

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

2011 ANNUAL REPORT



CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

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EXECUTIVE DIRECTOR:

Ronald L. Washington

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

March 21, 2012

Dear Members:

I am pleased to present to you the 2011 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, 2011, the Authority has issued approximately \$10,235,623,538 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 2011 calendar year. In total, the Authority approved five (5) new applications, amended two (2) applications, processed 10 Delegation Requests, and closed eight (8) financings, issuing \$257,370,000 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.

If you desire further information or have questions concerning the Authority, please feel free to call me at (916) 653-2872. Additional information can be found about the Authority on our website: <http://www.treasurer.ca.gov/cefa>.

Sincerely,

A handwritten signature in blue ink, appearing to be "R. Washington".

Ronald L. Washington
Executive Director

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**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
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THE AUTHORITY

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>Vice Chairman, 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>

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CEFA PROGRAMS

Bond Financing – This program provides borrowers 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.

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 CalEdge Loan Program, which offered credit-based loans. The CalEdge bonds were defeased on September 29, 2010.

As the market for student loans shifted from higher fixed interest rates to lower variable interest rates, demand for both of the programs declined significantly, resulting in no new loan originations in 2011. 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.

2011 LEGISLATIVE CHANGES

AB 1163 (Brownley) proposed an amendment to the CEFA statute and was sponsored by the State Treasurer’s Office. This bill recast the definition of a “private college” or “private participating college” to mean a private college that does not restrict the admission of a student based on his or her race or ethnicity, provided that the financing does not violate specified constitutional provisions. This amendment put CEFA on an equal playing field with other local financing authorities by updating the CEFA Act. The bill was chaptered on September 7, 2011.

SUMMARY OF 2011 CALENDAR YEAR FINANCINGS

In 2011, the Authority authorized \$198,000,000 in bond financings for five (5) California colleges and universities which resulted in the issuance of \$257,370,000 in bond financings for eight (8) institutions (includes resolutions approved in 2010 that were priced and closed in 2011). The following table provides a summary of all CEFA bond issues that closed in 2011.

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School	Amount Issued	Closing Date	Sr. Manager(s)
University of San Francisco, Series 2011	\$ 79,770,000	02/15/11	Bank of America Merrill Lynch
University of San Diego, Series 2011	18,640,000	03/16/11	George K. Baum & Company
Claremont University Consortium, Series 2011	9,000,000	04/07/11	Prager, Sealy & Co., LLC
Harvey Mudd College, Series 2011	15,065,000	05/19/11	Prager, Sealy & Co., LLC
Claremont McKenna College, Series 2011	5,480,000	07/07/11	Prager, Sealy & Co., LLC
Pomona College, Series 2011	7,310,000	07/12/11	Prager, Sealy & Co., LLC
Chapman University, Series 2011	100,000,000	10/03/11	Wells Fargo Securities
Loyola Marymount University, Series 2011	22,105,000	11/22/11	JP Morgan Securities
TOTAL	\$ 257,370,000		

University of San Francisco, Series 2011 – Bond proceeds were used to support various planned capital expenditures and improvements at Phelan Hall, and reimbursement for renovation projects at the University Center. In addition, USF retired all or a portion of its CEFA Series 2005A and Series 2006 auction rate bonds in order to terminate all or a portion of the insurance policy with MBIA.

University of San Diego, Series 2011 – Bonds were issued to refund all or a portion of the CEFA Series 1998 and Series 1999 bonds.

Claremont University Consortium, Series 2011 – Bond proceeds were used for the renovation of existing facilities and to refund all or a portion of the CEFA Series 1999B bonds.

Harvey Mudd College, Series 2011 – Bond proceeds were used for the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of various projects, including a new Teaching and Learning Building, a new residence hall, renovation of existing facilities, parking improvements and the acquisition of land.

Claremont McKenna College, Series 2011 – Bond proceeds were used to refund all or a portion of the CEFA Series 1999 bonds.

Pomona College, Series 2011 – Bond proceeds were used to refund all or a portion of the CEFA Series 2001 bonds.

Chapman University, Series 2011 – Bond proceeds were used for the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of various campus facilities. In addition, bond proceeds were used to refund all or a portion of the CEFA Series 2000 bonds.

Loyola Marymount University, Series 2011 – Bond proceeds were used to refund all or a portion of the Current Interest Bond portion of Series 2001A bonds.

CEFA PORTFOLIO

As of December 31, 2011, the Authority had 117 outstanding bond issues totaling \$4,379,348,786. A complete listing of the bonds outstanding, issues through fiscal year 20010-2011 is provided on page 22 of the attached Independent Auditor’s Report (Appendix A).

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CEFA FINANCIAL STATEMENTS

Appendix A includes a complete copy of CEFA's June 30, 2011 and 2010 Independent Auditor's Report as prepared by Gilbert Associates, Inc., Certified Public Accountants of Sacramento, CA.

AUTHORITY STAFF

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, 2011 AND 2010**

**CALIFORNIA EDUCATIONAL
FACILITIES AUTHORITY**

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

**YEARS ENDED
JUNE 30, 2011 AND 2010**

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

JUNE 30, 2011 AND 2010

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Gilbert Associates, Inc.
CPAs and Advisors

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, 2011 and 2010, 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 audit.

