of Assembly Bill 89, Section 94153 of the Education Code has been repealed thereby deleting the limitation of the total amount of bonds authorized to be outstanding at any time.

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.

The CSLA was originally established for the primary purpose of financing federally 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 federally insured loans or the revenue therefrom for the benefit of holders of CEFA's bonds. Neither the 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 has been expanded to include the financing of student loans. Students attending both public and private non-profit colleges and universities are 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. \$30,260,000 in tax-exempt bonds were issued, enough to finance approximately 9,000 loans. The bonds were payable out of funds pledged under the program's indenture, which includes payments, proceeds, charges and other cash income received in account of, or with respect to, any student loan. CEFA issued its second bond of this type in 1998 in the amount of \$25,000,000, enough to finance approximately 4,000 loans. This bond funded the Cal Edge Program and the structure of the bond is similar to the Cal Loan Program, although the programs offer different types of student loans. On June 27, 2001, CEFA issued a second series of Cal Loan Bonds (Cal Loan Program, Series 2001 A) in the amount of \$45,000,000 and contributed \$1.1 million in up-front cash.

# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

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CEFA contracts with All Student Loan Resources Corporation to provide program oversight for Cal Loan and Cal Edge.

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 are provided from CEFA's existing fund balance and will be disbursed over a three-year period. During the years ending June 30, 2009 and 2008, \$0 and \$1,312,310, respectively, in grant funds were disbursed.

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 Business Type Activities. The California State Treasurer 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 Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As a governmental entity, CEFA follows the accounting standard hierarchy established by the GASB. However, since CEFA operates proprietary activities, which are usually thought to be business-type activities (enterprise fund accounting), applicable statements and interpretations of the Financial Accounting Standards Board (FASB) issued before November 30, 1989 may apply unless they conflict with or contradict GASB pronouncements. CEFA has elected not to apply FASB pronouncements issued after November 30, 1989.

### D. ACCOUNTS RECEIVABLE

Accounts receivable consist of loans that are either deferred or in repayment. A reserve of \$7,400,000 and \$5,700,000 for the Cal Loan program (netted against accounts receivable) was established as of June 30, 2009 and 2008, respectively. Currently, the individual colleges guaranty the first 12% and CEFA guaranties the next 5% of portfolio losses for the 1997A bond. For the 2001A bond, CEFA guaranties the first 5% and the individual colleges guaranty the next 12% of portfolio losses. The Cal Edge Program does not require college guaranties to offset loans; therefore, a reserve of \$167,700 and \$520,093 for the program was established as of June 30, 2009 and 2008, respectively. Similar to Cal Loan, this reserve is netted against accounts receivable.

# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

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### E. REVENUES

#### Educational Facilities Authority Fund (EFAF)

Fees are for review of bond issuance 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 annual administration fees, which are charged on all outstanding bonds, are waived if the participant has other CEFA debt. The administration fees are \$500 annually for the first five years, and \$250 annually thereafter for the life of the bond issue.

#### Student Loan Authority Fund (SLAF)

The Cal Edge and 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 (retained earnings) are restricted for the respective loan programs.

Administration fund cash for both EFAF and SLAF is held by Surplus Money Investment Fund 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 are not considered a budgetary fund. The Education Code sections of the Act (E.C. 94100 et. Seq.) do not require annual budgets or establish 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. 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.

### I. DEFERRED CHARGES

Deferred charges are bond issuance costs and discounts that are being amortized over the life of the bonds, generally 20 years for the Cal Loan bond and 30 years for the Cal Edge bond.

# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

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### J. NET ASSETS

Net assets are 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.

### K. USES OF ESTIMATES TO PREPARE FINANCIAL STATEMENTS

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

## 2. CASH AND INVESTMENTS

### A. GENERAL

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

	<u>2009</u>	<u>2008</u>
Cash and Investments in State Treasury	\$ 12,294,067	\$ 12,017,952
Cash and Investments with Fiscal Agent	5,148,995	10,071,171
Investments with Fiscal Agent, Non-Current	<u>1,951,800</u>	<u>1,868,832</u>
Total Cash and Investments	<u>\$ 19,394,862</u>	<u>\$ 23,957,955</u>

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

	<u>2009</u>	<u>2008</u>
Deposits in Surplus Money Investment Fund	\$ 12,293,000	\$ 12,016,000
Cash in State Treasury	1,067	1,952
Money Market Funds with Fiscal Agent	1,024,642	1,159,345
Investments with Fiscal Agent	<u>6,076,153</u>	<u>10,780,658</u>
Total Cash and Investments	<u>\$ 19,394,862</u>	<u>\$ 23,957,955</u>

# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

### B. STATE TREASURY

CEFA invests excess cash funds in the Surplus Money Investment Fund (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, 2009 and 2008, CEFA invested funds in SMIF in the amount of \$12,293,000 and \$12,016,000, respectively.

