

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM
An Enterprise Fund of the State of Utah

Financial Statements
For the Three Months Ended September 30, 2009

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM
AN ENTERPRISE FUND OF THE STATE OF UTAH
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009

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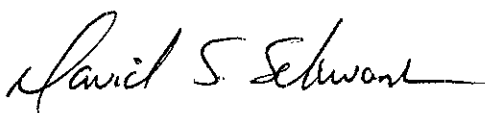
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December 29, 2009

Mr. David A. Feitz
Executive Director, UHEAA

We have prepared the statement of net assets of the State Board of Regents of the State of Utah Student Loan Purchase Program as of September 30, 2009 and 2008, and the related statements of revenues, expenses, changes in fund net assets and cash flows for the three months then ended. The financial statements are unaudited and have been prepared from records generated internally as well as from records of the Board's student loan servicer and trustee.

In our opinion, the unaudited financial statements referred to above present fairly, in all material respects, the financial position of the State Board of Regents of the State of Utah Student Loan Purchase Program as of September 30, 2009 and 2008, and the results of its operations, changes in fund net assets and cash flows for the three months then ended in conformity with accounting principles generally accepted in the United States of America.



David Schwanke, CPA
Associate Executive Director for
Finance and Accounting

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Net Assets
September 30, 2009

	<u>2009</u>	<u>For Comparison Only 2008</u>
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 12,252,124	\$ 36,227,056
Funds held by Trustee (Notes 2 and 3)	319,565,440	234,386,048
Funds held by Custodian (Note 6)	730,355	
Receivables		
Student loans receivable (Notes 4 and 6)	151,138,812	76,022,767
Interest receivable - student loans (Notes 4 and 6)	32,499,305	31,154,011
Special allowance (Note 1)		2,549,627
Interest receivable - investments	19,730	20,762
Other receivables	505,075	614,553
Prepaid expenses	985,097	729,654
Student loan fees (Note 1)	7,444,362	7,222,193
Deferred federal default fee (Note 1)	2,014,979	2,334,392
Deferred bond issuance costs (Note 7)	538,092	590,259
Total Current Assets	<u>527,693,371</u>	<u>391,851,322</u>
Noncurrent Assets		
Funds held by Trustee (Notes 2 and 3)	85,424,891	78,127,080
Student loans receivable (Notes 4 and 6)	1,915,287,130	1,980,301,853
Student loan fees (Note 1)	27,273,687	28,673,275
Deferred federal default fee (Note 1)	5,780,440	7,795,958
Deferred bond issuance costs, less accumulated amortization of \$4,333,933 (Note 7)	13,439,766	12,718,774
Capital assets, less accumulated depreciation of \$2,647,708 (Note 5)	11,038,393	11,446,501
Total Noncurrent Assets	<u>2,058,244,307</u>	<u>2,119,063,441</u>
TOTAL ASSETS	<u>2,585,937,678</u>	<u>2,510,914,763</u>
LIABILITIES		
Current Liabilities		
Accounts payable	4,009,422	3,126,244
Special allowance (Note 1)	10,653,670	-
Payable to affiliate (Note 11)	588,312	454,400
Compensated absences (Note 8)	280,149	280,288
Other liabilities	774,954	-
Participation line of credit (Note 6)	45,184,910	-
Accrued interest payable (Note 7)	8,081,347	19,933,623
Bonds payable (Notes 7 and 8)	235,512,895	5,357,895
Estimated interest arbitrage rebate (Notes 8 and 12)	-	-
Total Current Liabilities	<u>305,085,659</u>	<u>29,152,450</u>
Noncurrent Liabilities		
Compensated absences (Note 8)	200,669	197,241
Bonds payable, net of unamortized premiums of \$35,948 (Notes 7 and 8)	1,967,245,053	2,159,860,949
Estimated interest arbitrage rebate (Notes 8 and 12)	57,738,117	65,336,864
Total Noncurrent Liabilities	<u>2,025,183,839</u>	<u>2,225,395,054</u>
TOTAL LIABILITIES	<u>2,330,269,498</u>	<u>2,254,547,504</u>
NET ASSETS		
Invested in capital assets, net of related debt	1,982,445	1,922,657
Restricted	175,956,959	179,773,458
Unrestricted (Note 10)	77,728,776	74,671,144
TOTAL NET ASSETS	<u>\$ 255,668,180</u>	<u>\$ 256,367,259</u>

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

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Revenue, Expenses, and Changes in Fund Net Assets
For the Three Months Ended September 30, 2009

	2009	For Comparison Only 2008
OPERATING REVENUES		
Interest on student loans (Notes 4 and 6)	\$ 23,019,415	\$ 17,621,307
Special allowance (Note 1)	-	2,549,627
Investment income (Notes 2 and 3)	743,146	2,875,079
Lender Services revenue	80,159	120,206
Billings for internal services	483,190	541,150
Rental revenue (Note 11)	435,230	405,707
Administrative cost reimbursement	8,457,000	-
Total operating revenues	33,218,140	24,113,076
OPERATING EXPENSES		
Interest expense (Note 7)	7,160,910	19,154,175
Participation yield (Note 6)	862,799	-
Bond related expense (Note 7)	1,569,559	1,169,692
Special allowance (Note 1)	10,653,670	-
Student loan servicing expense (Note 9)	2,479,242	2,216,805
General and administrative expense (Note 11)	1,190,409	1,160,271
Operations expense (Note 11)	939,434	918,410
Depreciation expense (Note 5)	134,077	144,332
Student loan principal reductions	2,537,445	134,154
Financial Assistance administrative expense	65,068	90,288
Financial Assistance grants	179,750	360,000
Federal default fee (Note 1)	560,211	571,923
Provision for interest arbitrage rebate (Note 11)	-	-
Uninsured claims expense (Note 4)	(169,707)	182,472
Total operating expenses	28,162,867	26,102,522
OPERATING INCOME (LOSS)	5,055,273	(1,989,446)
NONOPERATING REVENUES (EXPENSES)		
State Financial Assistance appropriations (Note 14)	8,659,500	10,371,800
State Financial Assistance distributions (Note 14)	(6,570,385)	(8,044,572)
Total nonoperating revenues (expenses)	2,089,115	2,327,228
Transfer to Utah System of Higher Education	(250,000)	-
CHANGES IN NET ASSETS	6,894,388	337,782
NET ASSETS – Beginning of Year	248,773,792	256,029,477
NET ASSETS – End of Period	\$ 255,668,180	\$ 256,367,259

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

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Cash Flows
For the Three Months Ended September 30, 2009

	<u>2009</u>	<u>For Comparison Only</u> <u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Principal received on student loans	\$ 53,430,152	\$ 46,110,667
Interest received on student loans	13,764,326	14,614,909
Special allowance payments	(8,359,126)	2,077,584
Student loan disbursements received from lenders	170,148,961	133,602,556
Student loan disbursements sent to schools	(169,894,000)	(134,571,996)
Payments received for lenders	22,524,163	3,684,543
Payments sent to lenders	(22,301,948)	(4,168,787)
Appropriations received for Financial Assistance	8,659,500	10,371,800
Financial Assistance distributions	(7,110,385)	(8,404,572)
Payments received for Lender Services	67,335	85,629
Payments received for internal services	431,337	416,176
Proceeds from loan sales	442,272,896	-
Payments for loan purchases	(65,595,958)	(90,942,024)
Payments for loan originations	(75,083,658)	(2,642,803)
Payments for loan servicing	(1,633,322)	(1,434,132)
Payments for general and administrative expenses	(2,488,672)	(1,666,505)
Payments for guarantor insurance premiums	(66,592)	-
Payments for computer services expense	(28,979)	(189,797)
Payments for operations expense	(442,557)	(571,759)
Payments for interest arbitrage	(44,492)	(607,542)
Payments received for rental revenue	447,517	366,203
Cash used in operating activities	<u>358,696,498</u>	<u>(33,869,850)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to Utah System of Higher Education	(250,000)	-
Proceeds from Loan Participation Purchase Program	155,327,481	-
Payments for Loan Participation Purchase Program	(408,430,434)	-
Principal paid on bonds	(32,600,000)	-
Interest paid on bonds	(3,137,225)	(7,245,630)
Payments for bond related expense	(813,263)	(1,031,423)
Cash used in noncapital financing activities	<u>(289,903,441)</u>	<u>(8,277,053)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(95,531)	(48,676)
Cash used in capital and related financing activities	<u>(95,531)</u>	<u>(48,676)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturing investments	546,896,293	106,555,016
Interest received on investments	728,550	2,865,490
Purchases of investments	(663,116,538)	(71,578,681)
Cash provided by investing activities	<u>(115,491,695)</u>	<u>37,841,825</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(46,794,169)	(4,353,754)
CASH AND CASH EQUIVALENTS – Beginning of Year	59,046,293	40,580,810
CASH AND CASH EQUIVALENTS – End of Year	<u>\$ 12,252,124</u>	<u>\$ 36,227,056</u>