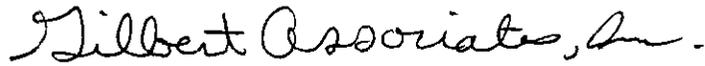
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2011 and 2010, 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, 2011 and 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2011, on our consideration of the CEFA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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.
Sacramento, California

October 12, 2011

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

BALANCE SHEETS JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS:		
Cash and Investments in State Treasury	\$ 12,462,435	\$ 12,328,527
Restricted Cash and Investments with Fiscal Agent	1,244,648	3,105,752
Accounts Receivable	2,303,739	3,273,134
Due from Other External Funds	15,010	17,206
Prepaid Expenses	14,680	18,653
Other Assets		8,147
Deferred Charges	9,584	16,268
Total Current Assets	<u>16,050,096</u>	<u>18,767,687</u>
NON-CURRENT ASSETS:		
Restricted Cash and Investments with Fiscal Agent	857,883	1,951,880
Accounts Receivable (Net)	3,461,717	10,399,928
Deferred Charges (Net)	69,831	169,929
Capital Assets (Net)	39,080	62,160
Total Non-Current Assets	<u>4,428,511</u>	<u>12,583,897</u>
TOTAL ASSETS	<u>\$ 20,478,607</u>	<u>\$ 31,351,584</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 56,236	\$ 97,408
Accrued Arbitrage		12,259
Accrued Expenses	159,770	318,265
Accrued Vacation	20,955	20,955
Deferred Administrator Compensation	263,467	208,372
Due to Other External Funds	18,345	7,873
Other Liabilities	750	223,532
Total Current Liabilities	<u>519,523</u>	<u>888,664</u>
NON-CURRENT LIABILITIES:		
Accrued Vacation	56,141	50,483
Bonds Payable	8,300,000	17,035,000
OPEB Obligation	142,000	92,000
Participant Collateral Accounts	270,000	270,000
Total Non-Current Liabilities	<u>8,768,141</u>	<u>17,447,483</u>
TOTAL LIABILITIES	<u>9,287,664</u>	<u>18,336,147</u>
NET ASSETS		
Restricted for Educational Purposes	11,190,943	13,015,437
Total Net Assets	<u>11,190,943</u>	<u>13,015,437</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,478,607</u>	<u>\$ 31,351,584</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, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES:		
Interest Income on Student Loans	\$ 1,014,257	\$ 1,623,292
Fee Revenue	<u>368,735</u>	<u>706,037</u>
Total Operating Revenues	<u>1,382,992</u>	<u>2,329,329</u>
OPERATING EXPENSES:		
Personnel	497,568	445,612
Operating Expenses	<u>1,098,916</u>	<u>1,228,370</u>
Total Operating Expenses	<u>1,596,484</u>	<u>1,673,982</u>
OPERATING INCOME (LOSS)	(213,492)	655,347
NON-OPERATING REVENUES (EXPENSES):		
Interest Income on Investments	215,616	433,504
Interest Expense	(589,809)	(1,098,990)
Arbitrage Expense	<u>(17,200)</u>	<u>(1,800)</u>
CHANGE IN NET ASSETS BEFORE SPECIAL ITEM	(604,885)	(11,939)
SPECIAL ITEMS		
Loss on Assignment and Transfer (Note 1A)	<u>(1,219,609)</u>	<u> </u>
CHANGE IN NET ASSETS	(1,824,494)	(11,939)
NET ASSETS		
NET ASSETS, Beginning of Year	<u>13,015,437</u>	<u>13,027,376</u>
NET ASSETS, End of Year	<u>\$ 11,190,943</u>	<u>\$ 13,015,437</u>

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

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Principal Repayments from Students	\$ 2,020,842	\$ 3,001,390
Interest Receipts from Student Loans	612,899	1,135,179
Receipts from Fees	344,160	707,662
Payments to Employees	(441,910)	(356,389)
Payments to Suppliers of Goods and Services	(892,109)	(643,512)
Net Cash Provided by Operating Activities	<u>1,643,882</u>	<u>3,844,330</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash paid for Assignment and Transfer	(1,163,809)	
Interest Paid on Bonds Payable	(614,085)	(1,189,436)
Payment on Bonds Payable	(2,905,000)	(5,070,000)
Net Cash Used by Noncapital Financing Activities	<u>(4,682,894)</u>	<u>(6,259,436)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchase of Capital Assets	<u> </u>	(65,000)
Net Cash Used by Capital Financing Activities	<u> </u>	<u>(65,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Receipts from Investments	<u>217,819</u>	<u>471,403</u>
Net Cash Provided by Investing Activities	<u>217,819</u>	<u>471,403</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,821,193)	(2,008,703)
BEGINNING CASH AND CASH EQUIVALENTS	<u>17,386,159</u>	<u>19,394,862</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 14,564,966</u>	<u>\$ 17,386,159</u>
RECONCILIATION OF NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (213,492)	\$ 655,347
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH PROVIDED BY OPERATIONS:		
Amortization	106,782	40,160
Depreciation	23,080	6,831
(Increase) Decrease in:		
Accounts Receivable	1,594,909	2,514,902
Allowance for Uncollectible Accounts	301,450	454,567
Due to/from Other External Funds	10,465	502
Prepaid Expenses	3,973	15,199
Other Assets	(12)	1,445
Increase (Decrease) in:		
Accounts Payable	(41,172)	50,596
Accrued Expenses	(28,859)	16,087
Accrued Vacation	5,658	45,223
Deferred Administrator Compensation	55,095	
OPEB Obligation	50,000	44,000
Other Liabilities	(223,995)	(529)
Net Cash Provided by Operating Activities	<u>\$ 1,643,882</u>	<u>\$ 3,844,330</u>
NON-CASH NONCAPITAL FINANCING ACTIVITIES:		
Transfer of Assets	<u>\$ 6,020,619</u>	<u>\$</u>
Assignment of Debt and Other Liabilities	<u>\$ 5,964,819</u>	<u>\$</u>

