

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**June 30, 2009 and 2008**

**(With Independent Auditors' Report Thereon)**

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**June 30, 2009 and 2008**

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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, 2009 and 2008, 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, 2009 and 2008, 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.

As discussed in Note 7 to the financial statements, certain errors resulting in overstatement of previously reported deferred rent receivable as of June 30, 2008, were discovered during the current year. Accordingly, the 2008 financial statements have been restated to correct the error.

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 11-21 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 11, 2009

**NORTH CAMPUS - UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**STATEMENTS OF FINANCIAL POSITION  
June 30, 2009 and 2008**

<b>ASSETS</b>	<b>2009</b>	<b>Restated 2008</b>
Current assets		
Cash and cash equivalents	\$ 156,249	\$ 516,559
Short-term investments (Note 3)	<u>357,159</u>	<u>450,678</u>
Total current assets	<u>513,408</u>	<u>967,237</u>
Noncurrent assets		
Deferred rent receivable (Note 5)	564,133	466,702
Construction in progress (Note 4)	<u>3,318,181</u>	<u>2,227,519</u>
Total noncurrent assets	<u>3,882,314</u>	<u>2,694,221</u>
<b>TOTAL ASSETS</b>	<u><u>\$4,395,722</u></u>	<u><u>\$3,661,458</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 49,608	\$ 249,452
Deferred revenue	<u>-</u>	<u>32,121</u>
Total current liabilities	<u>49,608</u>	<u>281,573</u>
Noncurrent liabilities		
Loan payable	<u>800,000</u>	<u>-</u>
Total noncurrent liabilities	<u>800,000</u>	<u>-</u>
<b>NET ASSETS</b>		
Unrestricted	<u>3,546,114</u>	<u>3,379,885</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$4,395,722</u></u>	<u><u>\$3,661,458</u></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, 2009 and 2008**

	<u>2009</u>	<u>Restated 2008</u>
<b>REVENUES</b>		
Lease revenue (Note 5)	\$ 410,756	\$ 410,756
Other operating revenue	31,582	30,774
Investment loss, net (Note 3)	<u>(90,850)</u>	<u>(76,487)</u>
Total revenue	<u>351,488</u>	<u>365,043</u>
<b>EXPENSES</b>		
Program services:		
University projects	-	175,000
Operating expenses	<u>179,488</u>	<u>141,152</u>
Total program services	<u>179,488</u>	<u>316,152</u>
Supporting services:		
General and administrative	<u>5,771</u>	<u>5,242</u>
Total expenses	<u>185,259</u>	<u>321,394</u>
<b>CHANGE IN NET ASSETS</b>	<u>166,229</u>	<u>43,649</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	3,379,885	3,683,818
<b>RESTATEMENT OF NET ASSETS (NOTE 7)</b>	<u>-</u>	<u>(347,582)</u>
<b>RESTATED NET ASSETS AT BEGINNING OF YEAR</b>	<u>3,379,885</u>	<u>3,336,236</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$3,546,114</u></u>	<u><u>\$3,379,885</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, 2009 and 2008**

	<u>2009</u>	<u>Restated 2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in unrestricted net assets	\$ 166,229	\$ 43,649
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Realized and unrealized loss on investments	98,431	90,336
Changes in operating assets and liabilities:		
Deferred rent receivable	(97,431)	(97,431)
Accounts payable	(199,844)	155,104
Deferred revenue	<u>(32,121)</u>	<u>6,008</u>
Net cash provided (used) in operating activities	<u>(64,736)</u>	<u>197,666</u>
<b>CASH FLOWS FROM CAPITAL AND INVESTING ACTIVITIES</b>		
Additions to construction in progress	(1,090,662)	(919,797)
Purchase of investments	(90,129)	(7,844)
Sale of investments	<u>85,217</u>	<u>950,922</u>
Net cash provided (used) in capital and investing activities	<u>(1,095,574)</u>	<u>23,281</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	<u>800,000</u>	<u>-</u>
Net cash provided in financing activities	<u>800,000</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(360,310)	220,947
<b>CASH AT BEGINNING OF YEAR</b>	<u>516,559</u>	<u>295,612</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 156,249</u></u>	<u><u>\$ 516,559</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, 2009 and 2008**

**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 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.

*See the accompanying independent auditor's report.*

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2009 and 2008**

**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 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. 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.

*See the accompanying independent auditor's report.*



**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2009 and 2008**

**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. 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. As such, 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.