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STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Statement of Cash Flows
For the Three Months Ended September 30, 2009

(continued)

	2009	For Comparison Only 2008
RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ 5,055,273	\$ (1,989,446)
Adjustments to reconcile income to net cash provided by operating activities		
Amortization and depreciation	288,278	291,684
Interest expense for noncapital and capital financing	7,006,709	19,006,823
Interest revenue from nonoperating investing activities	(743,146)	(2,875,079)
Bond related expense	1,569,559	1,169,692
State Financial Assistance appropriations	8,659,500	10,371,800
State Financial Assistance distributions	(6,570,385)	(8,044,572)
Change in assets/liabilities		
Student loans receivable	329,056,199	(50,920,072)
Borrower interest receivable	4,671,667	13,137
Special allowance	1,648,128	(472,042)
Other receivables	251,162	(200,149)
Prepaid expenses	1,661,082	(44,486)
Student loan fees	3,920,328	(686,825)
Federal default fee	560,211	571,923
Accounts payable, payable to affiliate, and arbitrage	1,661,933	(62,238)
NET CASH USED IN OPERATING ACTIVITIES	\$ 358,696,498	\$ (33,869,850)

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

STATE BOARD OF REGENTS OF THE STATE OF UTAH

STUDENT LOAN PURCHASE PROGRAM

Notes to the Financial Statements
For the Three Months Ended September 30, 2009

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The State Board of Regents of the State of Utah Student Loan Purchase Program (the Program), an enterprise fund of the State of Utah, was formed in 1977, as a separate program for the purpose of making loans to, and purchasing the loans of, qualified students attending eligible institutions of higher education. The Program began operations January 1, 1979. Bonds issued by the Program are not general obligations of the State of Utah.

Fund Accounting – The Program maintains accounting records under the fund accounting concept. The funds are separate sets of self-balancing accounts set up in accordance with the authorizing acts and bond indentures. When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Program's general policy to use restricted resources first. The following funds are administered by the Program:

- Short-Term Note Fund – Unencumbered funds generated by various financing facilities and transfers authorized by the State Board of Regents of the State of Utah (the Board) in accordance with bond indenture provisions are maintained in this fund. The Program utilizes a portion of these funds to purchase student loans. Payments, including principal and interest on student loans held by this fund, and special allowance payments are deposited in this fund and are used to purchase student loans and pay operating expenses. Program funds designated to meet future collateral and operating requirements and other Program needs are held as investments.
- 1988 Revenue Bond Fund – Proceeds from revenue bond issuances under the General Student Loan Program Indenture dated July 15, 1988, and Supplemental Indentures are recorded in this fund. Outstanding issuances include 1988 Series C; 1994 Series K; 1995 Series L; 1996 Series Q; 1997 Series R; 2000 Series T and U; 2003 Series V; and 2005 Series W and X. Proceeds are used to pay bond issuance costs, originate or purchase eligible student loans, and establish trustee funds as required by the General Indenture and Supplemental Indentures. Principal and interest payments on student loans purchased with bond proceeds, special allowance payments, and other revenues are deposited in this fund and are used for student loan purchases, debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture and Supplemental Indentures. All net assets of this bond fund are reported as restricted net assets.
- 1993 Revenue Bond Fund – Proceeds from revenue bond issuances under the General Student Loan Program Indenture dated August 1, 1993 and Supplemental Indentures are recorded in this fund. Outstanding issuances include Series 1993 A; Series 1997 E; Series 1998 G and J; Series 1999 K, L, and M; Series 1999 O; Series 2001 P, Q,

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STUDENT LOAN PURCHASE PROGRAM

Notes to the Financial Statements
For the Three Months Ended September 30, 2009

and R; Series 2001 S, T, and U; Series 2002 V and W; Series 2002 X; Series 2003 Y; Series 2004 Z; Series 2005 AA; Series 2006 BB and CC; and Series 2006 DD. Proceeds are used to pay bond issuance costs, originate or purchase eligible student loans, and establish trustee funds as required by the General Indenture. Principal and interest payments on student loans purchased with bond proceeds, special allowance payments, and other revenues are deposited in this fund and are used for student loan purchases, debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture. All net assets of this bond fund are reported as restricted net assets.

- 2008 Revenue Bond Fund – Proceeds from revenue bond issuance under the General Student Loan Program Indenture dated December 1, 2008, and Supplemental Indentures are recorded in this fund. Outstanding issuances include Series 2008 A. Proceeds are used to pay bond issuance costs, originate or purchase eligible student loans, and establish trustee funds as required by the General Indenture and Supplemental Indentures. Principal and interest payments on student loans purchased with bond proceeds, special allowance payments, and other revenues are deposited in this fund and are used for student loan purchases, debt service of the bonds, and operating expenses in accordance with the provisions of the General Indenture and Supplemental Indentures. All net assets of this bond fund are reported as restricted net assets.
- Office Facility Bond Fund – Proceeds from the revenue bond issuance under the State Board of Regents Office Facility Project Indenture dated February 1, 2002 and June 1, 2004 are recorded in this fund. Proceeds are used to pay cost of issuance and finance the cost of acquiring, furnishing and equipping office space for use by the Board. Funds within the Board of Regents budget that would otherwise be expended for rent will be deposited in this fund, and will be used for debt service of the bonds and operating expenses, in accordance with the provisions of the General Indenture.

Basis of Accounting – The accounting and reporting policies of the Program conform with generally accepted accounting principles and follow the accrual basis of accounting. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The Program's funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the Program are included on the Statement of Net Assets. The Program follows all applicable Governmental Accounting Standards Board (GASB) pronouncements and all Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, except those in conflict with GASB pronouncements. As allowed by GASB Statement No. 20, the Program has elected to not apply FASB pronouncements issued after that date.

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For the Three Months Ended September 30, 2009

Student Loan Fees – Fees paid as part of the acquisition price of a student loan are deferred and recognized as an adjustment to yield over the estimated lives of the loans using a method that approximates the interest method of amortization.

Federal Default Fee – The federal default fee is capitalized and amortized over the estimated lives of the loans using an accelerated method of amortization beginning 36 months from the date the federal default fee is paid by the Program.

Interest on Student Loans – The Federal Government pays quarterly interest subsidy payments on certain federally insured student loans during the period students attend school and during certain other permitted deferment periods. When loans are in repayment, interest is paid by the borrower. Interest on student loans is accrued as earned.

Special Allowance – Federal legislation provides for a special allowance subsidy to lenders participating in the Student Loan Guarantee Program. The amount of special allowance that is payable on an eligible loan is determined by multiplying the average daily balance of principal and capitalized interest on the loan by the applicable special allowance rate. The rates for special allowance payments are based on formulas that differ according to the type of the loan, the date the loan was first disbursed, the interest rate, and the type of funds used to finance such loan. The rate of special allowance payments is based on the bond equivalent 91 day T-Bill rate or the 90 day commercial paper index depending on the characteristics of the loan.

Under the 2005 Higher Education Reconciliation Act Amendments, for certain loans first disbursed on or after April 1, 2006, if the interest on such loan at the stated interest rate is higher than the special allowance support level (average 3-month commercial paper rate plus a percentage determined by the U.S. Department of Education) to such loan including Special Allowance Payments, the holder of the loan must repay the difference to the United States Government at least annually.

Capital Assets – Capital assets are stated at cost – net of accumulated depreciation. The Program capitalizes assets that exceed a \$5,000 threshold. Depreciation is provided over the estimated useful lives, ranging from three to forty years using the straight-line method.

Deferred Bond Issuance Costs – Costs of bond issuances are deferred and amortized over the lives of the respective maturities of the outstanding bonds using the straight-line method.

Bond Discount and Premium – Discounts and premiums on the sale of bonds are deferred and amortized over the lives of the respective maturities of outstanding bonds using a method that approximates the interest method of amortization.