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

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

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 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 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 were 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. CEFA issued its second bond of this type in 1998 to finance approximately 4,000 additional loans. This bond funded the CalEdge Program and the structure of the bond was similar to the Cal Loan Program, although the programs offered different types of student loans. In June 27, 2001, CEFA issued a second series of Cal Loan Bonds while also contributing an additional amount of up-front cash. Both the CalEdge and Cal Loan programs have discontinued issuing loans. A portion of the CalEdge series of bonds were assigned and transferred in August 2010 and later paid off in September 2010.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

ALL Student Loan Resources Corporation provides program oversight for Cal Loan and CalEdge (until August 2010) programs.

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.

On August 30, 2010, CEFA assigned and transferred \$5,830,000 (of the \$6,035,000 outstanding principal balance) of the 1998 Series CalEdge bonds and \$134,810 of accrued interest payable along with the associated student loan receivables and remaining cash in the fund to College Access Foundation (CAF). The net assets transferred were \$7,184,428 and the debt and liabilities assumed were \$5,964,819, which resulted in a loss recognized on this transaction of \$1,219,609, which is recorded as a special item on the Statement of Revenues, Expenses, and Changes in Net Assets. The CalEdge 1998 Series bonds became jointly owned at this time and then were fully defeased on September 29, 2010 via deposit of sufficient funds from CAF and from CEFA with the bond Trustee.

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 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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

D. ACCOUNTS RECEIVABLE

Accounts receivable consist of loans that are either deferred or in repayment. A reserve of \$8,200,000 and \$7,900,000 for the Cal Loan program (netted against accounts receivable) was established as of June 30, 2011 and 2010, respectively. A reserve of \$122,267 for the CalEdge program was established as of June 30, 2010. In 2011, all assets for the CalEdge program were assigned to College Access Foundation.

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 CalEdge 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 (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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

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. 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 CalEdge bond. CEFA uses the straight line method to amortize the charges which has an immaterial difference in annual cost from the required effective yield method.

K. 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.

L. DEFERRED ADMINISTRATOR COMPENSATION

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

M. 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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

N. 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 \$8,300,000 for the estimated uncollectible student loan receivables (see Note 3).

O. RECLASSIFICATIONS

Certain reclassifications have been made to the 2010 balances to conform to the 2011 presentation. These reclassifications had no effect on CEFA's total net assets.

2. CASH AND INVESTMENTS

A. GENERAL

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

	<u>2011</u>	<u>2010</u>
Cash and Investments in State Treasury	\$ 12,462,435	\$ 12,328,527
Restricted Cash and Investments with Fiscal Agent	1,244,648	3,105,752
Restricted Cash and Investments with Fiscal Agent, Non-Current	<u>857,883</u>	<u>1,951,880</u>
Total Cash and Investments	<u>\$ 14,564,966</u>	<u>\$ 17,386,159</u>

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

	<u>2011</u>	<u>2010</u>
Deposits in SMIF	\$ 12,462,000	\$ 12,328,000
Cash in State Treasury	435	527
Money Market Funds with Fiscal Agent	692,520	1,066,957
Investments with Fiscal Agent	<u>1,410,011</u>	<u>3,990,675</u>
Total Cash and Investments	<u>\$ 14,564,966</u>	<u>\$ 17,386,159</u>

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

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, 2011 and 2010, CEFA invested funds in SMIF in the amount of \$12,462,000 and \$12,328,000, respectively.

Additional disclosure detail required by Government Accounting Standards Board Statement 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, 2011 and 2010.

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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, 2011 AND 2010

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.

