

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**June 30, 2010 and 2009**

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

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**June 30, 2010 and 2009**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITORS' REPORT .....</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS:</b>	
Statements of Financial Position .....	2
Statements of Activities .....	3
Statements of Cash Flows .....	4
<b>NOTES TO FINANCIAL STATEMENTS .....</b>	<b>5-11</b>
<b>SUPPLEMENTARY INFORMATION:</b>	
Statement of Net Assets .....	12
Statement of Revenues, Expenses and Changes in Net Assets .....	13
Other Information.....	14-24

## 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, 2010 and 2009, 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, 2010 and 2009, 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 12-24 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 9, 2010

**NORTH CAMPUS - UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**STATEMENTS OF FINANCIAL POSITION  
June 30, 2010 and 2009**

<b>ASSETS</b>	<b>2010</b>	<b>2009</b>
Current assets		
Cash and cash equivalents	\$ 185,035	\$ 156,249
Short-term investments (Note 3)	<u>351,984</u>	<u>357,159</u>
Total current assets	<u>537,019</u>	<u>513,408</u>
Noncurrent assets		
Deferred rent receivable (Note 5)	661,565	564,133
Construction in progress (Note 4)	<u>3,357,633</u>	<u>3,318,181</u>
Total noncurrent assets	<u>4,019,198</u>	<u>3,882,314</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,556,217</u></u>	<u><u>\$ 4,395,722</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 7,862	\$ 49,608
Total current liabilities	<u>7,862</u>	<u>49,608</u>
Noncurrent liabilities		
Loan payable (Note 6)	<u>625,000</u>	<u>800,000</u>
Total noncurrent liabilities	<u>625,000</u>	<u>800,000</u>
<b>TOTAL LIABILITIES</b>	<u>632,862</u>	<u>849,608</u>
<b>NET ASSETS</b>		
Unrestricted	<u>3,923,355</u>	<u>3,546,114</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,556,217</u></u>	<u><u>\$ 4,395,722</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, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>		
Lease revenue (Note 5)	\$ 432,586	\$ 410,756
Other operating revenue	26,115	31,582
Investment gain (loss), net (Note 3)	<u>48,098</u>	<u>(90,850)</u>
Total revenue	<u>506,799</u>	<u>351,488</u>
<b>EXPENSES</b>		
Program services:		
Operating expenses	<u>124,053</u>	<u>179,488</u>
Total program services	<u>124,053</u>	<u>179,488</u>
Supporting services:		
General and administrative	<u>5,505</u>	<u>5,771</u>
Total expenses	<u>129,558</u>	<u>185,259</u>
<b>CHANGE IN NET ASSETS</b>	377,241	166,229
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>3,546,114</u>	<u>3,379,885</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$3,923,355</u></u>	<u><u>\$3,546,114</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, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in unrestricted net assets	\$ 377,241	\$ 166,229
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activities:		
Realized and unrealized (gain) loss on investments	(38,340)	98,431
Changes in operating assets and liabilities:		
Deferred rent receivable	(97,432)	(97,431)
Accounts payable	(41,746)	(199,844)
Deferred revenue	<u>                    </u>	<u>(32,121)</u>
Net cash provided (used) in operating activities	<u>199,723</u>	<u>(64,736)</u>
<b>CASH FLOWS FROM CAPITAL AND INVESTING ACTIVITIES</b>		
Additions to construction in progress	(39,452)	(1,090,662)
Purchase of investments	(7,875)	(90,129)
Sale of investments	<u>51,390</u>	<u>85,217</u>
Net cash provided (used) in capital and investing activities	<u>4,063</u>	<u>(1,095,574)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings		800,000
Payments on long term debt	<u>(175,000)</u>	<u>                    </u>
Net cash provided (used) in financing activities	<u>(175,000)</u>	<u>800,000</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	28,786	(360,310)
<b>CASH AT BEGINNING OF YEAR</b>	<u>156,249</u>	<u>516,559</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 185,035</u>	<u>\$ 156,249</u>
Supplemental disclosure of cash flow information:		
Interest paid during the year	<u>\$ 26,563</u>	<u>\$ 34,000</u>

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

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010 and 2009**

**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.

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010 and 2009**

**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**

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.



**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010 and 2009**

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

**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.

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010 and 2009**

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

**K. Income Taxes (continued)**

The organization 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 in 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 2005.

**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, 2010 and 2009 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.

**M. Subsequent Events**

The organization has evaluated subsequent events through September 9, 2010, 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, 2010 and 2009**

**NOTE 3 – INVESTMENTS:**

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

	<u>2010</u>	<u>2009</u>
Level 1:		
Debt equity securities	\$ 246,072	\$ 215,803
Fixed income securities	<u>105,912</u>	<u>141,356</u>
	<u>\$ 351,984</u>	<u>\$ 357,159</u>

Investment return is as follows:

Net realized and unrealized gain (loss)	\$ 38,340	\$ (98,431)
Interest and dividend income	10,602	8,746
Investment fees	<u>(844)</u>	<u>(1,165)</u>
	<u>\$ 48,098</u>	<u>\$ (90,850)</u>

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

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010 and 2009**

**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. The expenses as of June 30, 2010 are for the completed building plans for the project. Management believes there would not need to be significant adjustments to the building plans once the project recommences. Therefore the construction in progress is considered to be idle and not impaired for presentation purposes as of June 30, 2010.