Additional disclosure detail required by Government Accounting Standards Board Statement No. 3, No. 31, No. 40, and GASB Technical Bulletin 94-1, regarding cash deposits and investments, are presented in the financial statements of the State of California for the years ended June 30, 2009 and 2008.

### C. FISCAL AGENTS

CEFA has invested proceeds from its student loan program in trust indentures held by two commercial banks: The Bank of New York and Union Bank of California. 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.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
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

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

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

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

<b>2009</b>						
<u>Investment Type</u>	<u>Weighted Average Maturity (in years)</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Cal Loan</u>	<u>Cal Edge</u>	<u>Carrying Value</u>
Guaranteed Investment Contract	.0055	6/01/16	6.37%	\$ 3,893,513		\$ 3,893,513
Guaranteed Investment Contract	.0055	3/29/28	5.73		\$ 1,899,946	1,899,946
Guaranteed Investment Contract	.0055	3/01/21	5.25	21,044		21,044
Guaranteed Investment Contract	.0055	2/24/21	5.25	261,650		261,650
Money Market Funds	.0027	N/A	0.08	855,455	169,187	1,024,642
Total				<u>\$ 5,031,662</u>	<u>\$ 2,069,133</u>	<u>\$ 7,100,795</u>

<b>2008</b>						
<u>Investment Type</u>	<u>Weighted Average Maturity (in years)</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Cal Loan</u>	<u>Cal Edge</u>	<u>Carrying Value</u>
Guaranteed Investment Contract	.0055	6/01/16	6.37%	\$ 8,547,807		\$ 8,547,807
Guaranteed Investment Contract	.0055	3/29/28	5.73		\$ 1,964,423	1,964,423
Guaranteed Investment Contract	.0055	3/01/21	5.25	11,428		11,428
Guaranteed Investment Contract	.0055	2/24/21	5.25	257,000		257,000
Money Market Funds	.0004	N/A	2.23	966,751	192,594	1,159,345
Total				<u>\$ 9,782,986</u>	<u>\$ 2,157,017</u>	<u>\$11,940,003</u>

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

All of the guaranteed investment contracts are issued by Financial Guarantee Insurance Company, 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, 2009 and were invested in the JP Morgan U.S. Government money market funds at June 30, 2008. The Dreyfus Government money market funds are rated AAA and the JP Morgan U.S. Government money market funds are unrated, both funds are uninsured, not registered in CEFA's name. The Cal Edge money market funds are invested in Blackrock Institutional Funds T-Fund Institutional Shares, which are uninsured, not registered in CEFA's name and rated AAA.

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

<u>Categories</u>	<u>2009</u>	<u>2008</u>
<b>Cal Loan</b>		
Current:		
Proceeds Fund – Student Loan Account	\$ 3,324,848	\$ 7,894,071
Reserve Fund - Revenue	83,310	232,749
Guaranty Reserve	1,826	1,806
Accrued Interest	169,886	206,041
Total Current Cash and Investments with Fiscal Agent	<u>3,579,870</u>	<u>8,334,667</u>
Non-Current:		
Reserve Fund – General Account	<u>1,451,792</u>	<u>1,448,319</u>
Total Cal Loan Cash and Investments with Fiscal Agent	<u>5,031,662</u>	<u>9,782,986</u>
<b>Cal Edge</b>		
Current:		
Loan Fund	15,047	72,717
Principal Fund	263,588	446,548
Loan Reserve Fund	933,456	849,185
Interest Fund	213,451	186,920
Collection Account	131,651	150,140
Revenue Account	11,932	30,994
Total Current Cash and Investments with Fiscal Agent	<u>1,569,125</u>	<u>1,736,504</u>
Non-Current:		
Debt Service Reserve Account	<u>500,008</u>	<u>420,513</u>
Total Cal Edge Cash and Investments with Fiscal Agent	<u>2,069,133</u>	<u>2,157,017</u>
Total Cash and Investments with Fiscal Agent	<u>\$ 7,100,795</u>	<u>\$ 11,940,003</u>
Total Current Cash and Investments with Fiscal Agent	\$ 5,148,995	\$ 10,071,171
Total Non-Current Cash and Investments with Fiscal Agent	<u>1,951,800</u>	<u>1,868,832</u>
Total Cash and Investments with Fiscal Agent	<u>\$ 7,100,795</u>	<u>\$ 11,940,003</u>