2011						
<u>Investment Type</u>	<u>Weighted Average Maturity (in years)</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Cal Loan</u>	<u>Carrying Value</u>	
Guaranteed Investment Contract	.0055	6/01/16	6.37%	\$ 1,403,076	\$ 1,403,076	
Guaranteed Investment Contract	.0055	3/01/21	5.25	6,935	6,095	
Money Market Funds	.0004	N/A	0.01	692,520	692,520	
Total				\$ 2,102,531	\$ 2,102,531	
2010						
<u>Investment Type</u>	<u>Weighted Average Maturity (in years)</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Cal Loan</u>	<u>CalEdge</u>	<u>Carrying Value</u>
Guaranteed Investment Contract	.0055	6/01/16	6.37%	\$ 1,786,644		\$ 1,786,644
Guaranteed Investment Contract	.0055	3/29/28	5.73		\$ 1,906,326	1,906,326
Guaranteed Investment Contract	.0055	3/01/21	5.25	36,017		36,017
Guaranteed Investment Contract	.0055	2/24/21	5.25	261,688		261,688
Money Market Funds	.0004	N/A	0.01	924,823	142,134	1,066,957
Total				\$ 3,009,172	\$ 2,048,460	\$ 5,057,632

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, 2011 and 2010. The Dreyfus Government money market funds are rated AAA, the fund is uninsured, and not registered in CEFA's name. The CalEdge money market funds were invested in Blackrock Institutional Funds T-Fund Institutional Shares, which are uninsured, not registered in CEFA's name and rated AAA at June 30, 2010.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

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>2011</u>	<u>2010</u>
Cal Loan		
Current:		
Proceeds Fund – Student Loan Account	\$ 1,099,833	\$ 1,365,310
Reserve Fund - Revenue	113,253	132,044
Guaranty Reserve	1,826	1,826
Accrued Interest	29,736	58,120
Total Current Cash and Investments with Fiscal Agent	<u>1,244,648</u>	<u>1,557,300</u>
Non-Current:		
Reserve Fund – General Account	857,883	1,451,872
Total Cal Loan Cash and Investments with Fiscal Agent	<u>2,102,531</u>	<u>3,009,172</u>
CalEdge		
Current:		
Principal Fund		277,427
Loan Reserve Fund		960,790
Interest Fund		190,347
Collection Account		100,248
Revenue Account		19,640
Total Current Cash and Investments with Fiscal Agent		<u>1,548,452</u>
Non-Current:		
Debt Service Reserve Account		500,008
Total CalEdge Cash and Investments with Fiscal Agent		<u>2,048,460</u>
Total Cash and Investments with Fiscal Agent	<u>\$ 2,102,531</u>	<u>\$ 5,057,632</u>
Total Current Cash and Investments with Fiscal Agent	\$ 1,244,648	\$ 3,105,752
Total Non-Current Cash and Investments with Fiscal Agent	<u>857,883</u>	<u>1,951,880</u>
Total Restricted Cash and Investments with Fiscal Agent	<u>\$ 2,102,531</u>	<u>\$ 5,057,632</u>

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

3. ACCOUNTS RECEIVABLE

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

	<u>2011</u>	<u>2010</u>
Cal Loan:		
Student Loan Receivables	\$ 11,322,042	\$ 13,208,117
Student Loan – Interest	2,615,464	2,220,062
Allowance for Loan Losses	<u>(8,200,000)</u>	<u>(7,900,000)</u>
	<u>5,737,506</u>	<u>7,528,179</u>
CalEdge		
Student Loan Receivables		6,200,356
Student Loan – Interest		48,230
Loans in Process		15,189
Allowance for Loan Losses		<u>(122,267)</u>
		<u>6,141,508</u>
EFAF		
Fees	<u>27,950</u>	<u>3,375</u>
Accounts Receivable, Net	<u>\$ 5,765,456</u>	<u>\$ 13,673,062</u>

The decline in accounts receivable for CalEdge is due to the assignment and transfer of the assets and debt of the CalEdge program to College Access Foundation (See Note 1A).

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>2011</u>	<u>2010</u>
SLAF			
SMIF	Interest Income	\$ 9,873	\$ 10,582
EFAF			
SMIF	Interest Income	5,130	6,624
Other Funds	Miscellaneous	7	(7,873)
General Fund	Miscellaneous	(1,374)	
State Compensation			
Insurance Fund	Insurance Premiums	(841)	
Department of General	Records Center		
Service	Management	(108)	
Legal Services	DOJ Attorney Services	<u>(16,022)</u>	
Net (Due To)/From Other Funds		<u>\$ (3,335)</u>	<u>\$ 9,333</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, 2011 AND 2010

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2011</u>
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:	<u>72,071</u>			<u>72,071</u>
Less accumulated depreciation and amortization for:				
Equipment	(4,494)	\$ (1,414)		(5,908)
Software	(5,417)	(21,666)		(27,083)
Total accumulated depreciation and amortization	<u>(9,911)</u>	<u>(23,080)</u>		<u>(32,991)</u>
Total capital assets, being depreciated	<u>\$ 62,160</u>	<u>\$ (23,080)</u>	<u>\$</u>	<u>\$ 39,080</u>

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2010</u>
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:	<u>7,071</u>	<u>65,000</u>		<u>72,071</u>
Less accumulated depreciation and amortization for:				
Equipment	(3,080)	(1,414)		(4,494)
Software		(5,417)		(5,417)
Total accumulated depreciation and amortization	<u>(3,080)</u>	<u>(6,831)</u>		<u>(9,911)</u>
Total capital assets, being depreciated	<u>\$ 3,991</u>	<u>\$ 58,169</u>	<u>\$</u>	<u>\$ 62,160</u>

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

6. BONDS PAYABLE

The detail of the bonds payable is as follows:

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>3,300,000</u>
Total Bonds Payable	<u>\$ 8,300,000</u>

The Cal Loan bonds are interest only, with no principal payments due until maturity. During 2011 a principal payment of \$2,700,000 was made for the Cal Loan Series 2001A Bonds. During 2010, principal payments of \$1,070,000 and \$4,000,000 were made for the CalEdge Series 1998 Bonds and Cal Loan Series 2001A Bonds, respectively.