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STUDENT LOAN PURCHASE PROGRAM

Notes to the Financial Statements
For the Three Months Ended September 30, 2009

Operating and Nonoperating Income – The Program distinguishes operating revenues and expenses from nonoperating items. The Program includes, within the operating income section, those revenues generated and expenses incurred that are related to the Program’s principal ongoing operations and revenues and expenses related to the Program’s Office Facility. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Statement of Cash Flows – For purposes of the Statement of Cash Flows, cash and cash equivalents include checking accounts and short-term investments in the Utah Public Treasurers’ Investment Fund, excluding those held by the trustee.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Disclosures – The basic financial statements include certain prior year summarized comparative information but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Certain reclassifications have been made to the prior year comparative information to conform with the current year presentation. Accordingly, such information should be read in conjunction with the financial statements for the three months ended September 30, 2008, from which the summarized information was derived.

2. CASH AND CASH EQUIVALENTS AND FUNDS HELD BY TRUSTEE AND AGENT

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) that relate to the deposit and investment of public funds.

The Program follows the requirements of the Money Management Act (the Act) in handling its depository and investment transactions. The Act requires the depositing of Program funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

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Investments – The Money Management Act also defines the types of securities authorized as appropriate investments for the Program and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. The Money Management Act authorizes the Program to invest in:

- Negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories.
- Repurchase and reverse repurchase agreements.
- Commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Services or Standard & Poor’s.
- Bankers’ acceptances.
- Obligations of the United States Treasury, including bills, notes, and bonds.
- Bonds, notes, and other evidence of indebtedness of political subdivisions of the State.
- Fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations.
- Shares or certificates in a money market mutual fund as defined in the Act.
- The Utah Public Treasurers’ Investment Fund.

At September 30, 2009, the Program’s investments and funds held by trustee and their maturities were as listed below:

<u>Investments</u>	Fair Value	Investment Maturities (in years)		
		Less than <u>one year</u>	<u>1 to 5 years</u>	Over <u>10 years</u>
Mutual Funds	\$ 78,162,541	\$ 78,162,541	\$ -	\$ -
Public Treasurers’ Investment Fund	337,012,544	337,012,544	-	-
Repurchase Agreements	1,957,539	1,957,539	-	-
U.S. Government Securities	<u>840,186</u>	<u>-</u>	<u>-</u>	<u>\$ 840,186</u>
Total Investments	<u>\$ 417,972,810</u>	<u>\$ 417,132,624</u>	<u>\$ -</u>	<u>\$ 840,186</u>

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment. The Program’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances,

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fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Program’s policy for reducing its exposure to credit risk is to comply with the Money Management Act as previously discussed. At September 30, 2009, the Program had \$72,885,549 invested in mutual funds with a AAA rating and \$342,289,536 invested in mutual funds and the Public Treasurer’s Investment Fund that were unrated.

Custodial Credit Risk – The risk that, in the event of a failure of the counterparty, the Program may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Program follows the requirements of the Money Management Act regarding custodial credit risk. However, the Program does not have a formal investment policy for custodial credit risk that further limits custodial arrangements from what is required by the State Money Management Act in regards to custody of the Program’s investments. At September 30, 2009, the Program’s repurchase agreements, totaling \$1,957,539, were uninsured, uncollateralized, and held by the counterparty.

Public Treasurers’ Investment Fund – The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

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Notes to the Financial Statements
For the Three Months Ended September 30, 2009

3. REVENUE BOND FUNDS

The bond indenture agreements require that certain trust funds be established. The following is a summary of cash and investments held by the respective revenue bond funds at September 30, 2009:

Short-Term Note Fund \$ 40,827,861

1988 Revenue Bond Fund:

Revenue Account	\$ 35,668,551
Loan Account	160,936
Rebate Account	<u>33,879,849</u>
Total 1988 Revenue Bond Fund	\$ <u>69,709,336</u>

1993 Revenue Bond Fund:

Revenue Account	\$ 72,160,532
Loan Account	128,796,253
Reserve Account	11,626,183
Rebate Account	<u>30,343,859</u>
Total 1993 Revenue Bond Fund	\$ <u>242,926,827</u>

2008 Revenue Bond Fund:

Revenue Account	\$ 4,929,618
Loan Account	37,020,146
Reserve Account	<u>9,575,000</u>
Total 2008 Revenue Bond Fund	\$ <u>51,524,764</u>

Office Facility Bond Fund:

Debt Service Account	\$ <u>1,543</u>
Total Office Facility Bond Fund	\$ <u>1,543</u>

Grand Total \$ 404,990,331

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Notes to the Financial Statements
For the Three Months Ended September 30, 2009

4. STUDENT LOANS RECEIVABLE

Student loans receivable carry variable interest rates or have fixed rates ranging from 0.03% to 11%. The loans are made to students enrolled or accepted for enrollment at an eligible institution of higher education on at least a half-time basis. Six to twelve months after termination of at least a half-time academic work load, the borrower is required to commence repayment on the loan. Monthly repayment amounts and the length of the repayment period are determined by the amount to be repaid; however, the maximum length of repayment is ten years for Stafford loans and up to thirty years for consolidation loans from the due date of the first payment, exclusive of authorized periods of deferments and forbearance.

Student loans are guaranteed with respect to principal and accrued interest amounts through agreements with the state guarantee agency, the Utah Student Loan Guarantee Program, another program of the State Board of Regents.

The following is a summary of the status of student loans receivable at September 30, 2009:

	<u>Short-Term Note Fund</u>	<u>1988 Revenue Bond Fund</u>	<u>1993 Revenue Bond Fund</u>	<u>2008 Revenue Bond Fund</u>	<u>Total</u>
Student and Deferment	\$ 66,644,770	\$ 120,004,110	\$ 416,537,589	\$ 64,168,595	\$ 667,355,064
Repayment & Forbearance	8,446,494	383,786,252	927,179,186	83,043,821	1,402,455,753
Student Loan Receivable Allowance	<u>(73,148)</u>	<u>(1,302,172)</u>	<u>(1,858,050)</u>	<u>(151,505)</u>	<u>(3,384,875)</u>
Total	<u>\$ 75,018,116</u>	<u>\$ 502,488,190</u>	<u>\$ 1,341,858,725</u>	<u>\$ 147,060,911</u>	<u>\$ 2,066,425,942</u>

Insurance on student loans is paid at a 98% rate for loans which were first disbursed on or after October 1, 1993. At September 30, 2009, the Program has established an uninsured claims allowance for 98% insured loans totaling \$2,084,875. In addition, the Program has established a loan loss reserve of \$1,300,000 for estimated uninsured or uncollectible student loans.

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5. CAPITAL ASSETS

Capital asset activity for the three months ended September 30, 2009 was as follows:

Description:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Buildings	\$ 12,576,186	\$ 95,531	\$ -	\$ 12,671,717
Furniture and equipment	225,893	-	-	225,893
Computer equipment	752,545	-	-	752,545
Capitalized software	<u>35,946</u>	<u>-</u>	<u>-</u>	<u>35,946</u>
Totals at historical cost	<u>13,590,570</u>	<u>95,531</u>	<u>-</u>	<u>13,686,101</u>
Less accumulated depreciation for:				
Buildings	(2,025,625)	(89,637)	-	(2,115,262)
Furniture and equipment	(109,682)	(11,601)	-	(121,283)
Computer equipment	(358,542)	(30,375)	-	(388,917)
Capitalized software	<u>(19,782)</u>	<u>(2,464)</u>	<u>-</u>	<u>(22,246)</u>
Total accumulated depreciation	<u>(2,513,631)</u>	<u>(134,077)</u>	<u>-</u>	<u>(2,647,708)</u>
Capital assets, net	<u>\$ 11,076,939</u>	<u>\$ (38,546)</u>	<u>\$ -</u>	<u>\$ 11,038,393</u>

6. PARTICIPATION LINE OF CREDIT

In March 2009, the Program began participating in the U.S. Department of Education (ED) Loan Participation Purchase Program, which was created under the "Ensuring Continued Access to Student Loans Act of 2008" (Pub. L. No. 110-227). The program was created to assist lenders in obtaining financing for student loans during the 2008-2009 and 2009-2010 academic years.

Under the Loan Participation Purchase Program, ED may purchase a 100% participation interest in student loans disbursed after May 1, 2008. ED advances to the lender a line of credit equal to the principal amount of the student loan. The pledged loans are serviced internally by the Program and administered by a custodian. The Program has pledged the collections from \$45,566,744 of participated loans to repay the line of credit from ED of \$45,184,910. Monthly interest cost on the line of credit is equal to the Commercial Paper rate plus .50%. Interest is payable monthly to ED. The Loan Participation Purchase Program for the 2008-2009 academic year ended on September 30, 2009. At that time, the loans were sold to ED.