**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, 2009 and 2008**

**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, 2009 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.

**M. Reclassification**

Certain June 30, 2008 amounts have been reclassified to conform to the June 30, 2009 presentation.

**NOTE 3 – INVESTMENTS:**

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

	<u>2009</u>	<u>2008</u>
Level 1:		
Debt equity securities	\$ 215,803	\$ 289,369
Fixed income securities	<u>141,356</u>	<u>161,309</u>
	<u>\$ 357,159</u>	<u>\$ 450,678</u>

Investment return is as follows:

Net realized and unrealized gain (loss)	\$ (98,431)	\$ (90,305)
Interest and dividend income	8,746	18,052
Investment fees	<u>(1,165)</u>	<u>(4,234)</u>
	<u>\$ (90,850)</u>	<u>\$ (76,487)</u>

*See the accompanying independent auditor's report.*

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2009 and 2008**

**NOTE 3 – INVESTMENTS: (continued)**

In accordance with SFAS No. 157, levels 1 through 3 have been assigned to the fair value measurement of investments. 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 organization's own assumptions about market participation, including assumptions about risk, developed based on the best information available in the circumstances.

**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 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. All expenses related to this project are recorded in this account and have been paid out of reserves and from an \$800,000 loan from The University Corporation.

**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, 2009, future straight-line lease revenues recognized are as follows:

<b><u>Year ending June 30:</u></b>	
2010	\$ 410,756
2011	410,756
2012	410,756
2013	410,756
2014	410,756
Thereafter	<u>10,474,278</u>
Total	<u>\$12,528,058</u>

*See the accompanying independent auditor's report.*

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2009 and 2008**

**NOTE 5 – LEASES: (continued)**

Revenues in excess of cash received of \$97,431 were recorded for the years ended June 30, 2009 and 2008. \$564,133 and \$466,702 of deferred rent receivable is recorded at June 30, 2009 and 2008 respectively.

**NOTE 6 – RELATED PARTY TRANSACTIONS:**

Amounts paid to the University for support of University projects totaled \$0 for 2009 and \$175,000 for 2008. Reimbursements paid to the University for other expenses totaled \$18,309 for 2009 and \$21,882 for 2008. These amounts are primarily related to salaries, benefits, audit fees, police and physical plant management support. Amounts due to the University totaled \$3,446 at June 30, 2009 and \$0 at June 30, 2008.

The University Corporation salaries and benefits allocated to the operation of the Corporation totaled \$101,445 for 2009 and \$90,513 for 2008. Amounts due to the University Corporation totaled \$20,437 at June 30, 2009 and \$22,947 at June 30, 2008. On March 31, 2008, the University Corporation entered into an agreement to loan 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. As of June 30, 2009, the amount outstanding was \$800,000 and the interest rate was 6.25% before the anniversary date and 4.25% after the anniversary date.

**NOTE 7 – RESTATEMENT OF NET ASSETS:**

At June 30, 2007, the deferred rent receivable balance related to the ground sublease with Medtronic MiniMed, Inc. (see Note 5) was overstated in the amount of \$347,582. Beginning net assets at July 1, 2007 were restated to reflect the corrected balance.

*See the accompanying independent auditor's report.*

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**STATEMENT OF NET ASSETS  
June 30, 2009  
(for inclusion in the California State University)**

Assets:

Current assets:	
Cash and cash equivalents	\$ 156,249
Short-term investments	357,159
Accounts receivable, net	—
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	—
Total current assets	<u>513,408</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	3,318,181
Other assets	564,133
Total noncurrent assets	<u>3,882,314</u>
Total assets	<u>4,395,722</u>

Liabilities:

Current liabilities:	
Accounts payable	3,446
Accrued salaries and benefits payable	7,002
Accrued compensated absences- current portion	—
Deferred revenue	—
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Self-insurance claims liability - current portion	—
Other liabilities	39,160
Total current liabilities	<u>49,608</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	800,000
Total noncurrent liabilities	<u>800,000</u>
Total liabilities	<u>849,608</u>

Net assets:

Invested in capital assets, net of related debt	2,518,181
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	<u>1,027,933</u>
Total net assets	<u>\$ 3,546,114</u>