In September 2010, the CalEdge 1998 Series bonds with an outstanding balance of \$6,035,000 were fully defeased via deposit of sufficient funds from College Access Foundation who assumed a portion of this debt (\$5,830,000) and CEFA (\$205,000) and was deposited with the Trustee (See Note 1A).

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 \$8,300,000 million 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. The total principal and interest remaining to be paid on the Cal Loan bonds is \$10,847,000. Cal Loan and CalEdge principal and interest paid for the current year and total student loan net revenues were \$3,419,445 and \$1,240,162, respectively. Due to the defeasance of the CalEdge bonds and the assignment of the associated student loans to College Access Foundation there will be no future pledged revenue for the CalEdge program.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

Bonds Bond Payable activity for the year ended June 30, 2011 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
5.55% Series 1998	\$ 6,035,000		\$ 6,035,000	
5.10% Series 2001A	5,000,000			\$ 5,000,000
5.40% Series 2001A	<u>6,000,000</u>		<u>2,700,000</u>	<u>3,300,000</u>
Long-term liabilities	<u>\$ 17,035,000</u>	<u>\$</u>	<u>\$ 8,735,000</u>	<u>\$ 8,300,000</u>

The summary of principal and interest for bonds payable as of June 30, 2011 are as follows:

5.1% 2001 A Bonds (Cal Loan)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012		\$ 255,000	\$ 255,000
3013		255,000	255,000
2014	<u>\$ 5,000,000</u>	<u>255,000</u>	<u>5,255,000</u>
Total	<u>\$ 5,000,000</u>	<u>\$ 765,000</u>	<u>\$ 5,765,000</u>

5.4% 2001 A Bonds (Cal Loan)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012		\$ 178,200	\$ 178,200
2013		178,200	178,200
2014		178,200	178,200
2015		178,200	178,200
2016		178,200	178,200
2017-2021	<u>\$ 3,300,000</u>	<u>891,000</u>	<u>4,191,000</u>
Total	<u>\$ 3,300,000</u>	<u>\$ 1,782,000</u>	<u>\$ 5,082,000</u>

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

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, 2011, was as follows:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Due Within</u> <u>One Year</u>
Accrued vacation	\$ 71,438	\$ 26,613	\$ (20,955)	\$ 77,096	\$ 20,955

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, 2011 and 2010 were \$57,751 and \$43,377, 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, 2011 and 2010 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, 2011.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

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:

Annual required contribution	\$ 78,000
Interest on net OPEB obligation	6,000
Adjustment to annual required contribution	<u>(5,000)</u>
Annual OPEB cost (expense)	79,000
Contributions made	<u>(29,000)</u>
Increase in net OPEB obligation	50,000
Net OPEB obligation – beginning of year	<u>92,000</u>
Net OPEB obligation – end of year	<u>\$ 142,000</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, 2011.

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, 2011 and 2010, there were \$4,646,470,306 and \$4,736,523,782, respectively, in conduit financings outstanding. CEFA assisted with the issuance of financings in the amount of \$172,600,000 and \$739,670,000 for the years ended June 30, 2011 and 2010, respectively. Additionally, the amount of bonds authorized by CEFA and unsold were \$1,194,150,000 and \$1,158,340,000 as of June 30, 2011 and 2010, respectively.

ADDITIONAL INFORMATION

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

CONSOLIDATING BALANCE SHEET

JUNE 30, 2011

ASSETS	Student Loan Authority Fund				Educational Facilities Authority Fund	Total
	Administration	Cal Loan	CalEdge	Total	Fund	Total
CURRENT ASSETS:						
Cash & Investments in State Treasury	\$ 8,238,156			\$ 8,238,156	\$ 4,224,279	\$ 12,462,435
Restricted Cash and Investments with Fiscal Agent		\$ 1,244,648		1,244,648		1,244,648
Accounts Receivable		2,275,789		2,275,789	27,950	2,303,739
Due from Other External Funds	9,873			9,873	5,137	15,010
Prepaid Expenses		14,680		14,680		14,680
Deferred Charges		9,584		9,584		9,584
Total Current Assets	8,248,029	3,544,701		11,792,730	4,257,366	16,050,096
NON-CURRENT ASSETS:						
Restricted Cash and Investments with Fiscal Agent		857,883		857,883		857,883
Accounts Receivable (Net)		3,461,717		3,461,717		3,461,717
Deferred Charges (Net)		69,831		69,831		69,831
Advances to (from) Other Funds	2,000,000	(2,000,000)				
Capital Assets (Net)					39,080	39,080
Total Non-Current Assets	2,000,000	2,389,431		4,389,431	39,080	4,428,511
TOTAL ASSETS	\$ 10,248,029	\$ 5,934,132	\$	\$ 16,182,161	\$ 4,296,446	\$ 20,478,607
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts Payable		\$ 7,259		\$ 7,259	\$ 48,977	\$ 56,236
Accrued Expenses		159,770		159,770		159,770
Accrued Vacation					20,955	20,955
Deferred Administrator Compensation		263,467		263,467		263,467
Due to Other External Funds					18,345	18,345
Other Liabilities					750	750
Total Current Liabilities		430,496		430,496	89,027	519,523
NON-CURRENT LIABILITIES:						
Accrued Vacation					56,141	56,141
Bonds Payable		8,300,000		8,300,000		8,300,000
OPEB Obligation					142,000	142,000
Participant Collateral Accounts		270,000		270,000		270,000
Total Non-Current Liabilities		8,570,000		8,570,000	198,141	8,768,141
TOTAL LIABILITIES		9,000,496		9,000,496	287,168	9,287,664
NET ASSETS (DEFICIT):						
Restricted for Educational Purposes	\$ 10,248,029	(3,066,364)		7,181,665	4,009,278	11,190,943
Total Net Assets (Deficit)	10,248,029	(3,066,364)		7,181,665	4,009,278	11,190,943
TOTAL LIABILITIES AND NET ASSETS	\$ 10,248,029	\$ 5,934,132	\$	\$ 16,182,161	\$ 4,296,446	\$ 20,478,607