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7. BONDS PAYABLE

1988 Revenue Bond Fund – The Program has outstanding student loan revenue bonds under the authority of the General Indenture for 1988 Series C dated July 15, 1988, and Supplemental Indentures for 1994 Series K, dated September 1, 1994; for 1995 Series L, dated August 1, 1995; for 1996 Series Q dated April 1, 1996; for 1997 Series R, dated January 1, 1997; for 2000 Series T and U, dated August 1, 2000; for 2003 Series V, dated August 1, 2003; and for 2005 Series W and X, dated February 1, 2005. The bonds are special obligation bonds of the Board and are secured, as provided in the indentures, by all assets of the 1988 Revenue Bond Fund and the revenues and receipts derived from such assets.

Bonds payable for the 1988 Revenue Bond Fund consisted of the following at September 30, 2009:

1988 Series C, Variable Rate Bonds, interest adjusted weekly, maturing November 1, 2013*	\$ 19,500,000
1994 Series K, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2024*	20,500,000
1995 Series L, Variable Rate Bonds, interest adjusted weekly, maturing March 14, 2015*	77,454,000
1996 Series Q, Variable Rate Bonds, interest adjusted weekly, maturing between June 30, 2016 and November 1, 2031*	47,749,000
1997 Series R, Variable Rate Bonds, interest adjusted weekly, maturing March 14, 2015*	50,041,000
2000 Series T, Variable Rate Bonds, interest adjusted each 35 day period, maturing May 1, 2035	49,500,000
2000 Series U, Variable Rate Bonds, interest adjusted each 28 day period, maturing November 1, 2039	35,000,000
2003 Series V, Variable Rate Bonds, interest adjusted each 35 day period, maturing May 1, 2010*	37,600,000
2005 Series W, Variable Rate Bonds, interest adjusted weekly, maturing between March 14, 2015 and April 7, 2015*	87,658,000

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2005 Series X, Variable Rate Bonds, interest adjusted weekly, maturing between March 17, 2015 and November 1, 2044*	<u>57,900,000</u>
Total	<u>\$ 482,902,000</u>

*In February 2009, each bond series noted above with an asterisk was downgraded to a Fitch rating of F1, and a Moody's Investor Service rating of Baa1.

Debt service requirements to maturity on the 1988 revenue bond issue as of September 30, 2009, are summarized below:

<u>Fiscal Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2010	\$ 37,600,000	\$ 13,151,820	\$ 50,751,820
2011		14,670,540	14,670,540
2012		14,670,540	14,670,540
2013		14,670,540	14,670,540
2014	19,500,000	14,085,540	33,585,540
2015-2019	319,287,000	15,169,372	334,456,372
2020-2024		3,371,500	3,371,500
2025-2029	20,500,000	2,634,867	23,134,867
2030-2034		2,582,250	2,582,250
2035-2039	49,500,000	777,563	50,277,563
2040-2044	35,000,000	416,625	35,416,625
2045	<u>1,515,000</u>	<u>27,775</u>	<u>1,542,775</u>
Total	<u>\$ 482,902,000</u>	<u>\$ 96,228,932</u>	<u>\$ 579,130,932</u>

Substantially all of the Program's student loan revenue bonds under the 1988 Revenue Bond Fund bear an adjustable rate of interest. To estimate the interest component of the debt service requirements for the adjustable bond series, the applicable interest rate in effect at September 30, 2009 has been used to calculate the interest amount. Actual results could differ from these estimates.

The 1988 Series C, 1995 Series L, 1996 Series Q, 1997 Series R, and 2005 Series W and X bonds bearing interest at an adjustable rate, which is determined weekly by a remarketing agent in accordance with the provisions of the indenture, are subject to redemption at the option of the Board in whole or in part on any date at a redemption price equal to the principal amount plus accrued interest, if any, to the redemption date.

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The 1994 Series K, 2000 Series T and 2003 Series V bonds bearing interest at an adjustable rate, which is set by an auction procedure every 35 days, are subject to redemption at the option of the Board in whole or in part on any date at a redemption price equal to the principal amount plus accrued interest, if any, to the redemption date.

The 2000 Series U bonds bearing interest at an adjustable rate, which is set by an auction procedure every 28 days, is subject to redemption at the option of the Board in whole or in part on any date at a redemption price equal to the principal amount plus accrued interest, if any, to the redemption date.

As of September 30, 2009 there were insufficient clearing bids on all of the Program's bonds bearing interest at an adjustable rate, which is set by auction procedure every 28 or 35 days (ARCs). Interest on these bonds will be calculated at the maximum rate. In general, the Maximum Auction Rate means, for any taxable auction, a per annum interest rate on the ARCs which, when taken together with the interest rate on the ARCs for the one year period ending on the final day of the proposed auction period, would result in the average interest rate on the ARCs not being in excess of, the lesser of the 91 day United States Treasury Bill Rate plus 1.20% or LIBOR plus 1.50% for such one year period. For a tax exempt bond the Maximum Auction Rate means, for any auction, a per annum interest rate on the ARCs which, when taken together with the interest rate on the ARCs for the one year period ending on the final day of the proposed auction period, would result in the average interest rate on the ARCs not being in excess of, the lesser of the After Tax Equivalent Rate plus 175% or the Kenny Index for such one year period absent a change in the rating on the bonds. The Maximum Auction Rate for the three months ended September 30, 2009 ranged between 0% and 0.89%.

To the extent revenues or unexpended bond proceeds are not applied to finance eligible loans or in the event the Board suffers unreasonable burdens in administering and maintaining its Loan Purchase Program, the 1988 Series C, 1994 Series K and 1995 Series L bonds are subject to extraordinary redemption at the option of the Board, in whole, at any time. Redemption in part will be on the interest payment date, at the principal amount thereof plus accrued interest to the redemption date, without premium.

The Program has standby bond purchase agreements in place that include the amount of \$19,799,178 expiring November 20, 2013 to support the 1988 Series C bonds of \$19,500,000, the amount of \$83,098,593 expiring November 16, 2025 to support the 1995 Series L bonds of \$77,454,000, the amount of \$104,916,614 expiring April 29, 2025 to support the 1996 Series Q and 1997 Series R bonds of \$97,790,000, and the amount of \$152,945,597 expiring February 11, 2024 to support the 2005 Series W and X bonds of \$145,558,000.

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As of September 30, 2009, the Program had drawn \$355,120,000 upon the liquidity facility to support certain bonds under the 1988 Series C; 1995 Series L; 1996 Series Q; 1997 Series R; 2005 Series W; and 2005 Series X which had not been remarketed. Under the terms of the liquidity facility, the interest on the bonds held in the liquidity facility are paid at the Bank Rate which is defined as the greater of the Federal Funds Rate plus .50% per annum, or the Prime Rate. The Bank Rate on the bonds increases by 1.25% if the bonds remain in the liquidity facility for more than 90 days. The Bank Rate for the three months ended September 30, 2009 ranged between 3.25% and 5.75%. The bonds are redeemable in semi-annual installments from available funds, provided that all of the unpaid principal amount of Bank Bonds shall be redeemed by the seventh anniversary of the Bank Purchase Date. The total bonds held in the liquidity facility as of September 30, 2009 was \$338,787,000.

The bonds issued under the 1988 Trust Estate are limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The bonds were issued to finance eligible student loans. The Trust Estate consists of: Student loans acquired under the indenture; all proceeds of the bonds and net revenues in the funds and accounts; and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay \$482,902,000 of outstanding student loan revenue bonds which are payable through 2044. The total principal and interest remaining to be paid on the bonds is discussed above. Interest paid for the current year and total net revenues before interest expense were \$1,737,110 and \$1,788,333, respectively.

1993 Revenue Bond Fund – The Program has outstanding student loan revenue bonds under the authority of the General Indenture for Series 1993 A, dated August 1, 1993 and Supplemental Indentures for 1997 Series E, dated October 1, 1997; for Series 1998 G and J, dated August 1, 1998; for Series 1999 K, L, and M, dated January 1, 1999; for Series 1999 O, dated October 1, 1999; for Series 2001 P, Q, and R, dated January 1, 2001; for Series 2001 S, T, and U, dated September 1, 2001; for Series 2002 V and W, dated April 1, 2002; for Series 2002 X, dated September 1, 2002; for Series 2003 Y, dated March 1, 2003; for Series 2004 Z, dated May 1, 2004; for Series 2005 AA, dated September 1, 2005; for Series 2006 BB and CC, dated February 1, 2006; and for Series 2006 DD, dated June 1, 2006. The bonds are special obligation bonds of the Board and are secured, as provided in the indentures, by all assets of the 1993 Revenue Bond Fund and the revenues and receipts derived from such assets.