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

**3. ACCOUNTS RECEIVABLE**

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

	<u>2009</u>	<u>2008</u>
Cal Loan:		
Student Loan Receivables	\$ 15,289,927	\$ 17,639,214
Student Loan – Interest	1,749,506	1,310,528
Allowance for Loan Losses	<u>(7,400,000)</u>	<u>(5,700,000)</u>
	<u>9,639,433</u>	<u>13,249,742</u>
Cal Edge		
Student Loan Receivables	7,103,019	8,178,972
Student Loan – Interest	57,518	97,218
Loans in Process	5,261	12,730
Allowance for Loan Losses	<u>(167,700)</u>	<u>(520,093)</u>
	<u>6,998,098</u>	<u>7,768,827</u>
EFAF		
Fees	<u>5,000</u>	<u>6,250</u>
Accounts Receivable, Net	<u>\$ 16,642,531</u>	<u>\$ 21,024,819</u>

**4. DUE TO/FROM OTHER FUNDS – EXTERNAL FUNDS**

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

<u>Due From (Due To)</u>	<u>Description</u>	<u>2009</u>	<u>2008</u>
SLAF			
SMIF	Interest Income	\$ 28,474	\$ 57,010
EFAF			
SMIF	Interest Income	26,631	39,003
Other Funds	Miscellaneous	<u>(7,371)</u>	<u>(22,636)</u>
		<u>\$ 47,734</u>	<u>\$ 73,377</u>

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.



**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

**5. BONDS PAYABLE**

The detail of the bonds payable is as follows:

5.55% Term Series 1998 Bonds, due April 1, 2028. Student loan revenue bonds (Cal Edge). Interest due semi-annually, payable from revenues and recoveries of principal, including all receipts with respect to student loans financed pursuant to the indenture.	\$ 7,105,000
5.10% Term Series 2001 A Bonds, due March 1, 2014. 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.	5,000,000
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.	<u>10,000,000</u>
Total Bonds Payable	<u>\$ 22,105,000</u>

Both Cal Edge and Cal Loan are interest only bonds with no principal payments due until maturity. During 2009 principal payments of \$1,210,000 and \$7,000,000 were made for the Cal Edge Series 1998 Bonds and the Cal Loan Series 2001A Bonds, respectively. During 2008, a principal payment of \$1,960,000 was made for the Cal Edge Series 1998 Bonds.

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 \$22,105,000 million in revenue bonds as described above. The bonds are payable solely from student loan net revenues and are payable through 2028. 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. The total principal and interest remaining to be paid on the bonds is \$37,845,111. Principal and interest paid for the current year and total student loan net revenues were \$9,898,419 and \$5,499,325, respectively.

Bonds Bond Payable activity for the year ended June 30, 2009, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
5.55% Series 1998	\$ 8,315,000		\$ 1,210,000	\$ 7,105,000
5.10% Series 2001A	5,000,000			5,000,000
5.40% Series 2001A	<u>17,000,000</u>		<u>7,000,000</u>	<u>10,000,000</u>
Long-term liabilities	<u>\$ 30,315,000</u>	\$	<u>\$ 8,210,000</u>	<u>\$ 22,105,000</u>

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

The summary of principal and interest for bonds payable as of June 30, 2009 are as follows:

**1998 Bonds (Cal Edge)**

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010		\$ 394,328	\$ 394,328
2011		394,328	394,328
2012		394,328	394,328
2013		394,328	394,328
2014		394,328	394,328
2015-2019		1,971,638	1,971,638
2020-2024		1,971,638	1,971,638
2025-2028	\$ 7,105,000	1,840,195	8,945,195
Total	\$ 7,105,000	\$ 7,755,111	\$ 14,860,111

**2001 A Bonds (Cal Loan)**

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010		\$ 255,000	\$ 255,000
2011		255,000	255,000
2012		255,000	255,000
2013		255,000	255,000
2014	\$ 5,000,000	170,000	5,170,000
Total	\$ 5,000,000	\$ 1,190,000	\$ 6,190,000

**2001 A Bonds (Cal Loan)**

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010		\$ 540,000	\$ 540,000
2011		540,000	540,000
2012		540,000	540,000
2013		540,000	540,000
2014		540,000	540,000
2015-2019		2,700,000	2,700,000
2020-2021	\$ 10,000,000	1,395,000	11,395,000
Total	\$ 10,000,000	\$ 6,795,000	\$ 16,795,000

# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

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### 6. 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, 2009 and 2008 were \$35,760 and \$40,037, 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, 2009 and 2008 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 Government Accounting Standards Board Statement 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, 2009.

# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 AND 2008

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### 7. POST-RETIREMENT 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-retirement benefit costs have been allocated to CEFA as follows:

Annual required contribution	\$	0
Interest on net OPEB obligation		0
Adjustment to annual required contribution		0
Annual OPEB cost (expense)		<u>0</u>
Contributions made		<u>0</u>
Increase in net OPEB obligation		0
Net OPEB obligation – beginning of year		<u>48,000</u>
Net OPEB obligation – end of year	\$	<u>48,000</u>

Additional disclosure detail required by Government Accounting Standards Board Statement No. 45, regarding post-retirement benefits are presented in the financial statements of the State of California for the year ended June 30, 2009.

### 8. CONDUIT FINANCING PROGRAMS

CEFA acts as a conduit 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, 2009 and 2008, there were \$4,442,222,183 and \$3,835,681,229, respectively, in conduit financings outstanding.

## **ADDITIONAL INFORMATION**

# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

## CONSOLIDATING BALANCE SHEET

JUNE 30, 2009

ASSETS	Student Loan Authority Fund				Educational Facilities Authority Fund	Total
	Administration	Cal Loan	Cal Edge	Total	Fund	Total
<b>CURRENT ASSETS:</b>						
Cash & Investments in State Treasury	\$ 7,557,932			\$ 7,557,932	\$ 4,736,135	\$ 12,294,067
Restricted Cash & Investments with Fiscal Agent		\$ 3,579,870	\$ 1,569,125	5,148,995		5,148,995
Accounts Receivable		2,841,591	1,016,479	3,858,070	5,000	3,863,070
Due from Other External Funds	28,474			28,474	26,631	55,105
Prepaid Expenses		33,852		33,852		33,852
Other Assets			9,592	9,592	3,991	13,583
Deferred Charges		10,779	5,106	15,885		15,885
Total Current Assets	7,586,406	6,466,092	2,600,302	16,652,800	4,771,757	21,424,557
<b>NON-CURRENT ASSETS:</b>						
Restricted Investments with Fiscal Agent		1,451,792	500,008	1,951,800		1,951,800
Accounts Receivable (Net)		6,797,842	5,981,619	12,779,461		12,779,461
Deferred Charges (Net)		118,566	91,906	210,472		210,472
Advances to (from) Other Funds	2,657,669	(2,000,000)	(657,669)			
Total Non-Current Assets	2,657,669	6,368,200	5,915,864	14,941,733		14,941,733
<b>TOTAL ASSETS</b>	<b>\$ 10,244,075</b>	<b>\$ 12,834,292</b>	<b>\$ 8,516,166</b>	<b>\$ 31,594,533</b>	<b>\$ 4,771,757</b>	<b>\$ 36,366,290</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts Payable		\$ 9,737		\$ 9,737	\$ 37,075	\$ 46,812
Accrued Arbitrage		12,259		12,259		12,259
Accrued Expenses		500,614	\$ 98,582	599,196		599,196
Due to Other External Funds					7,371	7,371
Other Liabilities			223,311	223,311	750	224,061
Total Current Liabilities		522,610	321,893	844,503	45,196	889,699
<b>NON-CURRENT LIABILITIES:</b>						
Accrued Vacation					26,215	26,215
Bonds Payable		15,000,000	7,105,000	22,105,000		22,105,000
OPEB Obligation					48,000	48,000
Participant Collateral Accounts		270,000		270,000		270,000
Total Non-Current Liabilities		15,270,000	7,105,000	22,375,000	74,215	22,449,215
<b>TOTAL LIABILITIES</b>		<b>15,792,610</b>	<b>7,426,893</b>	<b>23,219,503</b>	<b>119,411</b>	<b>23,338,914</b>
<b>NET ASSETS:</b>						
Restricted for Educational Purposes	\$ 10,244,075	(2,958,318)	1,089,273	8,375,030	4,652,346	13,027,376
Total Net Assets	10,244,075	(2,958,318)	1,089,273	8,375,030	4,652,346	13,027,376
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,244,075</b>	<b>\$ 12,834,292</b>	<b>\$ 8,516,166</b>	<b>\$ 31,594,533</b>	<b>\$ 4,771,757</b>	<b>\$ 36,366,290</b>

# CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

## CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS YEAR ENDED JUNE 30, 2009

	<u>Student Loan Authority Fund</u>			<u>Total</u>	<u>Educational Facilities Authority Fund</u>	<u>Total</u>
	<u>Administration</u>	<u>Cal Loan</u>	<u>Cal Edge</u>			
<b>OPERATING REVENUES:</b>						
Interest Income on Student Loans		\$ 1,289,389	\$ 584,557	\$ 1,873,946		\$ 1,873,946
Fee Revenue		26,196	31,540	57,736	\$ 753,751	811,487
Total Operating Revenues		<u>1,315,585</u>	<u>616,097</u>	<u>1,931,682</u>	<u>753,751</u>	<u>2,685,433</u>
<b>OPERATING EXPENSES:</b>						
Salaries and Wages					318,108	318,108
Operating Expenses	\$ 24,926	2,039,171	(47,143)	2,016,954	414,676	2,431,630
Total Operating Expenses	<u>24,926</u>	<u>2,039,171</u>	<u>(47,143)</u>	<u>2,016,954</u>	<u>732,784</u>	<u>2,749,738</u>
<b>OPERATING INCOME (LOSS)</b>	(24,926)	(723,586)	663,240	(85,272)	20,967	(64,305)
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Interest Income on Investments	163,447	538,794	107,435	809,676	102,882	912,558
Interest Expense		(1,120,500)	(425,130)	(1,545,630)		(1,545,630)
Arbitrage Expense			(8,600)	(8,600)		(8,600)
<b>CHANGE IN NET ASSETS</b>	138,521	(1,305,292)	336,945	(829,826)	123,849	(705,977)
<b>NET ASSETS</b>						
<b>NET ASSETS (DEFICIT)</b>						
Beginning of Year	<u>10,105,554</u>	<u>(1,653,026)</u>	<u>752,328</u>	<u>9,204,856</u>	<u>4,528,497</u>	<u>13,733,353</u>
<b>NET ASSETS (DEFICIT)</b>						
End of Year	<u>\$ 10,244,075</u>	<u>\$ (2,958,318)</u>	<u>\$ 1,089,273</u>	<u>\$ 8,375,030</u>	<u>\$ 4,652,346</u>	<u>\$ 13,027,376</u>

