

**NORTH CAMPUS – UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

June 30, 2008 and 2007

(With Independent Auditors' Report Thereon)

**NORTH CAMPUS – UNIVERSITY PARK
DEVELOPMENT CORPORATION**

June 30, 2008 and 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
North Campus – University Park
Development Corporation

We have audited the accompanying statements of financial position of the North Campus – University Park Development Corporation (the Corporation) as of June 30, 2008 and 2007, 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 audits.

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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2008 and 2007, 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 audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on pages 11-17 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.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP

September 2, 2008

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**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**STATEMENTS OF FINANCIAL POSITION
June 30, 2008 and 2007**

ASSETS	2008	2007
Current assets		
Cash and cash equivalents	\$ 516,559	\$ 295,612
Short-term investments (Note 3)	<u>450,678</u>	<u>1,484,061</u>
Total cash and cash equivalents	<u>967,237</u>	<u>1,779,673</u>
Noncurrent assets		
Deferred rent receivable (Note 5)	806,701	716,884
Construction in progress (Note 4)	<u>2,227,519</u>	<u>1,307,722</u>
Total noncurrent assets	<u>3,034,220</u>	<u>2,024,606</u>
TOTAL ASSETS	<u>\$4,001,457</u>	<u>\$3,804,279</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 249,452	\$ 94,348
Deferred revenue	<u>32,121</u>	<u>26,113</u>
Total liabilities	<u>281,573</u>	<u>120,461</u>
NET ASSETS		
Unrestricted	<u>3,719,884</u>	<u>3,683,818</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$4,001,457</u>	<u>\$3,804,279</u>

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

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
REVENUES		
Lease revenue (Note 5)	\$ 403,173	\$ 403,173
Other operating revenue	30,774	68,275
Investment income (loss), net (Note 3)	<u>(76,487)</u>	<u>271,388</u>
Total revenue	<u>357,460</u>	<u>742,836</u>
EXPENSES		
Program services:		
University projects	175,000	175,000
Operating expenses	<u>141,152</u>	<u>136,290</u>
Total program services	<u>316,152</u>	<u>311,290</u>
Supporting services:		
General and administrative	<u>5,242</u>	<u>5,608</u>
Total expenses	<u>321,394</u>	<u>316,898</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>36,066</u>	<u>425,938</u>
NET ASSETS AT BEGINNING OF YEAR	3,683,818	2,630,813
RESTATEMENT OF NET ASSETS (Note 7)	<u> </u>	<u>627,067</u>
RESTATED NET ASSETS BEGINNING OF YEAR	<u>3,683,818</u>	<u>3,257,880</u>
NET ASSETS AT END OF YEAR	<u><u>\$3,719,884</u></u>	<u><u>\$3,683,818</u></u>

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

**NORTH CAMPUS - UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**STATEMENTS OF CASH FLOWS
For the Years ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 36,066	\$ 425,938
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	90,305	(249,599)
Changes in operating assets and liabilities:		
Deferred rent receivable	(89,817)	(89,817)
Accounts payable	155,104	(30,481)
Deferred revenue	<u>6,008</u>	<u>-</u>
Net cash provided by operating activities	<u>197,666</u>	<u>56,041</u>
CASH FLOWS FROM CAPITAL AND INVESTING ACTIVITIES		
Additions to construction in progress	(919,797)	(623,234)
Purchase of investments	(7,844)	(12,002)
Sale of investments	<u>950,922</u>	<u>375,000</u>
Net cash provided (used) in capital and investing activities	<u>23,281</u>	<u>(260,236)</u>
NET INCREASE (DECREASE) IN CASH	220,947	(204,195)
CASH AT BEGINNING OF YEAR	<u>295,612</u>	<u>499,807</u>
CASH AT END OF YEAR	<u><u>\$ 516,559</u></u>	<u><u>\$ 295,612</u></u>

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

**NORTH CAMPUS – UNIVERSITY PARK
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

NOTE 1 – ORGANIZATION:

In 1987, California State University, Northridge (the University) embarked on the North Campus - University Park Development Project (the Project). 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 is tentatively scheduled to begin construction in the fall of 2010 depending on real estate market conditions.

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.

See the accompanying independent auditor's report.

**NORTH CAMPUS – UNIVERSITY PARK
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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.

D. Net Assets

Since the Corporation has not received any funds which have been restricted by donors or grantors 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

The rental revenue is accounted for in accordance with Statement of Financial Accounting Standards (SFAS) No. 13 Accounting for Leases (SFAS No. 13) and the Financial Accounting Standards Board (FASB) Technical Bulletin Number 85-3 (FTB 85-3). These pronouncements require the lease revenue be accounted for on a straight-line basis unless a more appropriate method exists. We believe 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.

See the accompanying independent auditor's report

**NORTH CAMPUS – UNIVERSITY PARK
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

G. Planning and Development Activities

Planning and development activities include the cost of feasibility studies, attorney fees, and audit fees.

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. As such, the Corporation has no employees or benefit plans of its own.

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.

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.

See the accompanying independent auditor's report.

**NORTH CAMPUS – UNIVERSITY PARK
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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, 2008 was 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.