The indenture provides that bonds of each series must be designated a priority or priorities by class, with Class I constituting the highest priority under the Indenture and priority decreasing by increasing class roman numeral. Priority with respect to payment of bonds at any particular time and exercise of various rights and remedies is based upon the class of the bonds in descending order of priority.

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Bonds payable for the 1993 Revenue Bond Fund consisted of the following at September 30, 2009:

Series 1993 A, Class I, Variable Rate Bonds, interest adjusted weekly, maturing November 1, 2023	\$ 35,000,000
Series 1997 E, Class II, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2027	80,000,000
Series 1998 G, Class II, Variable Rate Bonds, interest adjusted each 35 day period, maturing May 1, 2033	49,500,000
Series 1998 J, Class II, Variable Rate Bonds, interest adjusted each 35 day period, maturing May 1, 2033	40,000,000
Series 1999 K, Class II, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2033	29,500,000
Series 1999 L, Class II, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2033	40,000,000
Series 1999 M, Class IV, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2033	20,000,000
Series 1999 O, Class II, Variable Rate Bonds, interest adjusted each 28 day period, maturing November 1, 2038	102,000,000
Series 2001 P, Class II, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2035	45,000,000
Series 2001 Q, Class IV, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2035	10,000,000
Series 2001 R, Class II, Variable Rate Bonds, interest adjusted each 28 day period, maturing November 1, 2040	75,000,000
Series 2001 S, Class II, Variable Rate Bonds, interest adjusted each 28 day period, maturing May 1, 2041	100,100,000
Series 2001 T, Class IV, Variable Rate Bonds, interest adjusted each 35 day period, maturing May 1, 2036	12,350,000
Series 2001 U, Class II, Fixed Rate Bonds, 4.55%, maturing May 1, 2010	2,675,000

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Series 2002 V, Class II, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2036	65,000,000
Series 2002 W, Class IV, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2036	9,250,000
Series 2002 X, Class II, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2009	3,250,000
Series 2003 Y, Class II, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2037	83,900,000
Series 2004 Z, Class II, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2038	83,100,000
Series 2005 AA, Class II, Variable Rate Bonds, interest adjusted each 28 day period, maturing May 1, 2045	185,000,000
Series 2006 BB, Class II, Variable Rate Bonds, interest adjusted each 35 day period, maturing November 1, 2040	98,675,000
Series 2006 CC, Class II, Variable Rate Bonds, interest adjusted each 28 day period, maturing November 1, 2045	100,000,000
Series 2006 DD, Class II, Variable Rate Bonds, interest adjusted each 28 day period, maturing May 1, 2046	<u>250,000,000</u>
Total	<u>\$ 1,519,300,000</u>

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Debt service requirements to maturity on the 1993 revenue bond issue as of September 30, 2009, are summarized below:

<u>Fiscal Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2010	\$ 5,925,000	\$ 13,956,940	\$ 19,881,940
2011	-	15,008,752	15,008,752
2012	-	15,008,752	15,008,752
2013	-	15,008,752	15,008,752
2014	-	15,008,752	15,008,752
2015-2019	-	75,043,759	75,043,759
2020-2024	35,000,000	74,390,425	109,390,425
2025-2029	80,000,000	68,841,092	148,841,092
2030-2034	179,000,000	65,536,984	244,536,984
2035-2039	410,600,000	57,402,899	468,002,899
2040-2044	273,775,000	47,369,199	321,144,199
2045-2046	<u>535,000,000</u>	<u>12,944,313</u>	<u>547,944,313</u>
Total	<u>\$ 1,519,300,000</u>	<u>\$ 475,520,619</u>	<u>\$1,994,820,619</u>

Substantially all of the Program's student loan revenue bonds under the 1993 Revenue Bond Fund bear an adjustable rate of interest. To estimate the interest component of the debt service requirement for the adjustable rate bond series, the applicable interest rate in effect at September 30, 2009 has been used to calculate the interest amount. Actual results could differ from these estimates.

The Series 1993 A bonds bearing interest at an adjustable rate, which is determined weekly by a remarketing agent in accordance with the provisions of the indenture, are subject to optional redemption on any date at a redemption price of par plus accrued interest, if any.

The Series 1997 E, Series 1998 G and J, Series 1999 K, L and M, Series 2001 P and Q, Series 2001 T, Series 2002 V and W, Series 2002 X, Series 2003 Y, Series 2004 Z, and Series 2006 BB bonds bearing interest at an adjustable rate, which is set by an auction procedure every 35 days, are subject to optional redemption on any date at a redemption price of par plus accrued interest, if any.

The Series 1999 O, Series 2001 R, Series 2001 S, Series 2005 AA, Series 2006 CC, and Series 2006 DD bonds bearing interest at an adjustable rate, which is set by an auction

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procedure every 28 days, are subject to optional redemption on any date at a redemption price of par plus accrued interest, if any.

As of September 30, 2009 there were insufficient clearing bids on all of the Program's bonds bearing interest at an adjustable rate, which is set by auction procedure every 28 or 35 days (ARCs). Interest on these bonds will be calculated at the maximum rate. In general, the Maximum Auction Rate means, for any taxable auction, a per annum interest rate on the ARCs which, when taken together with the interest rate on the ARCs for the one year period ending on the final day of the proposed auction period, would result in the average interest rate on the ARCs not being in excess of, the lesser of the 91 day United States Treasury Bill Rate plus 1.20% or LIBOR plus 1.50% for such one year period. For a tax exempt bond the Maximum Auction Rate means, for any auction, a per annum interest rate on the ARCs which, when taken together with the interest rate on the ARCs for the one year period ending on the final day of the proposed auction period, would result in the average interest rate on the ARCs not being in excess of, the lesser of the After Tax Equivalent Rate plus 175% or the Kenny Index for such one year period absent a change in the rating on the bonds. The Maximum Auction Rate for the three months ended September 30, 2009 ranged between 0% and 2.2%.

The Series 1997 E and Series 1998 G and 1998 J bonds are subject to extraordinary optional redemption, at the option of the Board, in whole or in part, at any time, in any order of maturities designated by the Board and by lot within a maturity, at a redemption price of par, plus accrued interest to the date of redemption, without premium.

The Program has in place an irrevocable direct-pay letter of credit expiring November 15, 2011 in the amount of \$37,462,466 which supports the Series 1993 A bonds of \$35,000,000. As of September 30, 2009 the Board had not drawn any funds under the letter of credit.

The bonds issued under the 1993 Trust Estate are limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The bonds were issued to finance eligible student loans. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the bonds and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay \$1,519,300,000 of outstanding student loan revenue bonds which are payable through 2046. The total principal and interest remaining to be paid on the bonds is discussed above. Principal and interest paid for the current year and total net revenues before interest expense were \$33,780,647 and \$3,125,350, respectively.

2008 Revenue Bond Fund – The Program has outstanding student loan revenue bonds under the authority of the General Indenture for Series 2008 A dated December 1, 2008. The bonds are special obligation bonds of the Board and are secured, as provided in the

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indentures, by all assets of the 2008 Revenue Bond Fund and the revenues and receipts derived from such assets.

Bonds payable for the 2008 Revenue Bond Fund consisted of the following at September 30, 2009:

Series 2008 A, Variable Rate Bonds, interest adjusted weekly, stated maturity of November 1, 2042	\$ 99,670,000
Series 2008 A, Variable Rate Bonds, interest adjusted weekly, stated maturity of November 1, 2048	<u>91,830,000</u>
Total	<u>\$ 191,500,000</u>

Debt service requirements to maturity on the Series 2008 A revenue bond as of September 30, 2009, are summarized below:

<u>Fiscal Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2010	\$ <u>191,500,000</u>	\$ <u>430,077</u>	\$ <u>191,930,077</u>
Total	\$ <u>191,500,000</u>	\$ <u>430,077</u>	\$ <u>191,930,077</u>

The Program has in place a letter of credit expiring January 15, 2010 in the amount of \$204,406,576 which supports the Series 2008 A bonds of \$191,500,000. The letter of credit expires within one year of September 30, 2009, as a result, the Series 2008 A bonds have been classified as a current liability.

The Series 2008 A bonds bear an adjustable rate of interest. To estimate the interest component of the debt service requirement, the applicable interest rate in effect at September 30, 2009 has been used to calculate the interest amount. Actual results could differ from these estimates.