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY  
EDUCATION FACILITIES AUTHORITY FUND (CEFA)**

**STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING  
JUNE 30, 2009**

<b>Bond</b>	<b>Date Issued</b>	<b>Date of Final Maturity</b>	<b>Amount of Bond Issued</b>	<b>Amount of Bond Retired</b>	<b>Bonds Outstanding as of June 30, 2009</b>
California Lutheran University, Series 2004B (Taxable Variable)	16-Nov-04	1-Oct-29	3,840,000	3,840,000	\$ -
Chapman University Equipment Loan, Series 1999A	16-Mar-99	19-Mar-09	8,233,090	8,233,090	-
Chapman University, Series 1996	1-Dec-96	1-Oct-26	40,000,000	40,000,000	-
Chapman University, Series 2005 A (Auction Rate)	8-Sep-05	1-Oct-36	54,700,000	54,700,000	-
Chapman University, Series 2005B (Auction Rate)	8-Sep-05	1-Oct-26	22,575,000	22,575,000	-
Loyola Marymount University, Series 2001B (AuctionRate) (reoffered)	14-Jun-01	1-Oct-27	30,600,000	30,600,000	-
Loyola Marymount University, Series 2004 (Auction Rate Securities)	9-Jun-04	1-Oct-34	49,825,000	49,825,000	-
Pomona College, Series 2005 B (Variable Rate Demand)	24-Feb-05	1-Jul-54	27,040,000	27,040,000	-
Pomona College, Series 2008 B	25-Jun-08	1-Jan-54	34,025,000	34,025,000	-
Santa Clara University, Series 2002 B (Variable)	31-Jan-02	1-Feb-32	10,390,000	10,390,000	-
University of the Pacific Equipment Loan 2003	26-Sep-03	26-Sep-08	1,200,000	1,200,000	-
Whittier College, Series 1997	25-Sep-97	1-Mar-10	3,227,417	3,227,417	-
1993 CEFA Pool, Series B	12-Aug-93	1-Jun-18	38,290,000	37,685,000	605,000
Carnegie Institute of Washington 1993 Series B	1-Nov-93	1-Oct-23	17,500,000	-	17,500,000
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	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
University of San Francisco, Series 1996	1-May-96	1-Oct-26	75,000,000	68,780,000	6,220,000
Stanford University, Series 1996 L-4	25-Oct-96	1-Oct-16	8,775,000	-	8,775,000
1997 CEFA Pool, Series A	30-Apr-97	1-Apr-13	13,105,000	10,850,000	2,255,000
University of Southern California, Series 1997A (Forward Refunding)	8-Jul-97	1-Oct-15	40,085,000	38,825,000	1,260,000
1997 CEFA Pool, Series C	1-Oct-97	1-Mar-15	17,485,000	14,660,000	2,825,000
Stanford University, Series 1997 L-5	23-Oct-97	1-Oct-17	15,165,000	-	15,165,000
Southern California University of Health Sciences (Formerly the Los Angeles College of Chiropractic, Series 1997)	4-Nov-97	1-Nov-17	18,000,000	7,565,000	10,435,000
Mills College, Series 1997	20-Nov-97	1-Sep-22	11,065,000	3,545,000	7,520,000
Loyola Marymount University, Series 1997	11-Dec-97	1-Oct-22	19,295,000	8,105,000	11,190,000
University of San Diego, Series 1998	25-Feb-98	1-Oct-22	41,490,000	19,930,000	21,560,000
California Western School of Law, Series 1998	4-Apr-98	1-Oct-28	16,000,000	2,950,000	13,050,000
1998 CEFA Pool, Series A	28-May-98	1-Jul-23	35,050,000	30,570,000	4,480,000
University of the Pacific, Series 1998	25-Jun-98	1-Nov-23	12,500,000	2,610,000	9,890,000
Stanford University, Series 1998 O	6-Oct-98	1-Jan-31	89,555,000	-	89,555,000
California Institute of Technology, Series 1998	22-Oct-98	1-Apr-28	103,865,000	-	103,865,000
University of Southern California, Series 1998A	27-Oct-98	1-Oct-28	30,360,000	-	30,360,000
Stanford University, Series 1998 L-6	28-Oct-98	1-Oct-22	17,815,000	-	17,815,000
University of Judaism, 1998 Series A (Variable)	17-Dec-98	1-Dec-28	13,500,000	2,000,000	11,500,000
University of Judaism, 1998 Series B (Taxable Variable)	17-Dec-98	1-Dec-28	7,000,000	1,100,000	5,900,000
University of San Diego, Series 1999	4-Feb-99	1-Oct-28	31,778,189	-	31,778,189



