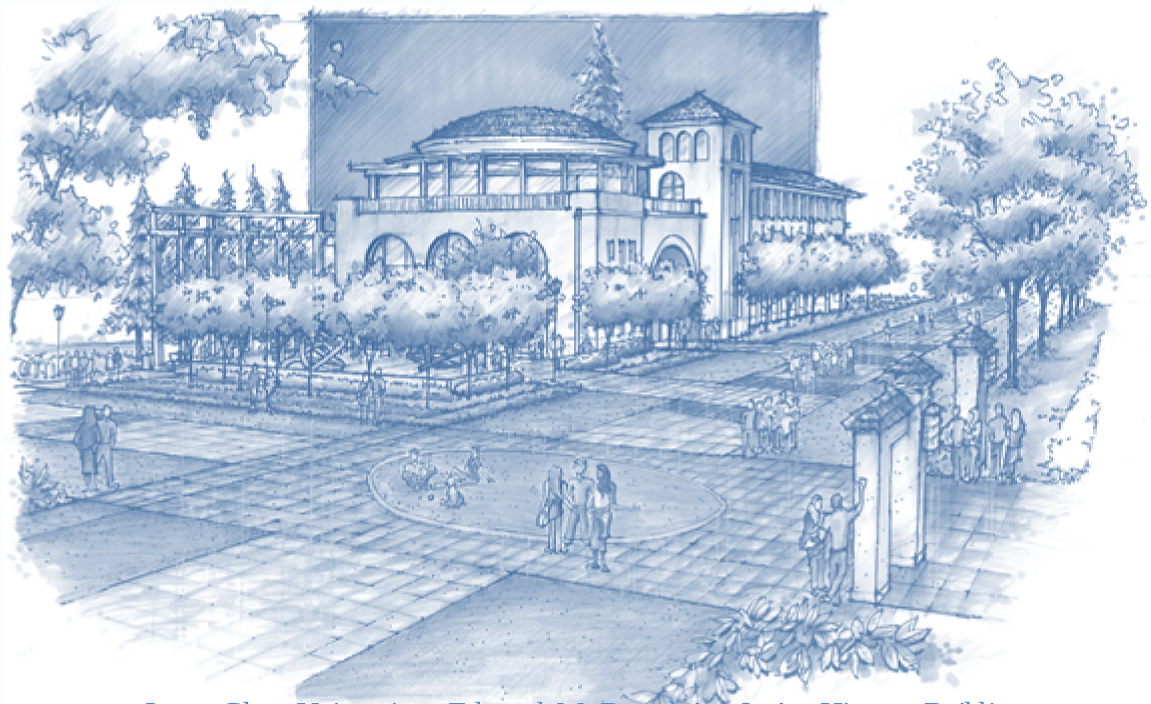

Santa Clara University, Edward M. Dowd Art & Art History Building

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

2015 ANNUAL REPORT

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

915 Capitol Mall, Suite 590
Sacramento, CA 95814
p (916) 653-2872
f (916) 653-2179
cefa@treasurer.ca.gov
www.treasurer.ca.gov/cefa

March 30, 2016

Dear Members:

On behalf of the Authority and staff, I am pleased to present to you the 2015 California Educational Facilities Authority ("Authority") annual report pursuant to Education Code Section 94155. Established in 1973, the Authority continues to serve as a conduit issuer of tax-exempt bonds on behalf of California private non-profit colleges and universities. As of December 31, 2015, the Authority has issued approximately $12,116,288,538 in tax-exempt bonds since its inception, which has enabled our college and university partners to realize their capital and construction financing objectives.

The annual report highlights the Authority's activity for the 2015 calendar year. In total, the Authority processed five Delegation Requests, approved seven new bond financing applications, and closed eight bond financings, issuing $577,540,000 in bonds. The College Access Tax Credit Fund closed the 2015 taxable year with contributions totaling $13,806,740, which resulted in the issuance of $8,231,253 in tax credits.

The success of the Authority is made possible by the hard work and dedication of its Members and staff. For 43 years, the Authority has continued 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 concerning the Authority can be found on our website: http://www.treasurer.ca.gov/cefa.

Sincerely,

Ronald L. Washington
Executive Director

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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.

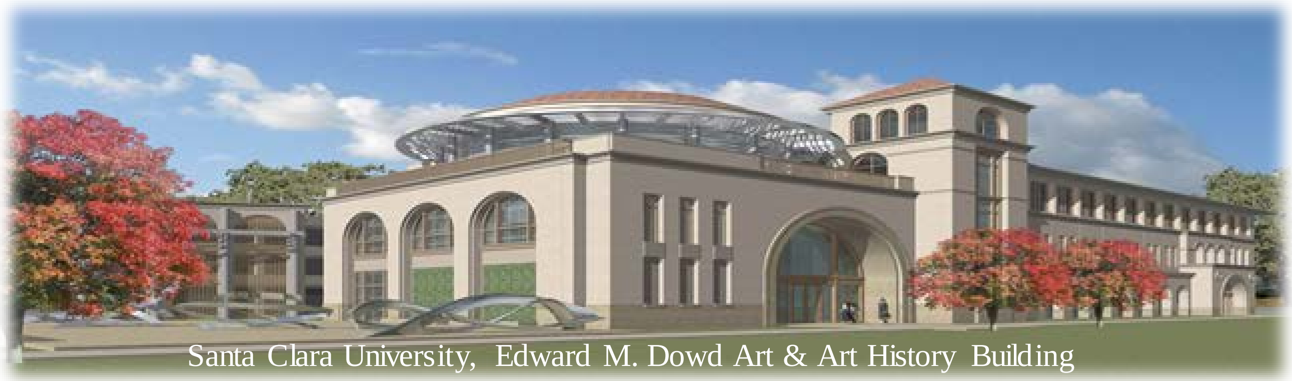
Mission Statement

The mission of CEFA 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

John Chiang	*Chairperson, California State Treasurer*
Betty T. Yee	*Vice Chairperson, California State Controller*
Michael Cohen	*Director, California Department of Finance*
Stacy Lewis Daher	*Associate Vice President, Office of Finance and Treasury, University of San Francisco*
William G. McGinnis	*Member, Trustee, Butte-Glenn Community College District Board*


California State Capitol



Santa Clara University, Edward M. Dowd Art & Art History Building

CEFA Programs

Bond Financing – This program provides borrowers access to low interest rate capital markets through the issuance of tax-exempt bonds. Tax-exempt bonds may be marketed to multiple bondholders in an effort to obtain a better interest rate via either a public offering or a private placement. Given the cost of issuing bonds, this option is 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.

College Access Tax Credit Fund - SB 798 (De Leon) was enacted in September 2014 and became effective immediately as an urgency statute, authorizing CEFA to issue tax credits for taxable years beginning on or after January 1, 2014, and before January 1, 2017, based on a percentage of the taxpayer's contribution to the College Access Tax Credit Fund. The maximum aggregate amount of credit that could be allocated and certified by CEFA for each calendar year would be $500 million in credits plus unallocated and uncertified monies from previous years.

2015 Legislative Changes

SB 81 – College Access Tax Credit Fund – SB 81 was enacted in June 2015 and became effective immediately as an urgency statute. SB 81 requires the Authority to allocate and certify the College Access Tax Credit to taxpayers for the taxable year 2017 and to provide the Department of Insurance a copy of the certifications by March 1.

Summary of 2015 Calendar Year Financings

In 2015, the Authority authorized bond financings for eight California colleges and universities, which resulted in the issuance of $577,540,000 in bonds. The following provides a summary of all CEFA bond issues that closed in 2015.