The Series 2008 A bonds bearing interest at an adjustable rate, which is determined weekly by a remarketing agent in accordance with the provisions of the indenture, are subject to redemption at the option of the Board in whole or in part on any date at a redemption price equal to the principal amount plus accrued interest, if any, to the redemption date.

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The Series 2008 A bonds are subject to mandatory sinking fund redemption at a price of 100% of the principal amount thereof plus accrued interest to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund <u>Redemption Date</u>	<u>Principal Amount</u>
November 1, 2042	\$99,670,000
November 1, 2048*	91,830,000

*Stated Maturity

The bonds issued under the 2008 Trust Estate are limited obligations of the Board secured by and payable solely from the Trust Estate established by the Indenture. The bonds were issued to finance eligible student loans. The Trust Estate consists of student loans acquired under the indenture, all proceeds of the bonds and net revenues in the funds and accounts, and any other property pledged to the Trust Estate. The Board has pledged these assets and net revenues to repay \$191,500,000 of outstanding student loan revenue bonds which are payable through 2009. The total principal and interest remaining to be paid on the bonds is discussed above. Total net revenue before interest expense was \$208,047.

On December 16, 2008, the Program issued \$191,500,000 of variable rate Series 2008A student loan revenue bonds at par. The Program used \$99,670,000 of the proceeds to refund, in total, the variable rate 2007 Series Y student loan revenue bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1.15 million. This difference reported as deferred bond issuance costs, will be amortized through the year 2042 using the straight line method.

The Program completed the refunding to manage its interest costs and to replace the supporting liquidity facility. The variable rate refunding issue has no stated minimum rate and a maximum rate of 12% per annum. The range of potential savings from the refunding will vary depending on the actual interest costs incurred over the life of the Series 2008 A bond. Based upon a minimum rate of 0% the Program would have no reduction in cash flow and no economic gain (the difference between the present values of the old debt and new debt service payments). At the maximum rate of 12% the Program could have a reduction in cash flow of \$67.5 million with an economic gain of \$16.1 million.

Office Facility Bond Fund – The Program has issued revenue bonds under the authority of two general indentures, the first dated February 1, 2002 (Series 2002) and the second dated June 1, 2004 (Series 2004). The bonds are special limited obligation bonds of the Board payable primarily from (i) funds of the Board budgeted on an annual basis (including from sources and in the amounts that the Board has, prior to the issuance of the Bonds and

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acquisition of the Project, used to pay rent for office space) and (ii) other legally available moneys of the Board, including certain revenues and reserves of the Board's Student Loan Purchase Program.

Bonds payable for the Office Facility Bond Fund consisted of the following at September 30, 2009:

Revenue Bonds Series 2002 (Office Facility Project), Fixed Rate Bonds, 4.25% to 5.25%, maturing annually February 1, 2010 through February 1, 2022.	\$ 6,060,948
Revenue Bonds Series 2004 (Office Facility Project), Fixed Rate Bonds, 4.0% to 5.0%, maturing annually February 1, 2010 through February 1, 2024.	<u>2,995,000</u>
Total	<u>\$ 9,055,948</u>

Debt service requirements to maturity on the Office Facility Bond issue as of September 30, 2009 are summarized below:

<u>Fiscal Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2010	\$ 485,000	\$ 219,467	\$ 704,467
2011	510,000	416,085	926,085
2012	535,000	394,410	929,410
2013	555,000	367,485	922,485
2014	585,000	342,510	927,510
2015-2019	3,365,000	1,270,003	4,635,003
2020-2024	2,985,000	373,722	3,358,722
Plus Unamortized Premium	<u>35,948</u>	<u>-</u>	<u>35,948</u>
Total	<u>\$ 9,055,948</u>	<u>\$ 3,383,682</u>	<u>\$ 12,439,630</u>

The Series 2002 Bonds maturing on or after February 1, 2013, are callable for redemption prior to maturity at the option of the Board on or after February 1, 2012, in whole or in part at any time from such maturities or parts thereof as may be selected by the Board and by lot within each maturity at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption. The Series 2002 Bonds are subject to extraordinary optional redemption prior to maturity in whole on any date, at a redemption price of 100% of the principal amount of the Bonds to be redeemed, together with accrued interest to the redemption date.

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The Series 2004 Bonds maturing on or after February 1, 2015, are subject to redemption at the option of the Board on February 1, 2014, and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the Board at a redemption price equal to 100% of the principal amount of the Series 2004 Bonds to be redeemed, plus accrued interest there on to the redemption date.

The Series 2004 Bonds maturing on February 1, 2019 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption, but without premium, on the dates and in the principal amounts as follows:

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Requirements</u>
February 1, 2015	\$ 175,000
February 1, 2016	185,000
February 1, 2017	195,000
February 1, 2018	205,000
February 1, 2019 (Final Maturity)	<u>215,000</u>
Total	<u>\$ 975,000</u>

The Series 2004 Bonds maturing on February 1, 2024 are subject to mandatory sinking fund redemption at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption, but without premium, on the dates and in the principal amounts as follows:

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Requirements</u>
February 1, 2020	\$ 225,000
February 1, 2021	235,000
February 1, 2022	250,000
February 1, 2023	260,000
February 1, 2024 (Final Maturity)	<u>275,000</u>
Total	<u>\$ 1,245,000</u>

The Series 2004 Bonds are subject to extraordinary optional redemption prior to maturity in whole on any date, at a redemption price of 100% of the principal amount of the Bonds to be redeemed, together with accrued interest to the redemption date.

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Notes to the Financial Statements
For the Three Months Ended September 30, 2009

The bonds issued under the Office Facility Bond Fund are limited obligations of the Board secured solely by a pledge of the proceeds from the sale of the bonds and the moneys and revenues in the fund and accounts held by the Trustee under the Indenture. No other money, revenue or income of the Board is pledged to the repayment of the Office Facility Bonds. The bonds were issued to finance the construction and acquisition of the Board's office facility. The Board has pledged these assets and net revenues to repay \$9,055,948 of outstanding Office Facility bonds which are payable through 2024. The total principal and interest remaining to be paid on the bonds is discussed above. Interest paid for the current year and total net revenues before interest expense were \$219,468 and \$208,045, respectively.

8. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the three months ended September 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 464,306	\$ 83,582	\$ (67,070)	\$ 480,818	\$ 280,149
Bonds payable, net of premiums and discounts	2,235,358,672	-	(32,600,724)	2,202,757,948	235,512,895
Estimated interest arbitrage rebate	<u>57,782,610</u>	<u>-</u>	<u>(44,493)</u>	<u>57,738,117</u>	<u>-</u>
Total long-term Liabilities	<u>\$ 2,293,605,588</u>	<u>\$ 83,582</u>	<u>\$ (32,712,287)</u>	<u>\$ 2,260,976,883</u>	<u>\$ 235,793,044</u>

9. LOAN SERVICING

The Program has a loan servicing agreement with an outside service organization. Under the terms of the agreement, the servicer provides the Program loan processing and servicing. Terms of the agreement require the Program to pay conversion fees for loans placed on the service and monthly processing fees based upon the number of accounts serviced. The current servicing agreement expires on December 1, 2012.

The Program performs origination and interim servicing functions for its participating lenders. In addition, the Program services internally a portion of the student loans purchased by the Program which are in repayment. Presently the Program expects to service a portion of its loans internally as well as with the existing outside service

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Notes to the Financial Statements
For the Three Months Ended September 30, 2009

organization. The Program services approximately 74% of its portfolio internally and 26% with its outside service organization.

10. DESIGNATED AND RESTRICTED NET ASSETS

The Program has designated \$76,500,000 of the Short-Term Note Net Assets for specific purposes. The specific purposes for which these funds are designated and amounts applicable to each are as follows: \$9,000,000 to meet future collateral requirements; \$45,000,000 for future operating and servicing expenses; and \$22,500,000 for liquidity needs.

The 1988, 1993 and 2008 Revenue Bond Fund net assets are restricted by the general and supplemental indentures (see Note 1).

11. RELATED PARTY TRANSACTIONS

The Program reimburses the University of Utah for payroll, benefits, and certain administrative expenses. The Program incurred \$2,034,082 of such expenses for the three months ended September 30, 2009. Of this amount, \$334,251 was payable at September 30, 2009.

Another program of the Board, the Student Loan Guarantee Program, guarantees student loans held by the Program. Claim payments received from the Student Loan Guarantee Program amounted to \$11,623,588 for the three months ended September 30, 2009.

