

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

June 30, 2012 and 2011

(With Independent Auditors' Report Thereon)

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

June 30, 2012 and 2011

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CERTIFIED PUBLIC ACCOUNTANTS
&
BUSINESS CONSULTANTS

September 21, 2012

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
North Campus - University Park
Development Corporation
Northridge, California

We have audited the accompanying statements of financial position of the North Campus - University Park Development Corporation (the Corporation) as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Campus - University Park Development Corporation as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on pages 10-18 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplementary information is the responsibility of the Corporation's management. Such supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the Corporation's financial statements taken as a whole.

NSBN LLP
NSBN LLP

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**STATEMENTS OF FINANCIAL POSITION
June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 301,813	\$ 187,001
Short-term investments (Note 3)	437,824	423,772
Total current assets	<u>739,637</u>	<u>610,773</u>
Noncurrent assets		
Deferred rent receivable (Note 4)	692,967	718,131
Total noncurrent assets	<u>692,967</u>	<u>718,131</u>
TOTAL ASSETS	<u>\$ 1,432,604</u>	<u>\$ 1,328,904</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 25,831	\$ 18,666
Deferred revenue	39,967	-
Total current liabilities	<u>65,798</u>	<u>18,666</u>
Noncurrent liabilities		
Loan payable (Note 6)	-	325,000
Total noncurrent liabilities	<u>-</u>	<u>325,000</u>
TOTAL LIABILITIES	<u>65,798</u>	<u>343,666</u>
 NET ASSETS		
Unrestricted	<u>1,366,806</u>	<u>985,238</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,432,604</u>	<u>\$ 1,328,904</u>

See accompanying auditors' report.
The notes are an integral part of these financial statements.

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**STATEMENTS OF ACTIVITIES
For the Fiscal Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
REVENUES		
Lease revenue (Note 4)	\$ 454,440	\$ 453,390
Other operating revenue	38,506	29,122
Investment income, net (Note 3)	14,110	75,649
Total revenues	<u>507,056</u>	<u>558,161</u>
EXPENSES		
Program services:		
Operating expenses	119,109	131,989
Total program services	<u>119,109</u>	<u>131,989</u>
Supporting services:		
General and administrative	6,379	6,656
Total supporting services	<u>6,379</u>	<u>6,656</u>
Total expenses	<u>125,488</u>	<u>138,645</u>
OTHER EXPENSES		
Impairment of construction in progress (Note 5)	-	(3,357,633)
Total other expenses	<u>-</u>	<u>(3,357,633)</u>
CHANGE IN NET ASSETS	381,568	(2,938,117)
NET ASSETS AT BEGINNING OF YEAR	<u>985,238</u>	<u>3,923,355</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,366,806</u>	<u>\$ 985,238</u>

See accompanying auditors' report.
The notes are an integral part of these financial statements.

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 381,568	\$ (2,938,117)
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Realized and unrealized (gain) on investments	(5,484)	(67,179)
Loss on impairment of construction in progress	-	3,357,633
Changes in operating assets and liabilities:		
Deferred rent receivable	25,164	(56,566)
Accounts payable and accrued expenses	7,165	10,804
Deferred revenue	39,967	-
	<u>448,380</u>	<u>306,575</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(8,568)	(37,876)
Proceeds from the sale of investments	-	33,267
	<u>(8,568)</u>	<u>(4,609)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(325,000)	(300,000)
	<u>(325,000)</u>	<u>(300,000)</u>
Net cash used in financing activities		
NET INCREASE IN CASH	114,812	1,966
CASH AT BEGINNING OF YEAR	<u>187,001</u>	<u>185,035</u>
CASH AT END OF YEAR	<u>\$ 301,813</u>	<u>\$ 187,001</u>
Supplemental disclosure of cash flow information:		
Interest paid during the year	<u>\$ 7,475</u>	<u>\$ 23,326</u>

See accompanying auditors' report.
The notes are an integral part of these financial statements.