$31,595,000

University of Redlands, Series 2014

Bond proceeds were used to refund all of the CEFA 2003 Series A and CEFA 2003 Series B bonds, and advance refund a portion of its CEFA 2005 Series A bonds.

$30,025,000

Loyola Marymount University, Series 2015

The proceeds were used to refund, through optional redemption, the outstanding CEFA Series 2010B Variable Rate Refunding Revenue Bonds maturing in October 2015.

$68,005,000

University of the Pacific, Series 2015

The proceeds were used to refund the outstanding CEFA Series 2004 and Series 2006 bonds.

$114,485,000

Chapman University, Series 2015

The proceeds were used to provide financing for the acquisition, construction, equipping and improvement of educational facilities located throughout the main campus and to pay off a non-revolving line of credit associated with the financing of the Center for Science & Technology Building.

$76,455,000

Pepperdine University, Series 2015

The proceeds were used to refund all of the outstanding CEFA Series 2005A and Series 2005B bonds.

$42,960,000

University of Southern California, Series 2015

The proceeds were used to refund all of the outstanding CEFA Series 2005 bonds and to pay the costs of issuance.

$102,230,000

Santa Clara University, Series 2015

The proceeds were used to refund all of the outstanding CEFA Series 2008 bonds and refinance a note with Wells Fargo Bank. Additionally, bond proceeds were used to provide financing for the acquisition, construction, equipping and infrastructure improvements of educational facilities located at the Santa Clara University campus, including the Edward M. Dowd Art and Art History Building.

$111,785,000

Claremont McKenna College, Series 2015

The proceeds were used to refund a portion of the outstanding CEFA Series 2007 and a portion of the outstanding CEFA Series 2009 bonds.

Portfolio

As of December 31, 2015, the Authority had 91 outstanding bond issues totaling $4,557,242,770. A complete listing of the bonds outstanding issues through fiscal year 2014-2015 is provided on page 32 of the attached Independent Auditor's Report (Appendix A).

Financial Statements

Appendix A includes a complete copy of CEFA's June 30, 2015 and 2014 Independent Auditor's Report as prepared by Gilbert Associates, Inc., Certified Public Accountants of Sacramento, CA.

Chapman University, Center for Science and Technology

Authority Staff

Ronald L. Washington - *Executive Director* rwashington@treasurer.ca.gov

Martha Maldonado - *Operations Manager* mmaldonado@treasurer.ca.gov

Summer Nishio - *Treasury Program Manager* snishio@treasurer.ca.gov

Kenna Waddell - *Associate Treasury Program Officer* kwaddell@treasurer.ca.gov

Tyler Bui – *Associate Treasury Program Officer* tbui@treasurer.ca.gov

Tamara McNary - *Executive Assistant* tmcnary@treasurer.ca.gov

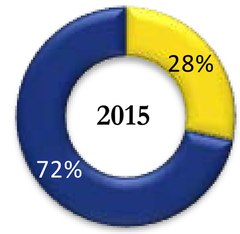
The office of the Authority is located at:
915 Capitol Mall, Suite 590
Sacramento, CA 95814
Telephone: (916) 653-2872
Fax: (916) 653-2179

www.treasurer.ca.gov/cefa

Projects Financed

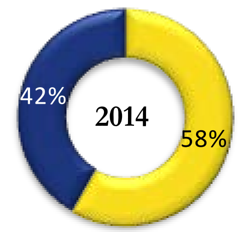
2015 Calendar Year

Institution	*Location*		*Amount*
University of Redlands, Series 2014	Redlands	$	31,595,000
Loyola Marymount University, Series 2015	Los Angeles		30,025,000
University of the Pacific, Series 2015	Stockton		68,005,000
Chapman University, Series 2015	Orange		114,485,000
Pepperdine University, Series 2015	Los Angeles		76,455,000
University of Southern California, Series 2015	Los Angeles		42,960,000
Santa Clara University, Series 2015	Santa Clara		102,230,000
Claremont McKenna College, Series 2015	Claremont		111,785,000
	Total	**$**	**577,540,000**



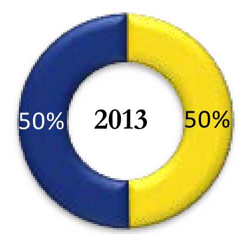
2014

Institution	*Location*		*Amount*
University of the Pacific, Series 2014	Stockton	$	36,500,000
Stanford University, Series U-5	Stanford		124,115,000
Stanford University, Series U-6	Stanford		278,980,000
Art Center College of Design, Series 2014A	Pasadena		45,680,000
Art Center College of Design, Series 2014B	Pasadena		20,550,000
Charles R. Drew University, Series 2014	Los Angeles		32,875,000
Pepperdine University, Series 2014	Los Angeles		51,485,000
	Total	**$**	**590,185,000**



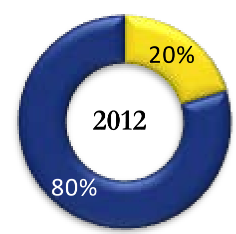
2013

Institution	*Location*		*Amount*
Loyola Marymount University, Series 2013 (taxable)	Los Angeles	$	37,000,000
Stanford University, Series U-3	Stanford		261,410,000
Stanford University, Series U-4	Stanford		39,215,000
Occidental College, Series 2013A	Los Angeles		48,625,000
Occidental College, Series 2013B (taxable)	Los Angeles		6,370,000
	Total	**$**	**392,620,000**



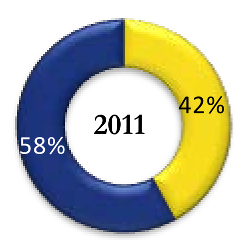
2012

Institution	*Location*		*Amount*
University of the Pacific, Series 2012	Stockton	$	35,435,000
Art Center College of Design, Series 2012	Pasadena		20,000,000
Stanford University, Series U-2	Stanford		77,760,000
Pepperdine University, Series 2012	Malibu		50,000,000
Claremont University Consortium, Series 2012	Claremont		8,065,000
University of Southern CA, Series 2012A	Los Angeles		41,595,000
California College of the Arts, Series 2012	Oakland/San Francisco		11,465,000
Claremont McKenna College, Series 2012	Claremont		30,000,000
Golden Gate University, Series 2012	San Francisco		46,000,000
	Total	**$**	**320,320,000**



2011

Institution	*Location*		*Amount*
University of San Francisco, Series 2011	San Francisco	$	79,770,000
University of San Diego, Series 2011	San Diego		18,640,000
Claremont University Consortium, Series 2011	Claremont		9,000,000
Harvey Mudd College, Series 2011	Claremont		15,065,000
Claremont McKenna University, Series 2011	Claremont		5,480,000
Pomona College, Series 2011	Claremont		7,310,000
Chapman University, Series 2011	Orange		100,000,000
Loyola Marymount University, Series 2011	Los Angeles		22,105,000
	Total	**$**	**257,370,000**



New Constuction

Refinancing

Appendix A

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED JUNE 30, 2015 AND 2014

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

CEFA Members
California Educational Facilities Authority
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the California Educational Facilities Authority (CEFA), a related organization of the State of California, as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise CEFA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

2880 GATEWAY OAKS DRIVE, SUITE 100, SACRAMENTO, CA 95833 • 101 PARKSHORE DRIVE, SUITE 100, FOLSOM, CA 95630
PHONE:916.646.6464 • FAX:916.929.6836 • GilbertCPA.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of CEFA as of June 30, 2015 and 2014, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 CEFA adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. CEFA has not restated the actual and pro forma effect of GASB 68 on the financial statements as of and for the year ended June 30, 2014. This data is not readily available due to an actuary study not being prepared in accordance with GASB 68 for measurement dates prior to June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of CEFA's Proportionate Share of the Net Pension Liability and Schedule of Contributions, on pages 4–8, 28, and 29, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2015 on our consideration of CEFA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CEFA's internal control over financial reporting and compliance.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

October 14, 2015

This section of the financial statements of the California Educational Facilities Authority ("CEFA") presents management's discussion and analysis of the financial performance during the fiscal years that ended on June 30, 2015 and 2014. Please read it in conjunction with the financial statements that follow this section.

GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

CEFA was established in 1973 for the purpose of issuing revenue bonds to assist California's private non-profit institutions of higher learning in the expansion and construction of educational facilities.

CEFA provides students with better access and broader opportunities in higher education by providing qualified California 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.

Conduit Financing Activity

During the fiscal years ended June 30, 2015 and June 2014, CEFA issued $212,210,000 and $439,595,000, respectively. As of June 30, 2015, CEFA's total conduit debt issued was approximately $11.6 billion and the total conduit debt outstanding was approximately $4.5 billion. As of June 30, 2014, the CEFA's total conduit debt issued was approximately $11.4 billion and total conduit debt outstanding was approximately $4.7 billion.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of CEFA include the Independent Auditors' Report, Management's Discussion & Analysis (MD&A), basic financial statements, accompanying notes and supplemental information.

REQUIRED FINANCIAL STATEMENTS

CEFA's financial statements report information using accounting methods similar to those used by private sector companies. These statements offer both short-term and long-term financial information about its activities.

The ***Balance Sheets*** include all of CEFA's assets, liabilities, and net position for the years ended June 30, 2015 and 2014 and provide information about the nature and amounts of investments in resources (assets) and the obligations to CEFA's creditors (liabilities) (see Table 1).

Table 1
Balance Sheets

	2015	2014	2013
Assets			
Current Assets	$ 2,255,651	$ 8,572,691	$ 13,132,339
Non-Current Assets	-	-	2,285,807
Total Assets	2,255,651	8,572,691	15,418,146
Deferred Outflows of Resources			
Pension contributions subsequent to the measurement date	67,497	-	-
Total Assets and Deferred Outflows of Resources	$ 2,323,148	$ 8,572,691	$ 15,418,146
Liabilities			
Current Liabilities	97,097	71,563	553,307
Non-Current Liabilities	1,252,890	396,455	5,705,356
Total Liabilities	1,349,987	468,018	7,879,572
Deferred Inflows of Resources			
Net differences between projected and actual earnings on the plan investments	152,151	-	-
Net Position			
Restricted for Educational Purposes	821,010	8,104,673	9,162,483
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 2,323,148	$ 8,572,691	15,418,146

CEFA's Total Liabilities, Deferred Inflows of Resources, and Net Position were $2,323,148 as of June 30, 2015, which was a decrease from $8,572,691, as of June 30, 2014. The decrease was primarily due to the transfer of the residual cash to be used in other State Programs.

The ***Statements of Revenues, Expenses, and Changes in Net Position*** accounts for all of the revenue earned and expenses incurred by CEFA for the years ended June 30, 2015 and 2014. These statements reflect the results of CEFA's operations over the year (see Table 2).

Table 2

Statements of Revenues, Expenses, and Changes In Net Position

	2015	2014	2013
Operating Revenues			
Interest Income on Student Loans	$ -	$ 673,744	$ 714,139
Fee Revenue	270,560	187,349	465,170
Total Operating Revenues	270,560	861,093	1,179,309
Operating Expenses			
Personnel	461,421	531,275	509,474
Operating Expenses	417,613	584,343	1,141,068
Total Operating Expenses	879,034	1,115,618	1,650,542
Operating Loss	(608,474)	(254,525)	(471,233)
Non-Operating Revenues (Expenses)			
Interest Income on Investments	15,864	58,904	129,227
Interest Expense	-	(261,630)	(314,600)
Change in Net Position Before Special Items	(592,610)	(457,251)	(656,606)
Special Items			
Transfer to CSAC for repayment of program advances	(5,781,366)	-	-
Insurance Proceeds	-	750,000	-
Loss on Sale of Student Loan Portfolio	-	(1,350,559)	-
Change in Net Position	(6,373,976)	(1,057,810)	-
Net Position - Beginning, as restated	7,194,986	9,162,483	9,819,089
Net Position - Ending	$ 821,010	$ 8,104,673	$ 9,162,483

In fiscal year 2014-2015, CEFA's Change in Net Position reflected a loss of $6,373,976. This loss is contributed to the transfer of the residual cash to be used in other State Programs.

The ***Statements of Cash Flows*** provide information about CEFA's cash receipts and cash payments during the year ended June 30, 2015 and 2014. These statements report cash receipts, cash payments, and net changes in cash resulting from operations, capital and related financing, noncapital financing and investment activities. The statements provide answers to questions of where cash came from, what cash was used for and what caused changes in cash for the reporting period covered.

Table 3
Statements of Cash Flows

	2015	2014	2013
Cash Flows From Operating Activities			
Net Cash Provided (Used) by Operating Activities	$ (6,385,397)	$ (30,382)	$ 528,662
Cash Flows From NonCapital Financing Activities			
Net Cash Used by Noncapital Financing Activities	-	(4,099,362)	(2,044,400)
Cash Flows from Investing Activities			
Net Cash Provided by Investing Activities	17,526	62,858	132,838
Net Decrease in Cash and Cash Equivalents	(6,367,871)	(4,066,886)	1,382,900
Beginning Cash and Cash Equivalents	8,558,456	12,625,342	14,008,242
Ending Cash and Cash Equivalents	$ 2,190,585	$ 8,558,456	$ 12,625,342

The Ending Cash and Cash Equivalents declined in fiscal year ending June 30, 2 015 from $8,558,456 to $2,190,585. This decrease is due to CEFA's early redemption of the Cal Loan Series 2001 A Bonds and the transfer of the residual cash to be used in other State Programs.

ANALYSIS OF FISCAL YEAR 2014/2015 ACTIVITIES

Applications received in FY 2014/2015 **8**

Final Resolutions (FR) Adopted in FY 2014/2015: **8**

Bonds Sold in FY 2014/2015: **$212,210,000**

ANALYSIS OF FISCAL YEAR 2013/2014 ACTIVITIES

Applications received in FY 2013/2014:	**2**
Final Resolutions (FR) Adopted in FY 2013/2014:	**1**
Bonds Sold in FY 2013/2014:	**$439,595,000**

SIGNIFICANT CHANGES

Student Loan Program: With the market shifting from higher fixed rate to lower rates, the demand for the fixed rate Cal Loan program declined and loan originations ceased in September 2004. In March 2007, the Series 1997 bonds were defeased and the remaining funds were transferred to the 2001 bond program. Collection efforts were increased, but as Reserve Funds depleted and non-performing loans grew, the loans in the Cal Loan portfolio were sold on June 13, 2014 to a third party and the outstanding bonds associated with the Cal Loan portfolio were redeemed. With the closure of the Cal Loan Bond Program, the program's residual cash was transferred to be used in other State Programs.