For the three months ended September 30, 2009, the Program charged rental income of \$195,192 to the Board, the Student Loan Guarantee Program, and the Utah Educational Savings Plan Trust. As of September 30, 2009 there was no outstanding receivable.

12. ESTIMATED LIABILITY FOR PURPOSE AND NON-PURPOSE INTEREST ARBITRAGE REBATE

In accordance with the Internal Revenue Code of 1986, as amended (the Code), the Program is required to pay to the United States Treasury certain amounts related to the Program's tax-exempt bond issues. The estimated amount of non-purpose arbitrage payable represents the excess of amounts earned on taxable investments (other than educational loans) over the interest cost of the tax-exempt borrowing, plus income attributable to the excess. Rebate payments are due every fifth year during the life of each

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Notes to the Financial Statements
For the Three Months Ended September 30, 2009

bond issue and when the bonds are retired. At September 30, 2009, the estimated liability for non-purpose interest arbitrage rebate was \$1,517,589.

The Code and the related Treasury Regulations also require the Program to keep the yield to the Program on student loans within a designated percentage of the interest cost of the related tax-exempt borrowing. One method of reducing this yield is to make yield reduction payments to the United States Treasury. Estimated yield reduction payments may be made by the end of the tenth year and every fifth year thereafter during the life of each bond issue and when the bonds are retired. At September 30, 2009, the estimated liability for yield reduction payments was \$56,220,528.

13. **COMMITMENTS**

The Program has entered into forward purchase agreements with fourteen eligible student loan lenders. The agreements have expiration dates ranging from September 30, 2010 to April 1, 2011. The forward purchase agreements provide for the Program to purchase all of the lender's eligible Federal Family Education Loan Program (FFELP) loans guaranteed by the Utah Higher Education Assistance Authority, and originated during the term of the agreement to the Program. During the three months ended September 30, 2009, the Program purchased \$65,595,958 of FFELP loans from student loan lenders. As of September 30, 2009, outstanding student loan principal subject to the forward purchase agreements is approximately \$203,604,000.

The Program has committed to fully fund eligible student loans guaranteed and originated during the year. As of September 30, 2009, the estimated commitment to fund undisbursed student loans was \$69,932,410.

14. **STUDENT FINANCIAL ASSISTANCE**

The Program has administrative responsibility for certain need based grant and scholarship programs. During the three months ended September 30, 2009, the Program received \$8,659,500 in appropriations from the State of Utah and distributed financial aid in the form of grants and scholarships totaling \$6,570,385.

**STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM**

Notes to the Financial Statements
For the Three Months Ended September 30, 2009

15. RISK MANAGEMENT

As a State entity, the Program is self-insured through the Utah State Risk Management Fund (the Fund). The Program pays an annual premium for participation in the self-insurance fund. Through the Fund, the Program has both property and liability coverage. The Fund provides property coverage through a combination of self-insurance and private carriers. The Fund provides liability coverage through self-insurance and private carriers up to \$10,000,000 per occurrence.

SUPPLEMENTAL SCHEDULES

Combining Financial Statements

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM

Combining Statement of Net Assets
September 30, 2009

	Short-Term Note Fund	1988 Revenue Bond Fund	1993 Revenue Bond Fund	2008 Revenue Bond Fund	Office Facility Bond Fund	Total
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 6,462,462	\$ 976,752	\$ 3,597,371	\$ 682,288	\$ 533,251	\$ 12,252,124
Funds held by Trustee	40,827,861	35,829,487	200,956,785	41,949,764	1,543	319,565,440
Funds held by Custodian	730,355	-	-	-	-	730,355
Receivables						
Student loans receivable	68,834,120	17,860,212	51,057,225	13,387,255	-	151,138,812
Interest receivable - student loans	3,296,349	5,418,634	20,764,169	3,020,153	-	32,499,305
Interest receivable - investments	-	-	19,730	-	-	19,730
Other receivables	365,754	-	139,321	-	-	505,075
Due from/(to) related funds	(7,754,852)	860,712	5,446,318	1,452,427	(4,605)	-
Prepaid expenses	1,125	451,275	177,159	353,871	1,667	985,097
Student loan fees	587,056	1,184,980	5,604,067	68,259	-	7,444,362
Deferred federal default fee	2,014,979	-	-	-	-	2,014,979
Deferred bond issuance costs	-	154,264	306,248	66,216	11,364	538,092
Total Current Assets	115,365,209	62,736,316	288,068,393	60,980,233	543,220	527,693,371
Noncurrent Assets						
Funds held by Trustee	-	33,879,849	41,970,042	9,575,000	-	85,424,891
Student loans receivable	6,183,996	484,627,978	1,290,801,500	133,673,656	-	1,915,287,130
Student loan fees	3,710,900	3,805,152	19,259,197	498,438	-	27,273,687
Deferred federal default fee	5,780,440	-	-	-	-	5,780,440
Deferred bond issuance costs, less accumulated amortization of \$4,333,933	-	2,438,815	8,575,312	2,318,004	107,635	13,439,766
Capital assets, less accumulated depreciation of \$2,647,708	8,494	107,581	365,860	-	10,556,458	11,038,393
Total Noncurrent Assets	15,683,830	524,859,375	1,360,971,911	146,065,098	10,664,093	2,058,244,307
TOTAL ASSETS	131,049,039	587,595,691	1,649,040,304	207,045,331	11,207,313	2,585,937,678
LIABILITIES						
Current Liabilities						
Accounts payable	1,963,145	537,501	1,056,334	443,180	9,262	4,009,422
Special allowance	5,326,585	830,872	3,659,611	836,602	-	10,653,670
Payable to affiliate	53,333	101,250	390,039	43,690	-	588,312
Compensated absences	5,152	95,965	179,622	(590)	-	280,149
Other liabilities	774,954	-	-	-	-	774,954
Participation line of credit	45,184,910	-	-	-	-	45,184,910
Accrued interest payable	-	4,682,665	2,967,395	358,131	73,156	8,081,347
Bonds payable	-	37,600,000	5,925,000	191,500,000	487,895	235,512,895
Estimated interest arbitrage rebate	-	-	-	-	-	-
Total Current Liabilities	53,308,079	43,848,253	14,178,001	193,181,013	570,313	305,085,659
Noncurrent Liabilities						
Compensated absences	3,690	68,739	128,662	(422)	-	200,669
Bonds payable, net of unamortized premiums of \$35,948	-	445,302,000	1,513,375,000	-	8,568,053	1,967,245,053
Estimated interest arbitrage rebate	-	29,288,048	28,450,069	-	-	57,738,117
Total Noncurrent Liabilities	3,690	474,658,787	1,541,953,731	(422)	8,568,053	2,025,183,839
TOTAL LIABILITIES	53,311,769	518,507,040	1,556,131,732	193,180,591	9,138,366	2,330,269,498
NET ASSETS						
Invested in capital assets, net of related debt	8,494	107,581	365,860	-	1,500,510	1,982,445
Restricted	-	68,981,070	92,542,712	13,864,740	568,437	175,956,959
Unrestricted	77,728,776	-	-	-	-	77,728,776
TOTAL NET ASSETS	\$ 77,737,270	\$ 69,088,651	\$ 92,908,572	\$ 13,864,740	\$ 2,068,947	\$ 255,668,180

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Three Months Ended September 30, 2009