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

**CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011**

	<u>Student Loan Authority Fund</u>				<u>Educational</u>	<u>Total</u>
	<u>Administration</u>	<u>Cal Loan</u>	<u>CalEdge</u>	<u>Total</u>	<u>Facilities</u> <u>Authority</u> <u>Fund</u>	
OPERATING REVENUES:						
Interest Income on Student Loans		\$ 937,051	\$ 77,206	\$ 1,014,257		\$ 1,014,257
Fee Revenue		29,722	7,911	37,633	\$ 331,102	368,735
Total Operating Revenues		966,773	85,117	1,051,890	331,102	1,382,992
OPERATING EXPENSES:						
Salaries and Wages					497,568	497,568
Operating Expenses	\$ 59,056	\$ 559,528	\$ 93,298	\$ 711,882	387,034	1,098,916
Total Operating Expenses	59,056	559,528	93,298	711,882	884,602	1,596,484
OPERATING INCOME (LOSS)	(59,056)	407,245	(8,181)	340,008	(553,500)	(213,492)
NON-OPERATING REVENUES						
(EXPENSES):						
Interest Income on Investments	39,650	137,238	16,968	193,856	21,760	215,616
Interest Expense		(533,100)	(56,709)	(589,809)		(589,809)
CHANGE IN NET ASSETS BEFORE						
SPECIAL ITEM	(19,406)	11,383	(65,122)	(73,145)	(531,740)	(604,885)
SPECIAL ITEM						
Loss on Assignment and Transfer (Note 1A)			(1,219,609)	(1,219,609)		(1,219,609)
CHANGE IN NET ASSETS	(19,406)	11,383	(1,284,731)	(1,292,754)	(531,740)	(1,824,494)
NET ASSETS (DEFICIT)						
Beginning of Year	10,267,435	(3,077,747)	1,284,731	8,474,419	4,541,018	13,015,437
NET ASSETS (DEFICIT)						
End of Year	\$ 10,248,029	\$(3,066,364)	\$	\$ 7,181,665	\$ 4,009,278	\$ 11,190,943

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)

STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING JUNE 30, 2011

Bond	Date Issued	Date of Final Maturity	Amount of Bond Issued	Amount of Bond Retired	Bonds Outstanding as of June 30, 2011
Claremont University Consortium, Series 1999 B (Central Programs & Services)	16-Mar-99	1-Mar-23	8,295,000	8,295,000	\$ -
Fresno Pacific University, Series 2000A	2-Mar-00	1-Mar-19	9,160,000	9,160,000	-
Saint Mary's College of California Equipment Loan 2004	2-Apr-04	2-Apr-11	1,650,000	1,650,000	-
University of Judaism, 1998 Series A (Variable)	17-Dec-98	1-Dec-28	13,500,000	13,500,000	-
University of Judaism, 1998 Series B (Taxable Variable)	17-Dec-98	1-Dec-28	7,000,000	7,000,000	-
University of La Verne, Series 2005B (Taxable Variable)	10-Nov-05	1-Jun-35	8,160,000	8,160,000	-
University of La Verne, Series 2008	27-Mar-08	1-Mar-38	22,500,000	22,500,000	-
University of San Diego, Series 1998	25-Feb-98	1-Oct-22	41,490,000	41,490,000	-
University of San Francisco, Series 1996	1-May-96	1-Oct-26	75,000,000	75,000,000	-
University of San Francisco, Series 2005 A (Variable Auction Rate)	18-Aug-05	1-Oct-26	23,410,000	23,410,000	-
University of San Francisco, Series 2006 (Variable Rate) (Auction Rate Securities)	27-Jul-06	1-Oct-36	56,900,000	56,900,000	-
1993 CEFA Pool, Series B	12-Aug-93	1-Jun-18	38,290,000	37,790,000	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
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	12,765,000	340,000
1997 CEFA Pool, Series C	1-Oct-97	1-Mar-15	17,485,000	16,280,000	1,205,000
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	9,465,000	8,535,000
Mills College, Series 1997	20-Nov-97	1-Sep-22	11,065,000	4,365,000	6,700,000
California Western School of Law, Series 1998	4-Apr-98	1-Oct-28	16,000,000	3,770,000	12,230,000
1998 CEFA Pool, Series A	28-May-98	1-Jul-23	35,050,000	30,980,000	4,070,000
University of the Pacific, Series 1998	25-Jun-98	1-Nov-23	12,500,000	3,555,000	8,945,000
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
Stanford University, Series 1998 L-6	28-Oct-98	1-Oct-22	17,815,000	-	17,815,000
University of San Diego, Series 1999	4-Feb-99	1-Oct-28	31,778,189	2,283,189	29,495,000
Pomona College, Series 1999	10-Feb-99	1-Jan-13	17,885,000	15,360,000	2,525,000
Claremont McKenna University, Series 1999	1-Mar-99	1-Nov-29	24,000,000	16,415,000	7,585,000
Life Chiropractic College West, 1999 (Variable)	4-Mar-99	1-Jan-25	18,000,000	3,075,000	14,925,000
Claremont University Center, Series 1999A (Claremont Graduate University)	16-Mar-99	1-Mar-17	7,180,000	4,705,000	2,475,000