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

Note 1 – Organization:

In 1987, California State University, Northridge (the University) embarked on the North Campus - University Park Development Corporation (the Corporation). Capital totaling \$4.6 million to form and begin the Project was contributed by Watt Industries.

The 65 acres of University-owned land (North Campus) on which the Project is being developed are leased from the University. The Corporation has set goals in the development of North Campus, including establishing strong academic ties and academic facilities spanning a broad range of the University's colleges and departments, and ensuring a steady, predictable, and safe source of revenue with no financial risk to the University. During 1999, the Corporation entered into a 40-year ground sublease with Medtronic MiniMed, Inc. for the development of 19 acres for a corporate headquarters complex. In fiscal year 2003-2004, the ground sublease was amended effective October 31, 2003 to include an additional 5 acres for a total of 24 acres.

The second development is a faculty/staff housing project consisting of approximately 400 units. These units will be built in four phases on approximately 32 acres. The first phase will have 159 units and was scheduled to begin construction in the fall of 2010. As a result of current real estate market conditions, the board voted in January 2009 to suspend this project until such time as the project is financially viable.

The Corporation became an auxiliary organization of the California State University system in 1988.

Note 2 – Summary of Significant Accounting Policies:

A. Basis of Presentation

The Corporation's financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

B. Cash and Cash Equivalents

The Corporation considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

C. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are stated at fair value. Fair value is determined based on quoted market prices. Realized and unrealized gains or losses on investments are included in the accompanying statements of activities as investment income. As of June 30, 2012 and 2011, all investments have been treated as being available for sale

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

Note 2 – Summary of Significant Accounting Policies: (continued)

D. Net Assets

Since the Corporation has not received any funds which have been restricted by donors or grants for specific operating purposes, all net assets are unrestricted and available for general operations. The only limits on unrestricted net assets are broad limits resulting from the nature of the Corporation and the purposes specified in its articles of incorporation or bylaws and, perhaps, limits resulting from contractual agreements.

E. Lease Revenue

Lease revenue is accounted for on a straight-line basis. Management believes that the method most reflective of the use of the land is the straight-line method.

F. Other Operating Revenue

While in the process of developing a plan for North Campus, a portion of the land which contains a paved parking lot is being rented to various vendors for trade shows and is included in other operating revenue. Expenses incurred by the Corporation to rent these facilities, as well as to maintain the lease facilities (see Note 5), include salaries for maintenance and safety personnel and cost of utilities and are included in operating expenses.

G. Planning and Development Activities

Planning and development activities include the cost of feasibility studies, attorney fees, and audit fees. These expenses are included in operating expenses.

H. Salaries and Fringe Benefits

The Corporation utilizes employees of The University Corporation and the University to perform its functions. These costs are billed to the Corporation by The University Corporation and the University. The Corporation subsequently reimburses both entities for the salary and related fringe benefits. The Corporation has no employees or benefit plans of its own. These expenses are included in operating expenses.

I. Functional Allocation of Expenses

Expenses that can be specifically identified with a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on an evaluation by management.

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

Note 2 – Summary of Significant Accounting Policies: (continued)

J. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

K. Income Taxes

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California taxes under corresponding California provisions. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Corporation has evaluated its tax positions and the certainty as to whether those tax positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to the Corporation's continued qualification as a tax-exempt organization and whether there is unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not (>50%) of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

The Corporation files informational tax returns with the U.S. federal jurisdictions and the state of California. With few exceptions, the Corporation is no longer subject to U.S. federal and state examinations by tax authorities for years before 2008.

L. Concentration of Credit Risk

The Corporation maintains its cash accounts with numerous major commercial banks and financial institutions. Furthermore, the majority of the Corporation's investment portfolio at June 30, 2012 and 2011 were held by the Common Fund in various pooled investment funds. From time to time, balances in the Corporation's operating cash accounts exceeded amounts insured by the Federal Deposit Insurance Corporation. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

M. Subsequent Events

The Corporation has evaluated subsequent events through September 21, 2012 which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

Note 3 - Investments:

Investments are stated at fair value and consist of fixed income and equity funds as follows:

	2012	2011
Level 1:		
Equity securities	\$ 283,858	\$ 279,550
Fixed income securities	153,966	144,222
	\$ 437,824	\$ 423,772

Investment return is as follows:

Net realized and unrealized gain	\$ 5,484	\$ 67,179
Interest and dividend income	9,665	9,439
Investment fees	(1,039)	(969)
	\$ 14,110	\$ 75,649

The Corporation's investments are measured at fair value. The fair value level of measurement is determined as follows:

Level 1 – quoted prices in an active market for identical assets.