**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, 2010, future straight-line lease revenues recognized are as follows:

<b><u>Year ending June 30:</u></b>	
2011	\$ 454,383
2012	454,383
2013	454,383
2014	454,383
2015	454,383
Thereafter	<u>11,132,383</u>
Total	<u>\$13,404,298</u>

Revenues in excess of cash received of \$97,431 were recorded for the years ended June 30, 2010 and 2009. \$661,565 and \$564,133 of deferred rent receivable is recorded at June 30, 2010 and 2009 respectively.

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2010 and 2009**

**NOTE 6 – RELATED PARTY TRANSACTIONS:**

Reimbursements paid to the University for other expenses totaled \$34,838 for 2010 and \$18,309 for 2009. These amounts are primarily related to salaries, benefits, audit fees, police and physical plant management support. Amounts due to the University totaled \$3,142 at June 30, 2010 and \$3,446 at June 30, 2009.

The University Corporation salaries and benefits allocated to the operation of North Campus totaled \$36,749 for 2010 and \$101,445 for 2009. Amounts due to the University Corporation totaled \$0 at June 30, 2010 and \$20,437 at June 30, 2009.

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 \$625,000 and \$800,000 as of June 30, 2010 and June 30, 2009, respectively. The interest rate was 6.25% through March 31, 2009 and 4.25% thereafter through June 30, 2010.

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**STATEMENT OF NET ASSETS  
June 30, 2010  
(for inclusion in the California State University)**

<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 185,035
Short-term investments	351,984
Accounts receivable, net	—
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	—
Total current assets	537,019
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	3,357,633
Other assets	661,565
Total noncurrent assets	4,019,198
Total assets	4,556,217
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	—
Accrued salaries and benefits payable	7,748
Accrued compensated absences— current portion	—
Deferred revenue	—
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	114
Total current liabilities	7,862
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	625,000
Self-insurance claims liabilities, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	—
Other liabilities	—
Total noncurrent liabilities	625,000
Total liabilities	632,862
<b>Net assets:</b>	
Invested in capital assets, net of related debt	2,732,633
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	1,190,722
Total net assets	\$ 3,923,355

*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, 2010  
(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	458,701
Total operating revenues	<u>458,701</u>

Expenses:

Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	—
Institutional support	—
Operation and maintenance of plant	20,642
Student grants and scholarships	—
Auxiliary enterprise expenses	108,916
Depreciation and amortization	—
Total operating expenses	<u>129,558</u>
Operating income (loss)	<u>329,143</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	48,098
Endowment income (loss), net	—
Interest Expenses	—
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>48,098</u>
Income (loss) before other additions	377,241
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net assets	<u>377,241</u>

Net assets:

Net assets at beginning of year, as previously reported	3,546,114
Restatements	—
Net assets at beginning of year, as restated	<u>3,546,114</u>
Net assets at end of year	<u>\$ 3,923,355</u>

*See the accompanying independent auditor's report.*

# NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

## OTHER INFORMATION

June 30, 2010  
(for inclusion in the California State University)

**1 Restricted cash and cash equivalents at June 30, 2010:**

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, 2010:**

	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 (LAIIF)	—	—	—	—	—	—	—
Wachovia Short Term Fund	—	—	—	—	—	—	—
Wachovia Medium Term Fund	—	—	—	—	—	—	—
Wachovia Equity Fund	—	—	—	—	—	—	—
US Bank SWIFT pool	—	—	—	—	—	—	—
Common Fund - Short Term Fund	—	—	—	—	—	—	—
Common Fund - Others	351,984	—	351,984	—	—	—	351,984
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	351,984	—	351,984	—	—	—	351,984
Less endowment investments (enter as negative number)	—	—	—	—	—	—	—
Total investments	351,984	—	351,984	—	—	—	351,984

*See the accompanying independent auditor's report*



# NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

## OTHER INFORMATION

**June 30, 2010**  
(for inclusion in the California State University)

**2.2 Investments held by the University under contractual agreements at June 30, 2010:**  
Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2010 :

	Amount
\$	—
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, 2010	—

**2.4 Restricted noncurrent investments at June 30, 2010 related to:**

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, 2010	—

*See the accompanying independent auditor's report.*

# NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

## OTHER INFORMATION

June 30, 2010  
(for inclusion in the California State University)