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)

STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING JUNE 30, 2011

Bond	Date Issued	Date of Final Maturity	Amount of Bond Issued	Amount of Bond Retired	Bonds Outstanding as of June 30, 2011
Stanford University, Series 1999 P	30-Mar-99	1-Dec-13	110,440,000	59,180,000	51,260,000
Santa Clara University, Series 1999	15-Apr-99	1-Sep-26	82,181,741	17,714,432	64,467,309
1999 CEFA Pool, Series B	27-Apr-99	1-Apr-24	19,745,000	11,610,000	8,135,000
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)	16-May-00	1-May-30	27,000,000	6,100,000	20,900,000
University of the Pacific, Series 2000	22-Jun-00	1-Nov-30	41,000,000	28,500,000	12,500,000
Chapman University, Series 2000 (Variable)	8-Aug-00	1-Dec-30	18,000,000	3,700,000	14,300,000
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	8,305,000	67,144,126
California College of Arts & Crafts, Series 2001	1-Jun-01	1-Aug-30	14,490,000	85,000	14,405,000
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	6,630,000	5,620,000
Golden Gate University, Series 2001	18-Oct-01	1-Oct-31	29,360,000	3,920,000	25,440,000
Pomona College, Series 2001	28-Nov-01	1-Jan-17	15,220,000	7,520,000	7,700,000
Santa Clara University, Series 2002 A	31-Jan-02	1-Feb-32	21,600,000	21,075,000	525,000
Art Center College of Design 2002 Series A (Variable)	23-May-02	1-Dec-32	11,545,000	2,200,000	9,345,000
Art Center College of Design 2002 Series B (Variable)	23-May-02	1-Dec-32	13,055,000	2,500,000	10,555,000
University of San Diego, Series 2002A	6-Jun-02	1-Oct-32	14,110,000	-	14,110,000
University of Southern California, Series 2003A	20-Mar-03	1-Oct-33	150,000,000	100,000,000	50,000,000
University of Redlands, 2003 Series A	27-Mar-03	1-Jun-33	17,280,000	2,875,000	14,405,000
Pepperdine University, Series 2003 A	30-Apr-03	1-Sep-33	45,000,000	-	45,000,000
University of San Francisco, Series 2003 (Variable)	28-May-03	1-May-33	40,000,000	5,500,000	34,500,000
Southwestern University Series 2003	29-May-03	1-Nov-23	11,880,000	3,385,000	8,495,000
University of Redlands, Series 2003B	11-Jun-03	1-Oct-25	17,000,000	4,055,000	12,945,000
Claremont McKenna University, Series 2003	25-Jun-03	1-Jan-33	9,975,000	1,540,000	8,435,000
University of Southern California, Series 2003B	8-Jul-03	1-Oct-15	12,795,000	7,090,000	5,705,000
Santa Clara University, Series 2003A	16-Jul-03	1-Sep-33	23,600,000	12,875,000	10,725,000
Harvey Mudd College, Series 2003	24-Jul-03	1-Dec-33	7,110,000	4,150,000	2,960,000
Stanford University, Series 2004 S-1 (Remarketed 4/08)	24-Jun-04	9-Jun-19	40,000,000	-	40,000,000
Stanford University, Series 2004 S-2 (Remarketed 4/08)	24-Jun-04	1-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	3,665,000	7,835,000
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	2,540,000	25,375,000

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)

STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING JUNE 30, 2011

Bond	Date Issued	Date of Final Maturity	Amount of Bond Issued	Amount of Bond Retired	Bonds Outstanding as of June 30, 2011
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-45	25,144,739	-	25,144,739
Occidental College, Series 2005A	12-Apr-05	1-Oct-36	54,320,000	2,740,000	51,580,000
Occidental College, Series 2005B	12-Apr-05	1-Oct-27	16,015,000	2,135,000	13,880,000
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
Golden Gate University, Series 2005	12-May-05	1-Oct-36	15,000,000	235,000	14,765,000
Mills College, Series 2005 A	16-Jun-05	1-Sep-35	25,000,000	125,000	24,875,000
University of Redlands, Series 2005 A	7-Jul-05	1-Oct-35	27,180,000	2,230,000	24,950,000
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 2005B Variable Rate Demand	18-Aug-05	1-Oct-35	27,500,000	400,000	27,100,000
Pepperdine University, Series 2005B	6-Sep-05	1-Dec-32	16,340,000	-	16,340,000
Mills College, Series 2005 B	9-Sep-05	1-Sep-20	2,835,000	915,000	1,920,000
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	1,750,000	18,245,000
Dominican University of California, Series 2006	25-Jan-06	1-Dec-36	19,795,000	340,000	19,455,000
University of the Pacific, Series 2006	31-May-06	1-Nov-36	77,180,000	2,760,000	74,420,000
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	1,595,000	9,645,000
Dominican University of California (Shared Financing 2007)	27-Feb-07	1-Feb-31	10,960,000	1,275,000	9,685,000
Keck Graduate Institute (Shared Financing 2007)	27-Feb-07	1-Feb-30	8,565,000	260,000	8,305,000
Woodbury University (Shared Financing 2007)	27-Feb-07	1-Feb-37	7,000,000	460,000	6,540,000
Saint Mary's College of California Equipment Financing, Series 2007	8-May-07	8-Mar-17	2,484,966	770,102	1,714,864
University of Southern California, Series 2007	24-May-07	1-Oct-37	263,395,000	4,400,000	258,995,000
Claremont McKenna College, Series 2007	31-May-07	1-Jan-38	40,425,000	770,000	39,655,000
University of the Pacific Equipment Financing, Series 2007	15-Jun-07	15-Jun-14	4,250,000	2,285,732	1,964,268
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	3,750,000	67,350,000
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	1,045,000	29,510,000
Charles Drew University of Medicine & Science, Series 2007	15-Nov-07	1-Nov-42	43,000,000	8,350,000	34,650,000

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)

STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING JUNE 30, 2011

Bond	Date Issued	Date of Final Maturity	Amount of Bond Issued	Amount of Bond Retired	Bonds Outstanding as of June 30, 2011
Occidental College, Series 2008	6-Mar-08	31-Oct-38	20,000,000	335,000	19,665,000
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	217,818,000	82,182,000
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	3,415,000	50,100,000
Chapman University, Series 2008 B (Variable Rate)	2-Jul-08	1-Oct-26	21,665,000	2,565,000	19,100,000
Chapman University, Series 2008 C (Variable Rate)	2-Jul-08	1-Oct-26	13,705,000	1,630,000	12,075,000
California Lutheran University, Series 2008	31-Jul-08	1-Oct-38	38,060,000	360,000	37,700,000
Claremont Graduate University, 2008 Series A	21-Aug-08	1-Mar-38	15,000,000	105,000	14,895,000
Santa Clara University, Series 2008	11-Dec-08	1-Apr-37	72,485,000	4,795,000	67,690,000
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	245,000	14,755,000
University of Southern California, Series 2009C	9-Jul-09	1-Oct-09	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 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	13-Aug-09	1-Dec-39	9,940,000	255,000	9,685,000
Pitzer College, Series 2009	18-Nov-09	1-Apr-40	62,075,000	-	62,075,000
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	2,065,000	63,120,000
Loyola Marymount University, Series 2010B	30-Mar-10	1-Oct-15	38,500,000	2,000,000	36,500,000
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	225,000	49,900,000
University of San Francisco, Series 2011	15-Feb-11	1-Oct-36	79,770,000	-	79,770,000
University of San Diego, Series 2011	16-Mar-11	1-Oct-22	18,640,000	-	18,640,000
Claremont University Consortium, Series 2011	7-Apr-11	1-Oct-35	9,000,000	-	9,000,000
Harvey Mudd College, Series 2011	19-May-11	1-Dec-41	15,065,000	-	15,065,000
TOTAL					\$ 4,646,470,306



Gilbert Associates, Inc.
CPAs and Advisors

**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***

CEFA Members

**California Educational Facilities Authority
Sacramento, California**

We have audited the basic financial statements of the California Education Facilities Authority (CEFA) as of and for the year ended June 30, 2011 and have issued our report thereon dated October 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller's General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CEFA's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CEFA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies significant deficiencies, or material weaknesses have been identified. However, we identified a certain deficiency in internal control over financial reporting, described in a separately letter issued to those charged with governance, that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the separately issued letter to those charged with governance to be a material weakness.

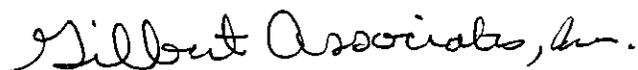
A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

CEFA's response to the material weakness identified in our audit is described in the management letter. We did not audit the CEFA's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, CEFA Members and the Office of Controller, State of California, and is not intended to be and should not be used by anyone other than these specified parties.



GILBERT ASSOCIATES, INC.
Sacramento, California

October 12, 2011

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

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