Level 2 – quoted prices for similar assets and market-corroborated inputs.

Level 3 – the corporation's own assumptions about market participation, including assumptions about risk, developed based on the best information available in the circumstances.

Note 4 – Leases:

During 1999, the Corporation entered into a 40-year ground sublease with Medtronic MiniMed, Inc. for the development of 19 acres of land owned by the California State University (CSU) and leased at no cost to the Corporation. The ground sublease was amended effective October 31, 2003 to include an additional 5 acres for a total of 24 acres. At June 30, 2012, future straight-line lease revenues recognized are as follows:

Year ending June 30:	
2013	\$ 454,440
2014	454,440
2015	454,440
2016	454,440
2017	454,440
Thereafter	10,223,275
Total	\$ 12,495,475

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

Note 4 – Leases: (continued)

Revenue less than cash received of (\$25,164) was recorded for the year ended June 30, 2012. Revenue in excess of cash received of \$56,566 was recorded for the year ended June 30, 2011. As of June 30, 2012 and 2011, deferred rent receivable of \$692,967 and \$718,131 has been recorded, respectively.

Note 5 – Construction in Progress:

The Corporation began incurring pre-construction expenses related to the faculty/staff housing project in June 2005. This project consists of approximately 400 units to be built in four phases. The first phase will have 159 units and was scheduled to begin construction in the fall of 2010. As a result of real estate market conditions, the board voted in January 2009 to suspend this project until such time as the project is financially viable. All expenses related to this project are recorded in this account and totaled \$3,357,633 as of June 30, 2011. These expenses were paid out of operating reserves and from an \$800,000 loan from The University Corporation. Management, with board notification, has determined that it would be best to expense these pre-construction expenses in the year ended June 30, 2011 due to the uncertainty of when real estate market conditions will improve enough to allow construction to begin and possible impairment concerns. The Corporation repaid the remaining \$325,000 loan balance to The University Corporation in the fiscal year ending June 30, 2012.

This action does not affect the project. The North Campus Development Corporation still plans to move forward with the project when real estate market conditions make it financially viable. The California State University Northridge Associate Vice President for Facilities Development and Operations estimates that minimal revisions would be required to bring the documents into compliance with the 2010 California Building Code.

Note 6 – Related Party Transactions:

Reimbursements paid to the University for other expenses totaled \$43,255 for 2012 and \$54,439 for 2011. These amounts are primarily related to salaries, benefits, audit fees, police and physical plant management support. Amounts due to the University totaled \$7,071 at June 30, 2012 and \$3,508 at June 30, 2011.

The University Corporation salaries and benefits allocated to the operation of North Campus totaled \$17,251 for 2012 and \$17,351 for 2011. Amounts due to The University Corporation totaled \$4,993 at June 30, 2012 and \$1,564 at June 30, 2011.

On March 31, 2008, the Corporation entered into an agreement with The University Corporation to borrow up to \$2,000,000 at a variable rate of 1.0% above the Bank of America prime rate adjusted each anniversary date of the loan agreement. Any outstanding amounts borrowed are due March 31, 2015. The amount outstanding was \$0 and \$325,000 as of June 30, 2012 and June 30, 2011, respectively. The interest rate was 6.25% through March 31, 2009 and 4.25% thereafter through June 30, 2012.

