Independent Auditors’ Report

The Board of Directors
CSUCI Financing Authority:

We have audited, 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, the statement of net assets of the CSUCI Financing Authority (the Financing Authority) as of June 30, 2007, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended, and have issued our report thereon dated December 21, 2007.

In connection with our audit, nothing came to our attention that caused us to believe that the Financing Authority failed to comply with the terms, covenants, provisions, or conditions of the Reimbursement Agreement dated as of August 1, 2004, by and among the Financing Authority, the California State University, Channel Islands Site Authority, and Citibank, FSB, governing the CSUCI Financing Authority For-Sale Housing Revenue Bonds Series 2004, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the board of directors of the Financing Authority and the aforementioned bank and is not intended to be and should not be used by anyone other than these specified parties.

December 21, 2007