**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY  
EDUCATION FACILITIES AUTHORITY FUND (CEFA)**

**STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING  
JUNE 30, 2009**

<b>Bond</b>	<b>Date Issued</b>	<b>Date of Final Maturity</b>	<b>Amount of Bond Issued</b>	<b>Amount of Bond Retired</b>	<b>Bonds Outstanding as of June 30, 2009</b>
Pomona College, Series 1999	10-Feb-99	1-Jan-17	17,885,000	13,040,000	4,845,000
Claremont McKenna University, Series 1999	1-Mar-99	1-Nov-29	24,000,000	15,280,000	8,720,000
Life Chiropractic College West, 1999 (Variable)	4-Mar-99	1-Jan-25	18,000,000	2,350,000	15,650,000
Claremont University Center, Series 1999A (Claremont Graduate University)	16-Mar-99	1-Mar-17	7,180,000	3,750,000	3,430,000
Claremont University Consortium, Series 1999 B (Central Programs & Services)	16-Mar-99	1-Mar-23	8,295,000	2,245,000	6,050,000
Pepperdine University, Series 1999 A	25-Mar-99	1-Nov-29	30,000,000	14,130,000	15,870,000
Stanford University, Series 1999 P	30-Mar-99	1-Dec-23	110,440,000	-	110,440,000
Santa Clara University, Series 1999	15-Apr-99	1-Sep-26	82,181,741	12,114,878	70,066,863
1999 CEFA Pool, Series A	27-Apr-99	1-Apr-23	10,405,000	3,050,000	7,355,000
1999 CEFA Pool, Series B	27-Apr-99	1-Apr-24	19,745,000	10,765,000	8,980,000
University of Southern California, Series 1999	6-Jul-99	1-Oct-27	60,000,000	-	60,000,000
Stanford University, Series 1999 L-7	28-Oct-99	1-Oct-22	18,393,000	-	18,393,000
Loyola Marymount University, Series 1999	6-Jan-00	1-Oct-39	62,142,839	59,773,784	2,369,055
American Film Institute, Series 2000	7-Feb-00	1-May-10	3,705,000	1,735,000	1,970,000
Fresno Pacific University, Series 2000A	2-Mar-00	1-Mar-19	9,160,000	3,105,000	6,055,000
San Francisco Conservatory of Music, Series 2000	22-Mar-00	1-Mar-25	10,000,000	2,560,000	7,440,000
University of San Francisco, Series 2000 (Variable)	16-May-00	1-May-30	27,000,000	4,700,000	22,300,000
University of the Pacific, Series 2000	22-Jun-00	1-Nov-30	41,000,000	28,290,000	12,710,000
Chapman University, Series 2000 (Variable)	8-Aug-00	1-Dec-30	18,000,000	2,900,000	15,100,000
Stanford University, Series 2001 Q	3-May-01	1-Dec-32	101,860,000	-	101,860,000
Loyola Marymount University, Series 2001A	14-Jun-01	1-Oct-24	75,449,126	3,640,000	71,809,126
California College of Arts & Crafts, Series 2001	1-Jun-01	1-Aug-30	14,490,000	65,000	14,425,000
Stanford University, Series 2001 R	16-Aug-01	1-Nov-21	111,585,000	-	111,585,000
Scripps College, Series 2001	29-Aug-01	1-Aug-31	12,250,000	6,560,000	5,690,000
Golden Gate University, Series 2001	18-Oct-01	1-Oct-31	29,360,000	2,685,000	26,675,000
Pomona College, Series 2001	28-Nov-01	1-Jan-17	15,220,000	5,365,000	9,855,000
Santa Clara University, Series 2002 A	31-Jan-02	1-Feb-32	21,600,000	2,600,000	19,000,000
Art Center College of Design 2002 Series A (Variable)	23-May-02	1-Dec-32	11,545,000	1,600,000	9,945,000
Art Center College of Design 2002 Series B (Variable)	23-May-02	1-Dec-32	13,055,000	1,900,000	11,155,000
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	100,000,000	50,000,000
University of Redlands, 2003 Series A	27-Mar-03	01-Jun-33	17,280,000	2,090,000	15,190,000
Pepperdine University, Series 2003 A	30-Apr-03	01-Sep-33	45,000,000	-	45,000,000
University of San Francisco, Series 2003 (Variable)	28-May-03	01-May-33	40,000,000	3,600,000	36,400,000
Southwestern University Series 2003	29-May-03	01-Nov-23	11,880,000	2,490,000	9,390,000
University of Redlands, Series 2003B	11-Jun-03	01-Oct-25	17,000,000	2,770,000	14,230,000
Claremont McKenna University, Series 2003	25-Jun-03	01-Jan-33	9,975,000	1,095,000	8,880,000
University of Southern California, Series 2003B	08-Jul-03	01-Oct-15	12,795,000	5,175,000	7,620,000