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**SCHEDULE OF NET ASSETS
June 30, 2012
(for inclusion in the California State University)**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 301,813
Short-term investments	437,824
Accounts receivable, net	-
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	-
Total current assets	<u>739,637</u>
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Leases receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	-
Other assets	-
Total noncurrent assets	<u>692,967</u>
Total assets	<u>1,432,604</u>
Liabilities:	
Current liabilities:	
Accounts payable	15,587
Accrued salaries and benefits payable	10,244
Accrued compensated absences— current portion	-
Deferred revenue	39,967
Capitalized lease obligations – current portion	-
Long-term debt obligations – current portion	-
Self-insurance claims liability - current portion	-
Depository accounts	-
Other liabilities	-
Total current liabilities	<u>65,798</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Deferred revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Self-insurance claims liabilities, net of current portion	-
Depository accounts	-
Other postemployment benefits obligation	-
Other liabilities	-
Total noncurrent liabilities	<u>-</u>
Total liabilities	<u>65,798</u>
Net assets:	
Invested in capital assets, net of related debt	-
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	1,366,806
Total net assets	<u>\$ 1,366,806</u>

See the accompanying independent auditors' report.

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS**

**For the Year Ended June 30, 2012
(for inclusion in the California State University)**

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$ _____)	\$ -
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$ _____)	-
Other operating revenues	492,946
Total operating revenues	<u>492,946</u>
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	-
Operation and maintenance of plant	34,424
Student grants and scholarships	-
Auxiliary enterprise expenses	91,064
Depreciation and amortization	-
Total operating expenses	<u>125,488</u>
Operating income (loss)	<u>367,458</u>
Nonoperating revenues (expenses):	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	14,110
Endowment income (loss), net	-
Interest Expenses	-
Other nonoperating revenues (expenses)	-
Net nonoperating revenues (expenses)	<u>14,110</u>
Income (loss) before other additions	381,568
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net assets	<u>381,568</u>
Net assets:	
Net assets at beginning of year, as previously reported	985,238
Restatements	-
Net assets at beginning of year, as restated	<u>985,238</u>
Net assets at end of year	<u>\$ 1,366,806</u>

See the accompanying independent auditors' report.

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

OTHER INFORMATION

June 30, 2012

(for inclusion in the California State University)

I Restricted cash and cash equivalents at June 30, 2012:
 Portion of restricted cash and cash equivalents related to endowments \$ -
 All other restricted cash and cash equivalents -
Total restricted cash and cash equivalents \$ -

2.1 Composition of investments at June 30, 2012:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-	-	-
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
US Bank SWIFT pool	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	437,824	-	437,824	-	-	-	437,824
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:							
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Private pass-through	-	-	-	-	-	-	-
Other major investments:							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	437,824	-	437,824	-	-	-	437,824
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	437,824	-	437,824	-	-	-	437,824

See the accompanying independent auditors' report.

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

OTHER INFORMATION
June 30, 2012
(for inclusion in the California State University)

2.2 Investments held by the University under contractual agreements at June 30, 2012:
Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2012 :

	<u>Amount</u>
2.3 Restricted current investments at June 30, 2012 related to:	
Add description	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Total restricted current investments at June 30, 2012	\$ -

2.4 Restricted noncurrent investments at June 30, 2012 related to:

	<u>Amount</u>
Endowment investment	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Total restricted noncurrent investments at June 30, 2012	\$ -

See the accompanying independent auditors' report.

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

OTHER INFORMATION

June 30, 2012
(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2012:

	Balance June 30, 2011	Prior period Adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Transfer of Completed CWP	Balance June 30, 2012
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	•	•	•	•	•	•	•	•
Works of art and historical vestiges	•	•	•	•	•	•	•	•
Construction work in progress (CWP)	•	•	•	•	•	•	•	•
Intangible assets:								
Rights and easements	•	•	•	•	•	•	•	•
Patents, copyrights and trademarks	•	•	•	•	•	•	•	•
Internally generated intangible assets in progress	•	•	•	•	•	•	•	•
Licenses and permits	•	•	•	•	•	•	•	•
Other intangible assets	•	•	•	•	•	•	•	•
Total intangible assets	•	•	•	•	•	•	•	•
Total nondepreciable/nonamortizable capital assets	•	•	•	•	•	•	•	•
Depreciable/amortizable capital assets:								
Buildings and building improvements	•	•	•	•	•	•	•	•
Improvements, other than buildings	•	•	•	•	•	•	•	•
Infrastructure	•	•	•	•	•	•	•	•
Leasehold improvements	•	•	•	•	•	•	•	•
Personal property:								
Equipment	•	•	•	•	•	•	•	•
Library books and materials	•	•	•	•	•	•	•	•
Intangible assets:								
Software and websites	•	•	•	•	•	•	•	•
Rights and easements	•	•	•	•	•	•	•	•
Patents, copyrights and trademarks	•	•	•	•	•	•	•	•
Licenses and permits	•	•	•	•	•	•	•	•
Other intangible assets	•	•	•	•	•	•	•	•
Total intangible assets	•	•	•	•	•	•	•	•
Total depreciable/amortizable capital assets	•	•	•	•	•	•	•	•
Total capital assets	•	•	•	•	•	•	•	•
Less accumulated depreciation/amortization:								
Buildings and building improvements	•	•	•	•	•	•	•	•
Improvements, other than buildings	•	•	•	•	•	•	•	•
Infrastructure	•	•	•	•	•	•	•	•
Leasehold improvements	•	•	•	•	•	•	•	•
Personal property:								
Equipment	•	•	•	•	•	•	•	•
Library books and materials	•	•	•	•	•	•	•	•
Intangible assets:								
Software and websites	•	•	•	•	•	•	•	•
Rights and easements	•	•	•	•	•	•	•	•
Patents, copyrights and trademarks	•	•	•	•	•	•	•	•
Licenses and permits	•	•	•	•	•	•	•	•
Other intangible assets	•	•	•	•	•	•	•	•
Total intangible assets	•	•	•	•	•	•	•	•
Total depreciable/amortizable capital assets	•	•	•	•	•	•	•	•
Total capital assets	•	•	•	•	•	•	•	•
Less accumulated depreciation/amortization:								
Buildings and building improvements	•	•	•	•	•	•	•	•
Improvements, other than buildings	•	•	•	•	•	•	•	•
Infrastructure	•	•	•	•	•	•	•	•
Leasehold improvements	•	•	•	•	•	•	•	•
Personal property:								
Equipment	•	•	•	•	•	•	•	•
Library books and materials	•	•	•	•	•	•	•	•
Intangible assets:								
Software and websites	•	•	•	•	•	•	•	•
Rights and easements	•	•	•	•	•	•	•	•
Patents, copyrights and trademarks	•	•	•	•	•	•	•	•
Licenses and permits	•	•	•	•	•	•	•	•
Other intangible assets	•	•	•	•	•	•	•	•
Total intangible assets	•	•	•	•	•	•	•	•
Total accumulated depreciation/amortization	•	•	•	•	•	•	•	•
Total capital assets, net	•	•	•	•	•	•	•	•

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2012:

Depreciation and amortization expense related to capital assets \$ -

Amortization expense related to other assets -

Total depreciation and amortization \$ -

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4 Long-term liabilities activity schedule:

	Balance June 30, 2011	Prior period adjustments	Reclassification	Balance June 30, 2011 (restated)	Additions	Reductions	Balance June 30, 2012	Current portion	Long-term portion
\$	-	-	-	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-	-	-	-
Capitalized lease obligations:	-	-	-	-	-	-	-	-	-
Gross balance	-	-	-	-	-	-	-	-	-
Unamortized premium / (discount) on capitalized lease obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-	-
Long-term debt obligations:	-	-	-	-	-	-	-	-	-
Revenue Bonds	-	-	-	-	-	-	-	-	-
Other bonds (non-Revenue Bonds)	-	-	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-
Loan payable to The University Corporation	325,000	-	-	325,000	-	(325,000)	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	325,000	-	-	325,000	-	(325,000)	-	-	-
Unamortized bond premium / (discount)	-	-	-	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	325,000	-	-	325,000	-	(325,000)	-	-	-
Total long-term liabilities	325,000	-	-	325,000	-	(325,000)	-	-	-