NOTE 3 – INVESTMENTS:

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

	<u>2008</u>	<u>2007</u>
Debt equity securities	\$289,369	\$998,303
Fixed income securities	<u>161,309</u>	<u>485,758</u>
	<u>\$450,678</u>	<u>\$1,484,061</u>

Investment return is as follows:

Net realized and unrealized gain (loss)	\$ (90,305)	\$ 249,599
Interest and dividend income	18,052	27,459
Investment fees	<u>(4,234)</u>	<u>(5,670)</u>
	<u>\$ (76,487)</u>	<u>\$ 271,388</u>

NOTE 4 – 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 is tentatively scheduled to begin construction in the fall of 2010 depending on real estate market conditions. All expenses related to this project have been paid out of reserves and recorded in this account.

See the accompanying independent auditor's report.

**NORTH CAMPUS – UNIVERSITY PARK
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

NOTE 5 – 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, 2008, future straight-line lease revenues recognized are as follows:

<u>Year ending June 30:</u>	
2009	\$ 403,173
2010	403,173
2011	403,173
2012	403,173
2013	403,173
Thereafter	<u>10,684,213</u>
Total	<u><u>\$12,700,078</u></u>

Revenues in excess of cash received of \$89,817 were recorded for the years ended June 30, 2008 and 2007. \$806,701 and \$716,884 of deferred rent receivable is recorded at June 30, 2008 and 2007 respectively.

NOTE 6 – RELATED PARTY TRANSACTIONS:

Amounts paid to the University for support of University projects totaled \$175,000. Reimbursement paid to the University for other expenses totaled \$21,882 for 2008 and \$38,110 for 2007. These amounts are primarily related to salaries, benefits, audit fees, police and physical plant management support. Amounts due to the University totaled \$0 at June 30, 2008 and \$13,170 at June 30, 2007.

The University Corporation salaries and benefits allocated to the operation of the Corporation totaled \$90,513 for 2008 and \$54,926 for 2007. Amounts due to the University Corporation totaled \$22,947 at June 30, 2008 and \$9,310 at June 30, 2007

See the accompanying independent auditor's report.

**NORTH CAMPUS – UNIVERSITY PARK
DEVELOPMENT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

NOTE 7 – RESTATEMENT OF NET ASSETS:

At June 30, 2006, the deferred rent receivable balance related to the ground sublease with Medtronic MiniMed, Inc. (see Note 5) was not recorded for the amount of \$627,067. Beginning net assets at July 1, 2006 were restated to reflect the balance.

See the accompanying independent auditor's report.

**NORTH CAMPUS – UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**STATEMENT OF NET ASSETS
June 30, 2008
(for inclusion in the California State University)**

Assets	
Current assets:	
Cash and cash equivalents	\$ 516,559
Short-term investments	450,678
Accounts receivable, net	—
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	—
Total current assets	<u>967,237</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	2,227,519
Other assets	806,701
Total noncurrent assets	<u>3,034,220</u>
Total assets	<u>4,001,457</u>
Liabilities	
Current liabilities:	
Accounts payable	219,651
Accrued salaries and benefits payable	29,801
Accrued compensated absences - current portion	—
Deferred revenue	32,121
Capitalized lease obligations - current portion	—
Long-term debt obligations - current portion	—
Self-insurance claims liability - current portion	—
Other liabilities	—
Total current liabilities	<u>281,573</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 liabilities	—
Total noncurrent liabilities	<u>—</u>
Total liabilities	<u>281,573</u>
Net assets.	
Invested in capital assets, net of related debt	2,227,519
Restricted for	
Nonexpendable - endowments	—
Expendable	—
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	<u>1,492,365</u>
Total net assets	<u>\$ 3,719,884</u>

See the accompanying independent auditors' report.

**NORTH CAMPUS – UNIVERSITY PARK
DEVELOPMENT CORPORATION**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET ASSETS**

**For the Year Ended June 30, 2008
(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	433,947
Total operating revenues	<u>433,947</u>

Expenses:

Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	—
Institutional support	175,000
Operation and maintenance of plant	15,112
Student grants and scholarships	—
Auxiliary enterprise expenses	131,282
Depreciation and amortization	—
Total operating expenses	<u>321,394</u>
Operating income (loss)	<u>112,553</u>

Nonoperating revenues (expenses):	
State appropriations, noncapital	—
Federal grant - Pell	—
Gifts, noncapital	—
Investment income, net	(76,487)
Endowment income	—
Interest on capital-related debt	—
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>(76,487)</u>
Income (loss) before other additions	36,066

State appropriations, capital	
Grants and gifts, capital	—
Additions to permanent endowments	—
Increase (decrease) in net assets	<u>36,066</u>

Net assets:	
Net assets at beginning of year, as previously reported	2,966,934
Restatements	<u>716,884</u>
Net assets at end of year, as restated	<u>\$ 3,719,884</u>

See the accompanying independent auditors' report.

NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

OTHER INFORMATION

June 30, 2008
(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2008:

Portion of restricted cash and cash equivalents related to endowments	\$	—
All other restricted cash and cash equivalents	\$	—
Total restricted cash and cash equivalents	\$	—

2 Composition of investments at June 30, 2008:

	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	—	—	—	—	—
Debt securities	161,309	—	—	—	161,309
Equity securities	289,369	—	—	—	289,369
Fixed income securities (Treasury notes, GNMA's)	—	—	—	—	—
Real estate	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Notes receivable	—	—	—	—	—
Mutual funds	—	—	—	—	—
Collateralized mortgage obligations:					
Inverse floaters	—	—	—	—	—
Interest-only strips	—	—	—	—	—
Agency pass-through	—	—	—	—	—
Private pass-through	—	—	—	—	—
Other investments:					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Total investments	450,678	—	—	—	450,678
Less endowment investments (enter as negative number)	—	—	—	—	—
Total investments	450,678	—	—	—	450,678

See the accompanying independent auditors' report

NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

OTHER INFORMATION

June 30, 2008
(for inclusion in the California State University)

2.1 - Restricted noncurrent investments at June 30, 2008 related to:

	Amount
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2008	\$ —

3 Composition of capital assets at June 30, 2008:

	Balance June 30, 2007	Prior period Adjustments	Reclassifications	Balance June 30, 2007 (restated)	Additions	Reductions	Transfer of Completed CWIP	Balance June 30, 2008
Nondepreciable capital assets								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	1,307,722	—	—	1,307,722	919,797	—	—	2,227,519
Total nondepreciable capital assets	1,307,722	—	—	1,307,722	919,797	—	—	2,227,519
Depreciable capital assets								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property	—	—	—	—	—	—	—	—
Equipment	—	—	—	—	—	—	—	—
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets								
Total depreciable capital assets	—	—	—	—	—	—	—	—
Total cost	1,307,722	—	—	1,307,722	919,797	—	—	2,227,519
Less accumulated depreciation								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property	—	—	—	—	—	—	—	—
Equipment	—	—	—	—	—	—	—	—
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets								
Total accumulated depreciation	—	—	—	—	—	—	—	—
Net capital assets	\$ 1,307,722	—	—	1,307,722	919,797	—	—	2,227,519

Detail of depreciation and amortization expense for the year ended June 30, 2008:

Depreciation and amortization expense related to capital assets	\$ —
Amortization expense related to other assets	—
Total depreciation and amortization	\$ —

See the accompanying independent auditors' report.

NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

OTHER INFORMATION

June 30, 2008

(for inclusion in the California State University)

4 Long-term liabilities activity schedule:

	Balance June 30, 2007	Prior period adjustments	Reclassification	Balance June 30, 2007 (restated)	Additions	Reductions	Balance June 30, 2008	Current 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	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—
Unamortized loss on refunding	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ —	—	—	—	—	—	—	—

5 Future minimum lease payments:

	Principal	Interest	Principal and Interest
Year ending June 30			
2009	—	—	—
2010	—	—	—
2011	—	—	—
2012	—	—	—
2013	—	—	—
2014 - 2018	—	—	—
2019 - 2023	—	—	—
2024 - 2028	—	—	—
2029 - 2033	—	—	—
2034 - 2038	—	—	—
2039 - 2043	—	—	—
2044 - 2048	—	—	—
2049 - 2053	—	—	—
2054 - 2058	—	—	—
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.

NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

OTHER INFORMATION

June 30, 2008
(for inclusion in the California State University)

6 Long-term debt obligation schedule

Year ending June 30	Revenue Bonds		All other long-term debt obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
\$	—	—	—	—	—	—
2009	—	—	—	—	—	—
2010	—	—	—	—	—	—
2011	—	—	—	—	—	—
2012	—	—	—	—	—	—
2013	—	—	—	—	—	—
2014 - 2018	—	—	—	—	—	—
2019 - 2023	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—
Total	—	—	—	—	—	—

7 Calculation of net assets - Invested in capital assets, net of related debt

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
\$	—	2,227,519	2,227,519
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	—	—	—
(description)	—	—	—
(description)	—	—	—
(description)	—	—	—
(description)	—	—	—
Net assets - invested in capital assets, net of related debt	—	2,227,519	2,227,519

See the accompanying independent auditors' report.

NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

OTHER INFORMATION

June 30, 2008

(for inclusion in the California State University)

8 Transactions with Related Entities

Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs	\$	19,442
Reimbursements to University for other than salaries of University personnel		2,440
Payments received from University for services, space, and programs		—
Gifts-in-kind to the University from Auxiliary Organizations		—
Amounts (payable to) University (enter as negative number)		—
Amounts receivable from University		—

9 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, 2007, as previously reported		
Prior period adjustments:		
1 Recognition of prior period lease income and associated long-term deferred rent receivable resulting from implementing SFAS 13	Unrestricted	\$ 2,966,934
		716,884
		—
		—
Net assets as of June 30, 2007, as restated		\$ 3,683,818

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

	Debit	Credit
Net asset class: Unrestricted		
1 Deferred rent receivable - long term	\$ 716,884	
Surplus		\$ 716,884

See the accompanying independent auditors' report.