CEFA continues to look for opportunities to assist students with the cost of higher education. AB 1668 (Wieckowski) was signed by the Governor on July 21, 2014 and with that, Chapter 154, Statutes of 2014 authorized CEFA to offer direct or private placement loans to private, non-profit colleges and universities in California for campus expansion and construction projects or refinancing.

Additionally, AB 2377 (Perez) was signed by the Governor on September 29, 2014 and with that, Chapter 816, Statutes of 2014, established the California Student Loan Refinancing Program. Staff will continue to research options to fund this program and begin developing program procedures with the goal of helping college graduates to refinance student loan debt at more favorable rates.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of CEFA's financial position and is intended for distribution to a variety of interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, California Educational Facilities CEFA, 915 Capitol Mall, Sacramento, California 95814.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

BALANCE SHEETS
JUNE 30, 2015 AND 2014

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2015	2014
CURRENT ASSETS:		
Cash and Investments in State Treasury	$ 2,190,585	$ 6,976,580
Restricted Cash and Investments with Fiscal Agent		1,581,876
Accounts Receivable	63,493	11,000
Due from State - External Funds	1,573	3,235
Total Current Assets	2,255,651	8,572,691
TOTAL ASSETS	2,255,651	8,572,691
DEFERRED OUTFLOWS OF RESOURCES:		
Pension contributions subsequent to the measurement date	67,497	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,323,148	$ 8,572,691

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2015	2014
CURRENT LIABILITIES:		
Accounts Payable	$ 28,380	$ 19,068
Current Accrued Vacation	40,443	29,907
Due to State - External Funds	28,274	22,588
Total Current Liabilities	97,097	71,563
NON-CURRENT LIABILITIES:		
Accrued Vacation	50,464	69,455
OPEB Obligation	386,000	327,000
Net Pension Liability	816,426	
Total Non-Current Liabilities	1,252,890	396,455
TOTAL LIABILITIES	1,349,987	468,018
DEFERRED INFLOWS OF RESOURCES:		
Net differences between projected and actual earnings on the plan investments	152,151	
NET POSITION:		
Restricted for Educational Purposes	821,010	8,104,673
Total Net Position	821,010	8,104,673
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 2,323,148	$ 8,572,691

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

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
OPERATING REVENUES:		
Interest Income on Student Loans		$ 673,744
Fee Revenue	$ 270,560	187,349
Total Operating Revenues	270,560	861,093
OPERATING EXPENSES:		
Personnel	461,421	531,275
Operating Expenses	417,613	584,343
Total Operating Expenses	879,034	1,115,618
OPERATING LOSS	(608,474)	(254,525)
NON-OPERATING REVENUES (EXPENSES):		
Interest Income on Investments	15,864	58,904
Interest Expense		(261,630)
CHANGE IN NET POSITION BEFORE SPECIAL ITEMS	(592,610)	(457,251)
SPECIAL ITEMS:		
Transfer to CSAC for repayment of program advances	(5,781,366)	
Insurance Proceeds (Note 6)		750,000
Loss on Sale of Student Loan Portfolio (Note 1A)		(1,350,559)
CHANGE IN NET POSITION	(6,373,976)	(1,057,810)
NET POSITION		
NET POSITION, Beginning of Year, as restated (Note 1N)	7,194,986	9,162,483
NET POSITION, End of Year	$ 821,010	$ 8,104,673

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

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Principal Repayments from Students		$ 624,590
Interest Receipts from Student Loans		255,673
Receipts from Fees	$ 218,067	176,849
Payments to Employees	(419,483)	(469,742)
Payments to Suppliers of Goods and Services	(402,615)	(617,752)
Payments to CSAC for repayment of program advances	(5,781,366)	
Net Cash Used by Operating Activities	(6,385,397)	(30,382)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from Sale of Loan Portfolio		604,068
Interest Paid on Bonds Payable		(353,430)
Insurance Proceeds		750,000
Payment on Bonds Payable		(5,100,000)
Net Cash Used by Noncapital Financing Activities		(4,099,362)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Receipts from Investments	17,526	62,858
Net Cash Provided by Investing Activities	17,526	62,858
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,367,871)	(4,066,886)
BEGINNING CASH AND CASH EQUIVALENTS	8,558,456	12,625,342
ENDING CASH AND CASH EQUIVALENTS	$ 2,190,585	$ 8,558,456
RECONCILIATION OF NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Loss	$ (608,474)	$ (254,525)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH PROVIDED (USED) BY OPERATIONS:		
Transfer to the CSAC for repayment of program advances	(5,781,366)	
(Increase) Decrease in:		
Accounts Receivable	(52,493)	196,019
Due to/from State - External Funds	5,686	(4,664)
Prepaid Expenses		8,420
Deferred outflows related to pensions	(67,497)	
Increase (Decrease) in:		
Accounts Payable	9,312	(26,242)
Accrued Expenses		(10,923)
Accrued Vacation	(8,455)	5,533
OPEB Obligation	59,000	56,000
Net Pension Liability	(93,261)	
Deferred inflows related to pensions	152,151	
Net Cash Used by Operating Activities	$ (6,385,397)	$ (30,382)
NON-CASH NONCAPITAL FINANCING ACTIVITIES:		
Write-off of Student Loan Portfolio		(2,563,953)
Write-off of Participant Collateral Accounts		270,000
Write-off of Accrued Administrator Compensation		345,549

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL

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

CEFA was created for the purpose of issuing revenue bonds to assist California 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 CEFA, the State of California, or any of its political subdivisions. The full faith and credit of the participating institutions, however, is normally pledged to the payment of the bonds. Bonds are issued at either public or private sales after details of the proposed project and satisfactory evidence of the ability of the participating institution to meet financial obligations have been submitted to CEFA and approved by the Board.

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

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

On June 11, 2014, all of the remaining loans associated with the Cal Loan Program were sold to a third party for $604,068. This sale resulted in a loss recognized on this transaction of $1,350,559, which is recorded as a special item on the Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2014. In the fiscal year ending June 30, 2015, the Cal Loan program will be closed, and residual cash will be transferred out for use in other State programs.

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

B. THE REPORTING ENTITY

These financial statements present information on the financial activities of CEFA. CEFA is a related organization of the State of California. The California State Treasurer by legislation serves as the Chairperson and is responsible for the oversight of CEFA.

C. BASIS OF PRESENTATION

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

D. ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of bond issuance, application and administrative fees.

E. REVENUES

Educational Facilities Authority Fund (EFAF)

Fees are for the staff work related to bond and equipment financing and post-issuance activities and for the review of bond transactions.

Bond financing program fees are as follows:

Closing Date of Issuance	Application Fee	Initial Fee	Annual Administrative Fee
On or before July 31, 2013:	$1,000	0.15% of the par amount, up to a maximum fee of $75,000	$500 annually for the first five years, $250 annually thereafter
August 1, 2013 – December 4, 2013:	$1,000	0.15% of the par amount up to $25,000,000, plus 0.05% of the par amount in excess of $25,000,000, up to a maximum fee of $75,000	0.015% of the par amount outstanding, up to a maximum fee of $12,000
December 5, 2013 – June 30, 2015:	$1,000, applied to the Initial Fee at closing	0.15% of the par amount up to $10,000,000, plus 0.05% of the par amount in excess of $10,000,000, up to a maximum fee of $75,000	For issuances closed on or before July 31, 2013: $500 annually. For issuances closed August 1, 2013 and thereafter: 0.015% of the par amount outstanding, up to a maximum fee of $12,000

Equipment financing program fees are as follows:

Closing Date of Issuance	Application Fee	Initial Fee	Annual Administrative Fee
July 1, 2013 – June 30, 2014:	None	0.075% of the financed amount	$500 annually for the first five years, $250 annually thereafter. Fee is waived for participants with other outstanding CEFA debt.