*See the accompanying independent auditor's report.*

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGE IN NET ASSETS  
For the Year Ended June 30, 2009  
(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		442,338
Total operating revenues		<u>442,338</u>
Expenses:		
Operating expenses:		
Instruction		—
Research		—
Public service		—
Academic support		—
Student services		—
Institutional support		—
Operation and maintenance of plant		18,643
Student grants and scholarships		—
Auxiliary enterprise expenses		166,616
Depreciation and amortization		—
Total operating expenses		<u>185,259</u>
Operating income (loss)		<u>257,079</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		—
Gifts, noncapital		—
Investment income (loss), net		(90,850)
Endowment income		—
Interest Expenses		—
Other nonoperating revenues (expenses)		—
Net nonoperating revenues (expenses)		<u>(90,850)</u>
Income (loss) before other additions		<u>166,229</u>
State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net assets		<u>166,229</u>
Net assets:		
Net assets at beginning of year, as previously reported		3,719,884
Restatements		<u>(339,999)</u>
Net assets at beginning of year, as restated		3,379,885
Net assets at end of year	\$	<u><u>3,546,114</u></u>

*See the accompanying independent auditor's report.*

# NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

## OTHER INFORMATION

June 30, 2009

(for inclusion in the California State University)

**1 Restricted cash and cash equivalents at June 30, 2009:**

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, 2009:**

	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	357,159	—	357,159	—	—	—	357,159
Debt securities	—	—	—	—	—	—	—
Equity securities	—	—	—	—	—	—	—
Fixed income securities (Treasury notes, GNMA's)	—	—	—	—	—	—	—
Land and other real estate	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—
Notes receivable	—	—	—	—	—	—	—
Mutual funds	—	—	—	—	—	—	—
Collateralized mortgage obligations	—	—	—	—	—	—	—
Inverse floaters	—	—	—	—	—	—	—
Interest-only strips	—	—	—	—	—	—	—
Agency pass-through	—	—	—	—	—	—	—
Private pass-through	—	—	—	—	—	—	—
Other major investments	—	—	—	—	—	—	—
Total investments	357,159	—	357,159	—	—	—	357,159
Less endowment investments (enter as negative number)	—	—	—	—	—	—	—
Total investments	357,159	—	357,159	—	—	—	357,159

**2.2 - Investments held by the University under contractual agreements at June 30, 2009 :**

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2009 :

	—	—	—	—	—	—	—
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*See the accompanying independent auditor's report*

# **NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION**

## **OTHER INFORMATION**

**June 30, 2009**

**(for inclusion in the California State University)**

<b>2.3 - Restricted current investments at June 30, 2009 related to:</b>	<b>\$</b>	<b>Amount</b>
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
<b>Total restricted current investments at June 30, 2009</b>	<b>\$</b>	<b>—</b>
<b>2.4 - Restricted noncurrent investments at June 30, 2009 related to:</b>	<b>\$</b>	<b>Amount</b>
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
<b>Total restricted noncurrent investments at June 30, 2009</b>	<b>\$</b>	<b>—</b>

*See the accompanying independent auditor's report.*



# NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

## OTHER INFORMATION

June 30, 2009

(for inclusion in the California State University)

### 3.1 Composition of capital assets at June 30, 2009:

	Balance June 30, 2008	Prior period Adjustments	Reclassifications	Balance June 30, 2008 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2009
Nondepreciable capital assets:								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	2,227,519	—	—	2,227,519	1,090,662	—	—	3,318,181
Total nondepreciable capital assets	2,227,519	—	—	2,227,519	1,090,662	—	—	3,318,181
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 capital assets	2,227,519	—	—	2,227,519	1,090,662	—	—	3,318,181
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	—	—	—	—	—	—	—	—
Total capital assets, net	\$ 2,227,519	—	—	2,227,519	1,090,662	—	—	3,318,181

### 3.2 - Detail of depreciation and amortization expense for the year ended June 30, 2009:

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

*See the accompanying independent auditor's report.*

# NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

## OTHER INFORMATION

June 30, 2009

(for inclusion in the California State University)

### 4 Long-term liabilities activity schedule:

	Balance June 30, 2008	Prior period adjustments	Reclassifications	Balance June 30, 2008 (restated)	Additions	Reductions	Balance June 30, 2009	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	—	—	—	—	800,000	—	800,000	—	800,000
Loan payable to The University Corporation	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	800,000	—	800,000	—	800,000
Total long-term debt obligations	—	—	—	—	800,000	—	800,000	—	800,000
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Unamortized loss on refunding	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	800,000	—	800,000	—	800,000
Total long-term liabilities	\$ —	—	—	—	800,000	—	800,000	—	800,000

See the accompanying independent auditor's report.