	Short-Term	1988	1993	2008	Office Facility	
	Note Fund	Revenue Bond Fund	Revenue Bond Fund	Revenue Bond Fund	Bond Fund	Total
OPERATING REVENUES						
Interest on student loans	\$ 6,493,247	\$ 3,575,971	\$ 11,474,968	\$ 1,475,229	\$ -	\$ 23,019,415
Investment income	73,046	133,370	488,027	47,937	766	743,146
Lender Services revenue	8,418	13,391	52,203	6,147	-	80,159
Billings for internal services	53,584	79,287	311,571	38,748	-	483,190
Rental revenue	-	-	-	-	435,230	435,230
Administrative cost reimbursement	8,233,725	225	212,700	10,350	-	8,457,000
Total operating revenues	14,862,020	3,802,244	12,539,469	1,578,411	435,996	33,218,140
OPERATING EXPENSES						
Interest expense	-	3,954,768	2,871,337	222,954	111,851	7,160,910
Participation yield	862,799	-	-	-	-	862,799
Bond related expense	262,925	377,044	334,748	594,009	833	1,569,559
Special allowance	5,326,585	779,218	3,659,611	888,256	-	10,653,670
Student loan servicing expense	191,834	505,630	1,643,111	138,667	-	2,479,242
General and administrative expense	191,154	159,009	625,042	77,725	137,479	1,190,409
Operations expense	136,957	147,301	581,457	73,719	-	939,434
Depreciation expense	806	9,966	33,668	-	89,637	134,077
Student loan principal reductions	8,624	411	2,493,116	35,294	-	2,537,445
Financial Assistance administrative expense	7,259	10,674	41,932	5,203	-	65,068
Financial Assistance grants	179,750	-	-	-	-	179,750
Federal default fee	560,211	-	-	-	-	560,211
Provision for interest arbitrage rebate	-	-	-	-	-	-
Uninsured claims expense	(164,317)	24,658	1,434	(31,482)	-	(169,707)
Total operating expenses	7,564,587	5,968,679	12,285,456	2,004,345	339,800	28,162,867
OPERATING INCOME (LOSS)	7,297,433	(2,166,435)	254,013	(425,934)	96,196	5,055,273
NONOPERATING REVENUES (EXPENSES)						
State Financial Assistance appropriations	8,659,500	-	-	-	-	8,659,500
State Financial Assistance distributions	(6,570,385)	-	-	-	-	(6,570,385)
Total nonoperating revenues (expenses)	2,089,115	-	-	-	-	2,089,115
Transfer to Utah System of Higher Education	(250,000)	-	-	-	-	(250,000)
Transfers - Intrafund	(1,200,000)	700,000	-	500,000	-	-
CHANGES IN NET ASSETS	7,936,548	(1,466,435)	254,013	74,066	96,196	6,894,388
NET ASSETS – Beginning of Year	69,800,722	70,555,086	92,654,559	13,790,674	1,972,751	248,773,792
NET ASSETS – End of Period	<u>\$ 77,737,270</u>	<u>\$ 69,088,651</u>	<u>\$ 92,908,572</u>	<u>\$ 13,864,740</u>	<u>\$ 2,068,947</u>	<u>\$ 255,668,180</u>

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM
Combining Statement of Cash Flows
For the Three Months Ended September 30, 2009

	Short-Term Note Fund	1988 Revenue Bond Fund	1993 Revenue Bond Fund	2008 Revenue Bond Fund	Office Facility Bond Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Principal received on student loans	\$ 265,954	\$ 12,254,353	\$ 36,412,870	\$ 4,496,975	\$ -	\$ 53,430,152
Interest received on student loans	224,756	2,733,813	10,246,093	559,664	-	13,764,326
Special allowance payments	(1,645,257)	(856,850)	(5,070,432)	(786,587)	-	(8,359,126)
Student loan disbursements received from lenders	170,148,961	-	-	-	-	170,148,961
Student loan disbursements sent to schools	(169,894,000)	-	-	-	-	(169,894,000)
Payments received for lenders	22,524,163	-	-	-	-	22,524,163
Payments sent to lenders	(22,301,948)	-	-	-	-	(22,301,948)
Appropriations received for Financial Assistance	8,659,500	-	-	-	-	8,659,500
Financial Assistance distributions	(7,110,385)	-	-	-	-	(7,110,385)
Payments received for Lender Services	(4,406)	13,391	52,203	6,147	-	67,335
Payments received for internal services	1,731	79,287	311,571	38,748	-	431,337
Proceeds from loan sales	427,005,248	5,706	14,846,653	415,289	-	442,272,896
Payments for loan purchases	(34,830,845)	-	(10,712,442)	(20,052,671)	-	(65,595,958)
Payments for loan originations	(63,686,205)	-	(24,214)	(11,373,239)	-	(75,083,658)
Payments for loan servicing	(109,608)	(358,919)	(1,087,448)	(77,347)	-	(1,633,322)
Payments for general and administrative expenses	(169,990)	(406,120)	(1,582,560)	(228,992)	(101,010)	(2,488,672)
Payments for guarantor insurance premiums	-	-	-	(66,592)	-	(66,592)
Payments for computer services expense	(2,366)	(3,023)	(21,985)	(1,605)	-	(28,979)
Payments for operations expense	(83,374)	(61,118)	(264,842)	(33,223)	-	(442,557)
Payments for interest arbitrage	-	(44,492)	-	-	-	(44,492)
Payments received for rental revenue	-	-	-	-	447,517	447,517
Cash provided by (used in) operating activities	328,991,929	13,356,028	43,105,467	(27,103,433)	346,507	358,696,498
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Equity transfer	(1,200,000)	700,000	-	500,000	-	-
Transfer to Utah System of Higher Education	(250,000)	-	-	-	-	(250,000)
Proceeds from Loan Participation Purchase Program	77,573,530	-	73,242,654	4,511,297	-	155,327,481
Payments for Loan Participation Purchase Program	(408,430,434)	-	-	-	-	(408,430,434)
Proceeds from issuance of bonds	-	-	-	-	-	-
Principal paid on bonds	-	-	(32,600,000)	-	-	(32,600,000)
Interest paid on bonds	-	(1,737,110)	(1,180,647)	-	(219,468)	(3,137,225)
Payments for bond related expense	(292,365)	(300,742)	(211,269)	(8,887)	-	(813,263)
Payments for bond issuance costs	-	-	-	-	-	-
Cash provided by (used in) noncapital financing activities	(332,599,269)	(1,337,852)	39,250,738	5,002,410	(219,468)	(289,903,441)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	-	-	-	-	(95,531)	(95,531)
Cash used in capital and related financing activities	-	-	-	-	(95,531)	(95,531)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from maturing investments	409,877,998	3,077,897	102,292,713	31,428,217	219,468	546,896,293
Interest received on investments	68,735	133,370	477,742	47,937	766	728,550
Purchases of investments	(449,307,829)	(16,249,550)	(188,121,310)	(9,218,995)	(218,854)	(663,116,538)
Cash provided by (used in) investing activities	(39,361,096)	(13,038,283)	(85,350,855)	22,257,159	1,380	(115,491,695)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	(42,968,436)	(1,020,107)	(2,994,650)	156,136	32,888	(46,794,169)
CASH AND CASH EQUIVALENTS – Beginning of Year	49,430,898	1,996,859	6,592,021	526,152.00	500,363	59,046,293
CASH AND CASH EQUIVALENTS – End of Year	\$ 6,462,462	\$ 976,752	\$ 3,597,371	\$ 682,288	\$ 533,251	\$ 12,252,124

(continued next page)

STATE BOARD OF REGENTS OF THE STATE OF UTAH
STUDENT LOAN PURCHASE PROGRAM
Combining Statement of Cash Flows
For the Three Months Ended September 30, 2009

(continued)

	Short-Term Note Fund	1988 Revenue Bond Fund	1993 Revenue Bond Fund	2008 Revenue Bond Fund	Office Facility Bond Fund	Total
RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ 7,297,433	\$ (2,166,435)	\$ 254,013	\$ (425,934)	\$ 96,196	\$ 5,055,273
Adjustments to reconcile income to net cash provided by operating activities						
Amortization and depreciation	806	68,688	110,476	16,554	91,754	288,278
Interest expense for noncapital and capital financing	-	3,896,046	2,794,529	206,400	109,734	7,006,709
Interest revenue from nonoperating investing activities	(73,046)	(133,370)	(488,027)	(47,937)	(766)	(743,146)
Bond related expense	262,925	377,044	334,748	594,009	833	1,569,559
State Financial Assistance appropriations	8,659,500	-	-	-	-	8,659,500
State Financial Assistance distributions	(6,570,385)	-	-	-	-	(6,570,385)
Change in assets/liabilities:						
Student loans receivable	225,144,002	10,855,503	115,899,191	(22,842,497)	-	329,056,199
Transfer of student loans	77,753,951	-	(73,242,654)	(4,511,297)	-	-
Borrower interest receivable	2,516,518	245,780	2,763,949	(854,580)	-	4,671,667
Special allowance	3,034,912	(170,801)	(1,410,821)	194,838	-	1,648,128
Other receivables	264,396	260	(25,781)	-	12,287	251,162
Prepaid expenses	1,688	584,430	202,854	872,110	-	1,661,082
Student loan fees	1,717,794	309,673	2,227,039	(334,178)	-	3,920,328
Federal default fee	560,211	-	-	-	-	560,211
Accounts payable, payable to affiliate and arbitrage	8,421,224	(510,790)	(6,314,049)	29,079	36,469	1,661,933
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 328,991,929	\$ 13,356,028	\$ 43,105,467	\$ (27,103,433)	\$ 346,507	\$ 358,696,498