Fees are used to cover operating costs such as general communications, printing, professional services both internal and external, facilities operations, employee benefits, and other miscellaneous operating expenses, in addition to salaries and wages.

Student Loan Authority Fund (SLAF)

The Cal Loan bond funds earn interest on student loans outstanding and on the investments of bond trust funds and from loan guarantee fees. Net excess earnings (net position) are restricted for the respective loan programs. During the year ended June 30, 2014, the student loan portfolio was sold and the Cal Loan bond was redeemed.

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 issuing bonds.

F. BUDGET

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

G. CASH AND CASH EQUIVALENTS

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

H. CAPITAL ASSETS

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

I. RISK MANAGEMENT

CEFA is a related organization of the State of California and participates in their risk management program. The State of California is primarily self-insured against loss or liability, with a few exceptions. 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 financial statements of the State of California.

J. ACCRUED VACATION

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

K. PENSION

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of CEFA's portion of the California Public Employees' Retirement System (CalPERS) Miscellaneous plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. NET POSITION

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

M. USE OF ESTIMATES TO PREPARE FINANCIAL STATEMENTS

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

N. CURRENT YEAR GASB IMPLEMENTATION

For the year ended June 30, 2015, CEFA implemented GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71 (GASB 71) *Pensions Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, with required implementation for CEFA during the year ended June 30, 2015. GASB 68 is an amendment of GASB Statement 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB 71 is an amendment of GASB 68. The primary objectives of GASB 68 and GASB 71 are to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. They require employers to report a net pension liability for the difference between the present value of projected pension benefits for past service and restricted resources held in trust for the payment of benefits. The Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Since GASB 68 requires retroactive application, the net pension liability offset by the related deferred outflow of resources as of June 30, 2014 reduces the beginning net position as of June 30, 2015. As a result, for the year ended June 30, 2015, the beginning net position decreased by $909,687 as the cumulative effect of changing in accounting principles. CEFA has not restated the actual and pro forma effect of GASB 68 on the financial statements as of and for the year ended June 30, 2014. This data is not readily available due to an actuary study not being prepared in accordance with GASB 68 for measurement dates prior to June 30, 2014.

2. CASH AND INVESTMENTS

A. GENERAL

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

	2015	2014
Cash and Investments in State Treasury	$ 2,190,585	$ 6,976,580
Restricted Cash and Investments with Fiscal Agent		1,581,876
Total Cash and Investments	$ 2,190,585	$ 8,558,456

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

	2015	2014
Deposits in SMIF	$ 2,190,000	$ 6,975,000
Cash in State Treasury	585	1,580
Money Market Funds with Fiscal Agent		1,581,876
Total Cash and Investments	$ 2,190,585	$ 8,558,456

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.

Additional disclosure detail required by GASB Statements No. 3, No. 31, and No. 40, regarding cash deposits and investments in State Treasury, including disclosures related to interest rate risk, credit risk, custodial credit risk, and concentration of credit risk, are presented in the financial statements of the State of California for the years ended June 30, 2015 and 2014.

C. FISCAL AGENTS

As of June 30, 2015, CEFA held no investments with fiscal agents.

As of June 30, 2014, CEFA invested proceeds from its student loan program in trust indentures held at the Bank of New York Mellon Trust Company, N.A. Cash and investments of the trusts are restricted and are being held to make student loans, repay bond debt, finance program expenditures, and maintain reserves.

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

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

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

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

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

	2014				
Investment Type	Weighted Average Maturity (in years)	Maturity Date	Interest Rates	Cal Loan	Carrying Value
Money Market Funds	N/A	N/A	0.01%	$ 1,581,876	$ 1,581,876
Total				$ 1,581,876	$ 1,581,876

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, 2014. The Dreyfus Government money market funds are rated AAA, the fund is uninsured, and not registered in CEFA's name.

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

Categories	**2014**
Cal Loan	
Current:	
Proceeds Fund – Student Loan Account	$ 953,725
Reserve Fund - Revenue	73,809
Total Current Cash and Investments with Fiscal Agent	1,027,534
Non-Current:	
Reserve Fund – General Account	554,342
Total Cash and Investments with Fiscal Agent	$ 1,581,876

3. DUE TO/FROM STATE – EXTERNAL FUNDS

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

Due From (Due To)	**Description**	**2015**	**2014**
SLAF			
SMIF	Interest Income	$ 12	$ 1,706
EFAF			
SMIF	Interest Income	1,561	1,529
General Fund	Miscellaneous	(22,014)	(10,005)
State Compensation Insurance Fund	Insurance Premium Refund (Payable)		(1,343)
Department of General Service	Records Center Management	(55)	(488)
Legal Services	DOJ Attorney Services	(6,205)	(10,752)
Net Due From (To) State External Funds		$ (26,701)	$ (19,353)

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.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets, being depreciated and amortized:				
Equipment	$ 7,071			$ 7,071
Computer software - amortizable	65,000			65,000
Total capital assets being depreciated and amortized:	72,071			72,071
Less accumulated depreciation and amortization for:				
Equipment	(7,071)			(7,071)
Software	(65,000)			(65,000)
Total accumulated depreciation and amortization	(72,071)			(72,071)
Total capital assets, being depreciated	$	$	$	$

5. BONDS PAYABLE

In conjunction with the sale of the student loan receivables and therefore the lack of future revenues for interest and principal payments, the Cal Loan bonds were early redeemed on June 13, 2014. As a result of the early redemption, CEFA negotiated insurance proceeds of $750,000 from the Municipal Bond Insurance Association, which is classified as a special item in the Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2014.

As of June 30, 2015, there was no bonds payable outstanding. Bonds Payable activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
5.40% Series 2001A	$ 5,100,000		$ 5,100,000	
Long-term liabilities	$ 5,100,000	$	$ 5,100,000	$

6. 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, 2015, was as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Accrued vacation	$ 99,362	$ 31,988	$ (40,443)	$ 90,907	$ 40,443

Accrued vacation activity for the year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Accrued vacation	$ 93,829	$ 35,440	$ (29,907)	$ 99,362	$ 29,907

7. RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Descriptions – All employees in a covered class of employment who work half-term or more are eligible to participate in the California Public Employees' Retirement System (CalPERS), which is included in the State of California's Comprehensive Annual Financial Report (CAFR) as a fiduciary component unit. CalPERS administers the Public Employees' Retirement Fund (PERF). PERF is an agent multiple-employer defined benefit retirement plan. Departments and agencies within the State of California (State), including CEFA, a related organization of the State, are in a cost-sharing arrangement in which all risks and costs are shared proportionately by participating State agencies. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

The California Legislature passed and the Governor signed the "Public Employees' Pension Reform Act of 2013" (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 2012. Benefit provisions and other requirements are established by State statute.