**NORTH CAMPUS – UNIVERSITY PARK  
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**5 Future minimum lease payments - capital lease obligations:**

Year ending June 30:	Principal	Interest	Principal and Interest
2010	—	—	—
2011	—	—	—
2012	—	—	—
2013	—	—	—
2014	—	—	—
2015 - 2019	—	—	—
2020 - 2024	—	—	—
2025 - 2029	—	—	—
2030 - 2034	—	—	—
2035 - 2039	—	—	—
2040 - 2044	—	—	—
2045 - 2049	—	—	—
2050 - 2054	—	—	—
2055 - 2059	—	—	—
<b>Total minimum lease payments</b>			—
<b>Less amounts representing interest</b>			—
<b>Present value of future minimum lease payments</b>			—
<b>Less: current portion</b>			—
<b>Capitalized lease obligation, net of current portion</b>			\$ —

*See the accompanying independent auditor's report.*

**NORTH CAMPUS – UNIVERSITY PARK  
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**6 Long-term debt obligation schedule**

Year ending June 30:	Revenue Bonds		Principal and		All other long-term		Principal and		Total	
	Principal	Interest	Interest	Principal	Principal	Interest	Interest	Principal	Interest	Principal and Interest
\$										
2010	—	—	—	—	—	34,000	34,000	—	34,000	34,000
2011	—	—	—	—	—	34,000	34,000	—	34,000	34,000
2012	—	—	—	—	—	34,000	34,000	—	34,000	34,000
2013	—	—	—	—	—	34,000	34,000	—	34,000	34,000
2014	—	—	—	—	—	34,000	34,000	—	34,000	34,000
2015 - 2019	—	—	—	800,000	800,000	25,500	825,500	800,000	25,500	825,500
2020 - 2024	—	—	—	—	—	—	—	—	—	—
2025 - 2029	—	—	—	—	—	—	—	—	—	—
2030 - 2034	—	—	—	—	—	—	—	—	—	—
2035 - 2039	—	—	—	—	—	—	—	—	—	—
2040 - 2044	—	—	—	—	—	—	—	—	—	—
2045 - 2049	—	—	—	—	—	—	—	—	—	—
2050 - 2054	—	—	—	—	—	—	—	—	—	—
2055 - 2059	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	800,000	800,000	195,500	995,500	800,000	195,500	995,500

*See the accompanying independent auditor's report.*

# NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

## OTHER INFORMATION

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(for inclusion in the California State University)

### 7 Calculation of net assets

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
<b>7.1 Calculation of net assets - Invested in capital assets, net of related debt</b>			
Capital assets, net of accumulated depreciation	\$		
Capitalized lease obligations - current portion	—	3,318,181	3,318,181
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:			
Loan payable to The University Corp	—	(800,000)	(800,000)
(description)	—	—	—
Net assets - invested in capital assets, net of related debt	\$	2,518,181	2,518,181
<b>7.2 Calculation of net assets - Restricted for nonexpendable - endowments</b>			
Portion of restricted cash and cash equivalents related to endowments	\$	—	—
Endowment investments	—	—	—
Other adjustments: (please list)	—	—	—
<b>Net assets - Restricted for nonexpendable - endowments per SNA</b>	\$	—	—

*See the accompanying independent auditor's report.*

# **NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION**

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### **8 Transactions with Related Entities**

Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs		
Reimbursements to University for other than salaries of University personnel		\$ 9,044
Payments received from University for services, space, and programs		5,819
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)		—
Other amounts (payable to) University (enter as negative number)		(3,446)
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	—
Total pollution remediation liabilities	\$ —
Less: current portion	—
Pollution remediation liabilities, net of current portion	—

*See the accompanying independent auditor's report.*

**NORTH CAMPUS – UNIVERSITY PARK  
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**11 The nature and amount of the prior period adjustment(s) recorded to beginning net assets**

	Net Asset Class	Amount
		<b>Dr. (Cr.)</b>
Net assets as of June 30, 2008, as previously reported	Unrestricted	\$ 3,719,884
Prior period adjustments:		
1 Correction of prior period lease income and associated long-term deferred rent receivable resulting from implementing SFAS 13		(339,999)
		—
		—
Net assets as of June 30, 2008, as restated		<u><u>\$ 3,379,885</u></u>

**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: Unrestricted		
1 Surplus	\$ 339,999	
Deferred Rent receivable - long term		339,999

*See the accompanying independent auditor's report.*