5 Future minimum lease payments - capital lease obligations:

Year ending June 30:	Principal	Interest	Principal and Interest
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018 - 2022	-	-	-
2023 - 2027	-	-	-
2028 - 2032	-	-	-
2033 - 2037	-	-	-
2038 - 2042	-	-	-
2043 - 2047	-	-	-
2048 - 2052	-	-	-
2053 - 2057	-	-	-
2058 - 2062	-	-	-
Total minimum lease payments	-	-	-
Less amounts representing interest	-	-	-
Present value of future minimum lease payments	-	-	-
Less: current portion	-	-	-
Capitalized lease obligation, net of current portion	-	-	\$ -

See the accompanying independent auditors' report.

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6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2013	\$ -	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018 - 2022	-	-	-	-	-	-	-	-	-
2023 - 2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-	-	-	-
2058 - 2062	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

OK

7 Calculation of net assets

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
7.1 Calculation of net assets - Invested in capital assets, net of related debt			
Capital assets, net of accumulated depreciation	\$ -	-	-
Capitalized lease obligations - current portion	-	-	-
Capitalized lease obligations, net of current portion	-	-	-
Long-term debt obligations - current portion	-	-	-
Long-term debt obligations, net of current portion	-	-	-
Portion of outstanding debt that is unspent at year-end	-	-	-
Other adjustments: (please list)			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Net assets - invested in capital assets, net of related debt	\$ -	-	-
7.2 Calculation of net assets - Restricted for nonexpendable - endowments			
Portion of restricted cash and cash equivalents related to endowments	\$ -	-	-
Endowment investments	-	-	-
Other adjustments: (please list)			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Net assets - Restricted for nonexpendable - endowments per SNA	\$ -	-	-

See the accompanying independent auditors' report.

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8 Transactions with Related Entities

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 41,255
Payments to University for other than salaries of University personnel	2,000
Payments received from University for services, space, and programs	-
Gifts-in-kind to the University from Auxiliary Organizations	-
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	-
Accounts (payable to) University (enter as negative number)	(7,071)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University	-
Other amounts receivable from University	-

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$ -
Contributions during the year	-
Increase (decrease) in net OPEB obligation (NOO)	-
NOO - beginning of year	-
NOO - end of year	\$ -

10 Pollution remediation liabilities under GASB Statement No. 49:

Description	Amount
Add description	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Total pollution remediation liabilities	\$ -
Less: current portion	-
Pollution remediation liabilities, net of current portion	-

11 The nature and amount of the prior period adjustment(s) recorded to beginning net assets

	Net Asset Class	Amount Dr. (Cr.)
Net assets as of June 30, 2011, as previously reported		\$ 985,238
Prior period adjustments:		
1 (list description of each adjustment)		-
2 (list description of each adjustment)		-
3 (list description of each adjustment)		-
4 (list description of each adjustment)		-
5 (list description of each adjustment)		-
6 (list description of each adjustment)		-
7 (list description of each adjustment)		-
8 (list description of each adjustment)		-
9 (list description of each adjustment)		-
10 (list description of each adjustment)		-
Net assets as of June 30, 2011, as restated		\$ 985,238

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Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjustment:

	Debit	Credit
Net asset class: _____ 1 (breakdown of adjusting journal entry)	\$ -	-
Net asset class: _____ 2 (breakdown of adjusting journal entry)	-	-
Net asset class: _____ 3 (breakdown of adjusting journal entry)	-	-
Net asset class: _____ 4 (breakdown of adjusting journal entry)	-	-
Net asset class: _____ 5 (breakdown of adjusting journal entry)	-	-
Net asset class: _____ 6 (breakdown of adjusting journal entry)	-	-
Net asset class: _____ 7 (breakdown of adjusting journal entry)	-	-
Net asset class: _____ 8 (breakdown of adjusting journal entry)	-	-
Net asset class: _____ 9 (breakdown of adjusting journal entry)	-	-
Net asset class: _____ 10 (breakdown of adjusting journal entry)	-	-

See the accompanying independent auditors' report.