Benefits Provided – The benefits for the Plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five or ten years of credited service.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

First Tier:

Hire date	**Prior to January 15, 2011**	**January 15, 2011 to December 31, 2012**	**On or after January 1, 2013**
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	10 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 to 67	50 to 67	52 to 67
Monthly benefits, as a % of eligible compensation	1.0 to 2.5%	1.092 to 2.418%	1.0 to 2.5%

Second Tier:

Hire date	**Prior to January 1, 2013**	**On or after January 1, 2013**
Benefit formula	1.25% @ 65	1.25% @ 67
Benefit vesting schedule	10 years service	10 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 to 67	52 to 67
Monthly benefits, as a % of eligible compensation	0.5 to 1.25%	0.65 to 1.25%

Contributions **–** Section 20814(c) of the California Public Employees Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. CEFA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2014 (the measurement date) the average active employee contribution rate is 6.525% of annual pay, and the employer's contribution rate is 21.137% of annual payroll. Section 20683.2 mandates that certain employees must contribute more as of July 1, 2013. Furthermore, any reduction in employer contributions due to the increase in the employee contributions must be paid by the employer towards the unfunded liability. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

For the year ended June 30, 2015, the contributions recognized as part of pension expense was $69,799.

B. Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, CEFA reported net pension liabilities for their proportionate shares of the net pension liability of $816,426.

CEFA's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. CEFA's proportion of the net pension liability was based on the State Controller's Office (SCO) projection of CEFA. The SCO identified a total of 29 entities that are reported in the State's CAFR which are proprietary funds (enterprise and internal service) and fiduciary funds (pension and other employee benefit trust funds), component units (discretely presented and fiduciary), and related organizations, that have State employees with pensionable compensation (covered payroll). The SCO calculated and provided these funds/organizations with their allocated pensionable compensation percentages by plan. CEFA's proportionate share of the net pension liability for the Plan as of June 30, 2014 was 0.0032%.

For the year ended June 30, 2015, CEFA's recognized pension expense of $58,890. At June 30, 2015, CEFA's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 67,497	
Net differences between projected and actual earnings on plan investments		$ 152,151
Total	$ 67,497	$ 152,151

$67,497 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	$ (38,038)
2017	(38,038)
2018	(38,038)
2019	(38,037)
Total	$ (152,151)

Actuarial Assumptions – For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014 total pension liabilities were based on the following actuarial assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Salary Increases	Varies [(1)]
Investment Rate of Return	7.5% [(2)]
Mortality[(3)]	CalPERS' Membership Data
Post Retirement Benefit Increase	Up to 2.75%[(4)]

(1) Depending on age, service and type of employment
(2) Net of pension plan investment and administrative expenses, including inflation
(3) The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.
(4) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 – 10 (a)	Real Return Years 11+ (b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100.0%		

(a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

Sensitivity of CEFA's proportionate share Net Pension Liability to Changes in the Discount Rate – The following presents CEFA's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what CEFA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate – 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Proportionate Share of Plan's Net Pension Liability	$ 1,188,461	$ 816,426	$ 504,990

8. 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, through the State of California Other Post-employment Benefits Plan, a single-employer defined benefit plan. The health and dental benefits provided through the plan can be amended by the CalPERS Board of Administration and the California Department of Human Resources, respectively. Contributions are governed by the State of California and can be amended through legislation.

All State agencies and certain related organizations, including CEFA, are considered collectively to be a single employer for plan purposes. A portion of the State's post-employment benefit costs have been allocated to CEFA as follows:

	2015	2014
Annual required contribution	$ 93,000	$ 85,000
Interest on net OPEB obligation	15,000	13,000
Adjustment to annual required contribution	(14,000)	(11,000)
Annual OPEB cost (expense)	94,000	87,000
Contributions made	(35,000)	(31,000)
Increase in net OPEB obligation	59,000	56,000
Net OPEB obligation – beginning of year	327,000	271,000
Net OPEB obligation – end of year	$ 386,000	$ 327,000

CEFA's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for June 30, 2015, and each of the preceding two years is as follows:

Fiscal year ended	Annual OBEB expense	% of annual OPEB expense contributed	Net OPEB obligation
6/30/13	$ 97,000	35.05%	$ 271,000
6/30/14	$ 87,000	35.63%	$ 327,000
6/30/15	$ 94,000	37.23%	$ 386,000

Additional disclosure detail required by GASB Statement No. 45 regarding other post-retirement benefits, including actuarial methods and assumptions, funding policies, and the funded status of the plan, is presented in the financial statements and required supplementary information of the State of California for the year ended June 30, 2014, which is the latest available on the State Controller's Office website at www.sco.ca.gov. Additionally, copies of the CalPERS annual financial report which include the Retiree Benefits Trust Fund may be obtained by writing to the CalPERS, Fiscal Services Division, P.O. Box 942703, Sacramento, California 94229-2703 or by visiting the CalPERS website at www.CalPERS.ca.gov.

9. 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, 2015 and 2014, there were $4,516,958,406 and $4,678,195,784, respectively, in conduit financings outstanding. CEFA assisted with the issuance of financings in the amount of $212,210,000 and $439,595,000 for the years ended June 30, 2015 and 2014, respectively. Additionally, the amounts of bonds authorized by CEFA with active resolutions that remain unsold were $1,065,401,000 and $1,030,710,000 as of June 30, 2015 and 2014, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

SCHEDULE OF CEFA'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS OF JUNE 30, 2015 LAST 10 YEARS*

		2015
CEFA's proportion of the net pension liability		0.0032%
CEFA's proportionate share of the net pension liability	$	816,426
CEFA's covered - employee payroll	$	318,863
CEFA's proportionate Share of the net pension liability as percentage of covered-employee payroll		256.04%
Plan fiduciary net position as a percentage of the total pension liability		73.05%

Notes to Schedule:

Changes of benefit terms. In 2015, there were no changes to the benefit terms.

Changes in assumptions. In 2015, there were no changes in assumptions.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, 2015
LAST 10 YEARS*

		2015
Contractually required contribution	$	67,497
Contributions in relation to the contractually required contributions		67,497
Contribution deficiency (excess)	$	
CEFA's covered-employee payroll	$	277,995
Contributions as a percentage of covered-employee payroll		24.28%

Notes to Schedule:

The actuarial methods and assumptions used to determine contribution rates for fiscal year ended June 30, 2015 was from the June 30, 2013 Valuation Date.

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Inflation	2.75%
Salary Increase	Varies (1)
Payroll Growth	3.0%
Investment Rate of Return	7.5% (2)
Retirement Age	2010 Experience Study(3)
Mortality	2010 Experience Study(4)

(1) Depending on age, service and type of employment
(2) Net of pension plan investment and administrative expenses, including inflation
(3) The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
(4) The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

ADDITIONAL INFORMATION

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

CONSOLIDATING BALANCE SHEET
JUNE 30, 2015

	Student Loan Authority Fund			Educational Facilities Authority	
	Administration	Cal Loan	Total	Fund	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS:					
Cash & Investments in State Treasury	$ 16,479		$ 16,479	$ 2,174,106	$ 2,190,585
Restricted Cash and Investments with Fiscal Agent					
Accounts Receivable				63,493	63,493
Due from Other External Funds	12		12	1,561	1,573
Total Current Assets	16,491		16,491	2,239,160	2,255,651
DEFERRED OUTFLOWS OF RESOURCES:					
Pension contributions subsequent to the measurement date				67,497	67,497
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 16,491	$	$ 16,491	$ 2,306,657	$ 2,323,148
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
CURRENT LIABILITIES:					
Accounts Payable				$ 28,380	$ 28,380
Accrued Vacation				40,443	40,443
Due to Other External Funds				28,274	28,274
Total Current Liabilities				97,097	97,097
NON-CURRENT LIABILITIES:					
Accrued Vacation				50,464	50,464
OPEB Obligation				386,000	386,000
Net Pension Liability				816,426	816,426
Total Non-Current Liabilities				1,252,890	1,252,890
TOTAL LIABILITIES				1,349,987	1,349,987
DEFERRED INFLOWS OF RESOURCES:					
Net differences between projected and actual earnings on the plan investments				152,151	152,151
NET POSITION:					
Restricted for Educational Purposes	$ 16,491		$ 16,491	804,519	821,010
Total Net Position	16,491		16,491	804,519	821,010
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 16,491	$	$ 16,491	$ 2,306,657	$ 2,323,148