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY  
EDUCATION FACILITIES AUTHORITY FUND (CEFA)**

**STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING  
JUNE 30, 2009**

<b>Bond</b>	<b>Date Issued</b>	<b>Date of Final Maturity</b>	<b>Amount of Bond Issued</b>	<b>Amount of Bond Retired</b>	<b>Bonds Outstanding as of June 30, 2009</b>
Santa Clara University, Series 2003A	16-Jul-03	01-Sep-33	23,600,000	11,625,000	11,975,000
Harvey Mudd College, Series 2003	24-Jul-03	01-Dec-33	7,110,000	3,025,000	4,085,000
Saint Mary's College of California Equipment Loan 2004	2-Apr-04	2-Apr-11	1,650,000	1,141,653	508,347
Stanford University, Series 2004 S-1 (Remarketed 4/08)	24-Jun-04	6-Jun-19	40,000,000	-	40,000,000
Stanford University, Series 2004 S-2 (Remarketed 4/08)	24-Jun-04	11-Nov-18	40,000,000	-	40,000,000
Stanford University, Series 2004 S-3 (Remarketed 4/08)	24-Jun-04	1-Nov-39	50,000,000	-	50,000,000
Stanford University, Series 2004 S-4 (Variable)	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	2,310,000	9,190,000
California Lutheran University, Series 2004A (Variable)	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	1,545,000	26,370,000
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	1,325,000	52,995,000
Occidental College, Series 2005B	12-Apr-05	1-Oct-27	16,015,000	1,035,000	14,980,000
Pitzer College, Series 2005A	29-Apr-05	1-Apr-35	16,085,000	-	16,085,000
Pitzer College, Series 2005B (Variable)	29-Apr-05	1-Apr-45	20,575,000	2,010,000	18,565,000
California College of Arts, Series 2005	12-May-05	1-Jun-35	18,535,000	-	18,535,000
Golden Gate University, Series 2005	12-May-05	1-Oct-36	15,000,000	110,000	14,890,000
Mills College, Series 2005 A	16-Jun-05	1-Sep-35	25,000,000	60,000	24,940,000
University of Redlands, Series 2005 A	7-Jul-05	1-Oct-35	27,180,000	1,275,000	25,905,000
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	-	66,545,000
University of San Francisco, Series 2005 A (Variable Auction Rate)	18-Aug-05	1-Oct-26	23,410,000	500,000	22,910,000
University of San Francisco, Series 2005B (Variable Rate Demand)	18-Aug-05	1-Oct-35	27,500,000	200,000	27,300,000
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	520,000	2,315,000
University of La Verne, Series 2005A	10-Nov-05	1-Jun-23	20,680,000	1,735,000	18,945,000
University of La Verne, Series 2005B (Taxable Variable)	10-Nov-05	1-Jun-35	8,160,000	-	8,160,000
Woodbury University, Series 2006	1-Jan-06	1-Jan-36	19,995,000	1,005,000	18,990,000
Carnegie Institution of Washington, Series 2006A	9-Jan-06	1-Oct-40	18,300,000	-	18,300,000
Dominican University of California, Series 2006	25-Jan-06	1-Dec-36	19,795,000	170,000	19,625,000
University of the Pacific, Series 2006	31-May-06	1-Nov-36	77,180,000	1,315,000	75,865,000
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
University of San Francisco, Series 2006 (Variable Rate) (Auction Rate Securities)	27-Jul-06	1-Oct-36	56,900,000	300,000	56,600,000
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	510,000	10,730,000
Dominican University of California (Shared Financing 2007)	27-Feb-07	1-Feb-31	10,960,000	405,000	10,555,000
Keck Graduate Institute (Shared Financing 2007)	27-Feb-07	1-Feb-30	8,565,000	-	8,565,000
Woodbury University (Shared Financing 2007)	27-Feb-07	1-Feb-37	7,000,000	225,000	6,775,000

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY  
EDUCATION FACILITIES AUTHORITY FUND (CEFA)**

**STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING  
JUNE 30, 2009**

<b>Bond</b>	<b>Date Issued</b>	<b>Date of Final Maturity</b>	<b>Amount of Bond Issued</b>	<b>Amount of Bond Retired</b>	<b>Bonds Outstanding as of June 30, 2009</b>
Saint Mary's College of California Equipment Financing, Series 2007	8-May-07	8-Mar-17	2,484,966	268,804	2,216,162
University of Southern California, Series 2007	24-May-07	1-Oct-37	263,395,000	-	263,395,000
Claremont McKenna College, Series 2007	31-May-07	1-Jan-38	40,425,000	345,000	40,080,000
University of the Pacific Equipment Financing, Series 2007	15-Jun-07	15-Jun-14	4,250,000	1,098,298	3,151,702
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)	30-Aug-07	1-Oct-43	71,100,000	1,775,000	69,325,000
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	335,000	30,220,000
Charles Drew University of Medicine & Science, Series 2007	15-Nov-07	1-Nov-42	43,000,000	-	43,000,000
Occidental College, Series 2008	6-Mar-08	31-Oct-38	20,000,000	-	20,000,000
University of La Verne, Series 2008	27-Mar-08	1-Mar-38	22,500,000	-	22,500,000
Stanford University, Series T-4 (2008)	15-May-08	15-May-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	207,000,000	93,000,000
Pomona College, Series 2008 A	5-Jun-08	1-Jan-18	59,475,000	-	59,475,000
Chapman University, Series 2008 A (Variable Rate)	2-Jul-08	1-Oct-36	53,515,000	1,100,000	52,415,000
Chapman University, Series 2008 B (Variable Rate)	2-Jul-08	1-Oct-26	21,665,000	825,000	20,840,000
Chapman University, Series 2008 C (Variable Rate)	2-Jul-08	1-Oct-26	13,705,000	565,000	13,140,000
California Lutheran University, Series 2008	31-Jul-08	1-Oct-38	38,060,000	-	38,060,000
Claremont Graduate University, 2008 Series A	21-Aug-08	1-Mar-38	15,000,000	-	15,000,000
Loyola Marymount University, Series 2008	11-Dec-08	1-Oct-34	71,895,000	-	71,895,000
Santa Clara University, Series 2008	11-Dec-08	1-Apr-37	72,485,000	1,725,000	70,760,000
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	-	15,000,000
<b>TOTAL</b>					<b>\$ 4,442,222,183</b>

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

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