### 3.1 Composition of capital assets at June 30, 2010:

	Balance June 30, 2009	Prior period Adjustments	Reclassifications	Balance June 30, 2009 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2010
Nondepreciable capital assets:								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	3,318,181	—	—	3,318,181	39,452	—	—	3,357,633
Intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable capital assets	3,318,181	—	—	3,318,181	39,452	—	—	3,357,633
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	3,318,181	—	—	3,318,181	39,452	—	—	3,357,633
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	\$ 3,318,181	—	—	3,318,181	39,452	—	—	3,357,633

### 3.2 Detail of depreciation and amortization expense for the year ended June 30, 2010:

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, 2010**  
**(for inclusion in the California State University)**

### **3.3 Detail of intangible assets as of June 30, 2010:**

	Nonamortizable	Amortizable	Amortization
Easements	—	—	—
Rights	—	—	—
Websites	—	—	—
Computer software	—	—	—
Licenses and permits	—	—	—
Patents	—	—	—
Copyrights	—	—	—
Trademarks	—	—	—
Others (please list)	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
<b>Total Intangible Assets</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

*See the accompanying independent auditor's report.*

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**OTHER INFORMATION**

**June 30, 2010**

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

**4 Long-term liabilities activity schedule:**

	Balance June 30, 2009	Prior period adjustments	Reclassifications	Balance June 30, 2009 (restated)	Additions	Reductions	Balance June 30, 2010	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	800,000	—	—	800,000	—	(175,000)	625,000	—	625,000
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	800,000	—	—	800,000	—	(175,000)	625,000	—	625,000
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Unamortized loss on refunding	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	800,000	—	—	800,000	—	(175,000)	625,000	—	625,000
Total long-term liabilities	800,000	—	—	800,000	—	(175,000)	625,000	—	625,000

*See the accompanying independent auditor's report.*

NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION

OTHER INFORMATION  
June 30, 2010  
(for inclusion in the California State University)

5 Future minimum lease payments – capital lease obligations:

Year ending June 30:	Principal	Interest	Principal and Interest
2011	—	—	—
2012	—	—	—
2013	—	—	—
2014	—	—	—
2015	—	—	—
2016 - 2020	—	—	—
2021 - 2025	—	—	—
2026 - 2030	—	—	—
2031 - 2035	—	—	—
2036 - 2040	—	—	—
2041 - 2045	—	—	—
2046 - 2050	—	—	—
2051 - 2055	—	—	—
2056 - 2060	—	—	—
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		\$ —	—

**NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION**

**OTHER INFORMATION**

**June 30, 2010**

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

**6 Long-term debt obligation schedule**

Year ending June 30:

	Revenue Bonds		Principal and Interest		All other long-term debt obligations			Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
\$	—	—	—	—	—	26,563	26,563	—	26,563	26,563
2011	—	—	—	—	—	26,563	26,563	—	26,563	26,563
2012	—	—	—	—	—	26,563	26,563	—	26,563	26,563
2013	—	—	—	—	—	26,563	26,563	—	26,563	26,563
2014	—	—	—	—	—	26,563	26,563	—	26,563	26,563
2015	—	—	—	—	—	26,563	26,563	—	26,563	26,563
2016 - 2020	—	—	—	—	625,000	19,922	644,922	625,000	19,922	644,922
2021 - 2025	—	—	—	—	—	—	—	—	—	—
2026 - 2030	—	—	—	—	—	—	—	—	—	—
2031 - 2035	—	—	—	—	—	—	—	—	—	—
2036 - 2040	—	—	—	—	—	—	—	—	—	—
2041 - 2045	—	—	—	—	—	—	—	—	—	—
2046 - 2050	—	—	—	—	—	—	—	—	—	—
2051 - 2055	—	—	—	—	—	—	—	—	—	—
2056 - 2060	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	625,000	126,174	751,174	625,000	126,174	751,174
\$	—	—	—	—	625,000	126,174	751,174	625,000	126,174	751,174

*See the accompanying independent auditor's report.*

# NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

## OTHER INFORMATION

June 30, 2010  
(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		3,357,633	3,357,633
Capitalized lease obligations - current portion	—	—	—
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations - current portion	—	(625,000)	(625,000)
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	—	2,732,633	2,732,633
<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)			
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 auditor's report.

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

## **OTHER INFORMATION**

**June 30, 2010**  
**(for inclusion in the California State University)**

8	Transactions with Related Entities	Amount
	Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 34,838
	Payments to University for other than salaries of University personnel	—
	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	(3,142)
	Accounts (payable to) University (enter as negative number)	—
	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	—

*See the accompanying independent auditor's report.*



# NORTH CAMPUS – UNIVERSITY PARK DEVELOPMENT CORPORATION

## OTHER INFORMATION

June 30, 2010

(for inclusion in the California State University)

### 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	—
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, 2009, as previously reported	\$ 3,546,114
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, 2009, as restated	\$ 3,546,114

See the accompanying independent auditor's report.

NORTH CAMPUS – UNIVERSITY PARK  
DEVELOPMENT CORPORATION

OTHER INFORMATION  
June 30, 2010  
(for inclusion in the California State University)

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 auditor’s report.