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2015

	Student Loan Authority Fund			Educational Facilities Authority	
	Administration	Cal Loan	Total	Fund	Total
OPERATING REVENUES:					
Fee Revenue				$ 270,560	$ 270,560
OPERATING EXPENSES:					
Personnel				461,421	461,421
Operating Expenses	$ 55,782	$ 13,186	$ 68,968	348,645	417,613
Total Operating Expenses	55,782	13,186	68,968	810,066	879,034
OPERATING INCOME (LOSS)	(55,782)	(13,186)	(68,968)	(539,506)	(608,474)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income on Investments	9,640		9,640	6,224	15,864
TRANSFERS IN	1,568,690		1,568,690		1,568,690
TRANSFERS OUT		(1,568,690)	(1,568,690)		(1,568,690)
CHANGE IN NET POSITION BEFORE SPECIAL ITEMS	1,522,548	(1,581,876)	(59,328)	(533,282)	(592,610)
SPECIAL ITEMS:					
Transfer to CSAC for repayment of program advances	(5,781,366)		(5,781,366)		(5,781,366)
CHANGE IN NET POSITION	(4,258,818)	(1,581,876)	(5,840,694)	(533,282)	(6,373,976)
NET POSITION Beginning of Year, as restated	4,275,309	1,581,876	5,857,185	1,337,801	7,194,986
NET POSITION End of Year	$ 16,491	$	$ 16,491	$ 804,519	$ 821,010

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)
STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING
JUNE 30, 2015

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2015
1993 CEFA Pool, Series B	12-Aug-93	1-Jun-18	$ 38,290,000	$ 38,290,000	
1999 CEFA Pool, Series B	27-Apr-99	1-Apr-24	19,745,000	19,745,000	
Art Center College of Design 2002 Series A (Variable & converted to Index Mode 8/10)	23-May-02	1-Dec-32	11,545,000	11,545,000	
Art Center College of Design 2002 Series B (Variable & converted to Index Mode 8/10)	23-May-02	1-Dec-32	13,055,000	13,055,000	
Art Center College of Design, Series 2009 (Variable Rate Demand)	13-Aug-09	1-Dec-39	9,940,000	9,940,000	
Art Center College of Design, Series 2012 (Private Placement)	7-Feb-12	1-Dec-41	20,000,000	20,000,000	
California College of Arts, Series 2005	12-May-05	1-Jun-35	18,535,000	18,535,000	
California Institute of Technology, Commercial Paper Revenue Notes	28-Jul-09	1-Jul-59	100,000,000	100,000,000	
California Lutheran University, Series 2004A (Variable Rate Demand)	16-Nov-04	1-Oct-29	5,465,000	5,465,000	
California Lutheran University, Series 2004C	16-Nov-04	1-Oct-29	27,915,000	27,915,000	
Charles Drew University of Medicine & Science, Series 2007 (Variable Rate Demand)	15-Nov-07	1-Nov-42	43,000,000	43,000,000	
Loyola Marymount University, Series 2010B (Variable Rate Demand)	30-Mar-10	1-Oct-15	38,500,000	38,500,000	
Mills College, Series 1997	20-Nov-97	1-Sep-22	11,065,000	11,065,000	
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	
University of Redlands, 2003 Series A	27-Mar-03	01-Jun-33	17,280,000	17,280,000	
University of Redlands, Series 2003B	11-Jun-03	01-Oct-25	17,000,000	17,000,000	
Woodbury University (Shared Financing 2007)	27-Feb-07	1-Feb-37	7,000,000	7,000,000	
Woodbury University, Series 2006	1-Jan-06	1-Jan-36	19,995,000	19,995,000	
California Institute of Technology, Series 1994 (Variable Rate Demand)	27-Oct-94	1-Jan-24	30,000,000		$ 30,000,000
Stanford University, Series 1995 L-3	19-Oct-95	1-Oct-15	9,840,000		9,840,000
Stanford University, Series 1996 L-4	25-Oct-96	1-Oct-16	8,775,000		8,775,000
Stanford University, Series 1997 L-5	23-Oct-97	1-Oct-17	15,165,000		15,165,000
California Western School of Law, Series 1998	4-Apr-98	1-Oct-28	16,000,000	5,645,000	10,355,000
Stanford University, Series 1998 L-6	28-Oct-98	1-Oct-22	17,815,000		17,815,000
University of San Diego, Series 1999 (part Capital Appreciation)	4-Feb-99	1-Oct-28	31,778,189	23,989,422	7,788,767
Life Chiropractic College West, 1999 (Variable Rate Demand)	4-Mar-99	1-Jan-25	18,000,000	6,275,000	11,725,000
Santa Clara University, Series 1999 (part Capital Appreciation & Capitol Interest)	15-Apr-99	1-Sep-26	82,181,741	28,414,860	53,766,881
Stanford University, Series 1999 L-7	28-Oct-99	1-Oct-22	18,393,000		18,393,000
University of San Francisco, Series 2000 (Variable Rate Demand)	16-May-00	1-May-30	27,000,000	9,300,000	17,700,000
Loyola Marymount University, Series 2001A (part Capital Appreciation & Capitol Interest)	14-Jun-01	1-Oct-24	75,449,126	37,283,838	38,165,288
California College of Arts & Crafts, Series 2001	1-Jun-01	1-Aug-19	14,490,000	12,475,000	2,015,000
University of San Francisco, Series 2003 (Variable Rate Demand)	28-May-03	01-May-33	40,000,000	6,585,000	33,415,000

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)
STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING
JUNE 30, 2015

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2015
Southwestern University Series 2003	29-May-03	01-Nov-23	11,880,000	5,440,000	6,440,000
University of Southern California, Series 2003B	08-Jul-03	01-Oct-15	12,795,000	11,540,000	1,255,000
Stanford University, Series 2004 S-1 (Remarketed 4/08 Commercial Paper Rate Mode)	24-Jun-04	9-Jun-19	40,000,000		40,000,000
Stanford University, Series 2004 S-2 (Remarketed 4/08 Commercial Paper Rate Mode) (Remarked 5/15/13 Fixed Rate)	24-Jun-04	1-Nov-18	40,000,000	9,790,000	30,210,000
Stanford University, Series 2004 S-3 (Remarketed 4/08 Commercial Paper Rate Mode)	24-Jun-04	1-Nov-39	50,000,000		50,000,000
Stanford University, Series 2004 S-4 (Variable Rate Demand)	24-Jun-04	1-Nov-50	51,200,000		51,200,000
University of the Pacific, Series 2004	12-Aug-04	1-May-34	11,500,000	5,600,000	5,900,000
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	50,350,000	3,970,000
Occidental College, Series 2005B	12-Apr-05	1-Oct-27	16,015,000	4,575,000	11,440,000
Pitzer College, Series 2005A	29-Apr-05	1-Apr-35	16,085,000	225,000	15,860,000
Mills College, Series 2005 A	16-Jun-05	1-Sep-35	25,000,000	425,000	24,575,000
University of Redlands, Series 2005 A	7-Jul-05	1-Oct-35	27,180,000	16,210,000	10,970,000
Pepperdine University, Series 2005 A	3-Aug-05	1-Dec-35	92,365,000	20,190,000	72,175,000
University of Southern California, Series 2005	3-Aug-05	1-Oct-28	66,545,000	11,405,000	55,140,000
University of San Francisco, Series 2005B (Variable Rate Demand)	18-Aug-05	1-Oct-35	27,500,000	1,700,000	25,800,000
Pepperdine University, Series 2005B (Delayed Delivery)	6-Sep-05	1-Dec-32	16,340,000	3,570,000	12,770,000
Mills College, Series 2005 B (Delayed Delivery)	9-Sep-05	1-Sep-20	2,835,000	1,665,000	1,170,000
University of La Verne, Series 2005A	10-Nov-05	1-Jun-23	20,680,000	2,750,000	17,930,000
Dominican University of California, Series 2006	25-Jan-06	1-Dec-36	19,795,000	740,000	19,055,000
University of the Pacific, Series 2006	31-May-06	1-Nov-36	77,180,000	9,760,000	67,420,000
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	4,095,000	7,145,000
Dominican University of California (Shared Financing 2007)	27-Feb-07	1-Feb-31	10,960,000	3,275,000	7,685,000
Saint Mary's College of California Equipment Financing, Series 2007	8-May-07	8-Mar-17	2,484,966	2,010,989	473,977
University of Southern California, Series 2007	24-May-07	1-Oct-37	263,395,000	6,310,000	257,085,000
Claremont McKenna College, Series 2007	31-May-07	1-Jan-38	40,425,000	2,190,000	38,235,000
Stanford University, Series T-1	19-Jun-07	15-Mar-39	111,775,000		111,775,000
Saint Mary's College of California, Series 2007 (Remarketed 7/30/08) (Remarked 1/17/12) (Remarked 10/3/12)	30-Aug-07	1-Oct-43	71,100,000	8,200,000	62,900,000

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)
STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING
JUNE 30, 2015

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2015
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	2,780,000	27,775,000
Occidental College, Series 2008	6-Mar-08	31-Oct-38	20,000,000	1,820,000	18,180,000
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	300,000,000	
Pomona College, Series 2008 A (Part Capital Appreciation & Current Interest)	5-Jun-08	1-Jan-18	59,475,000		59,475,000
California Lutheran University, Series 2008	31-Jul-08	1-Oct-38	38,060,000	1,940,000	36,120,000
Claremont Graduate University, 2008 Series A	21-Aug-08	1-Mar-38	15,000,000	740,000	14,260,000
Santa Clara University, Series 2008	11-Dec-08	1-Apr-37	72,485,000	11,710,000	60,775,000
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	2,405,000	12,595,000
University of Southern California, Series 2009C	9-Jul-09	1-Oct-24	82,305,000		82,305,000
Stanford University, Series T-5 (2009)	28-Jul-09	15-Mar-23	51,765,000		51,765,000
California Institute of Technology, Series 2009	28-Jul-09	1-Nov-39	80,000,000		80,000,000
Pitzer College, Series 2009	18-Nov-09	1-Apr-40	62,075,000	3,725,000	58,350,000
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	12,135,000	53,050,000
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	4,485,000	45,640,000
University of San Francisco, Series 2011	15-Feb-11	1-Oct-36	79,770,000	10,000,000	69,770,000
University of San Diego, Series 2011	16-Mar-11	1-Oct-22	18,640,000	6,145,000	12,495,000
Claremont University Consortium, Series 2011	7-Apr-11	1-Oct-35	9,000,000	1,480,000	7,520,000
Harvey Mudd College, Series 2011	19-May-11	1-Dec-41	15,065,000	890,000	14,175,000
Claremont McKenna College, Series 2011	7-Jul-11	1-Jan-30	5,480,000	245,000	5,235,000
Pomona College, Series 2011	12-Jul-11	1-Jan-17	7,310,000	4,690,000	2,620,000
Chapman University,Series 2011	3-Oct-11	1-Apr-31	100,000,000	9,570,000	90,430,000
Loyola Marymount University, Series 2011	22-Nov-11	1-Oct-24	22,105,000	10,560,000	11,545,000
University of the Pacific, Series 2012A	26-Jan-12	1-Nov-42	35,435,000	2,890,000	32,545,000
Stanford University, Series U-2	17-Apr-12	1-Oct-32	77,760,000		77,760,000
Pepperdine University, Series 2012	5-Jun-12	1-Sep-33	50,000,000	3,025,000	46,975,000
Claremont University Consortium, Series 2012	2-Aug-12	1-Oct-33	8,065,000	810,000	7,255,000
University of Southern California, Series 2012A	29-Aug-12	1-Oct-23	41,595,000		41,595,000
California College of the Arts, Series 2012	25-Oct-12	1-Jun-30	11,465,000	570,000	10,895,000
Claremont McKenna College, Series 2012	28-Nov-12	1-Jan-42	30,000,000	540,000	29,460,000
Golden Gate University, Series 2012 (Private Placement)	19-Dec-12	1-Jan-43	46,000,000	12,949,246	33,050,754
Loyola Marymount University, Taxable Series 2013A	26-Mar-13	1-Oct-43	37,000,000	1,435,000	35,565,000
Stanford University, Series U-3	15-May-13	1-Jun-43	261,410,000		261,410,000
Stanford University, Series U-4	15-May-13	1-Jun-43	39,215,000		39,215,000
Occidental College, Series 2013A	5-Jun-13	1-Oct-43	48,625,000	440,000	48,185,000
Occidental College,Taxable Series 2013B	5-Jun-13	1-Oct-27	6,370,000	140,000	6,230,000
University of the Pacific, Series 2014 (Private Placement)	8-May-14	1-May-21	36,500,000	1,435,000	35,065,000

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

EDUCATIONAL FACILITIES AUTHORITY FUND (CEFA)
STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED AND OUTSTANDING
JUNE 30, 2015

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2015
Stanford University, Series U-5	14-May-14	1-May-21	124,115,000		124,115,000
Stanford University, Series U-6	14-May-14	1-May-45	278,980,000		278,980,000
Art Center College of Design, Series 2014A (Private Placement)	16-Jul-14	30-Jun-45	45,680,000	890,000	44,790,000
Art Center College of Design, Series 2014B (Private Placement)	16-Jul-14	30-Jun-45	20,550,000	395,000	20,155,000
Charles Drew University, Series 2014 (Private Placement)	22-Dec-14	1-Jan-42	32,875,000		32,875,000
Pepperdine University, Series 2014	24-Dec-14	1-Dec-44	51,485,000		51,485,000
University of Redlands, 2014 Series A	7-Jan-14	1-Oct-35	31,595,000		31,595,000
Loyola Marymount University, Series 2015 (Private Placement)	17-Jun-15	1-Oct-34	30,025,000		30,025,000
TOTAL			**$ 5,671,941,761**	**$ 1,154,983,355**	**$ 4,516,958,406**

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

Independent Auditor's Report

CEFA Members
California Educational Facilities Authority
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the California Educational Facilities Authority (CEFA), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise CEFA's basic financial statements, and have issued our report thereon dated October 14, 2015.

Internal Control Over Financial Reporting

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

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

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

2880 GATEWAY OAKS DRIVE, SUITE 100, SACRAMENTO, CA 95833 • 101 PARKSHORE DRIVE, SUITE 100, FOLSOM, CA 95630
PHONE:916.646.6464 • FAX:916.929.6836 • GilbertCPA.com

Compliance and Other Matters

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

Purpose of this Report

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

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

October 14, 2015