

**North Campus - University Park
Development Corporation**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2021

North Campus - University Park Development Corporation

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Independent Auditor's Report

The Board of Directors
North Campus - University Park Development Corporation
(A California State University Auxiliary Organization)

Report on the Financial Statements

We have audited the accompanying financial statements of North Campus - University Park Development Corporation (the "Corporation"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Campus - University Park Development Corporation as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the North Campus - University Park Development Corporation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 15-22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2021 on our consideration of North Campus - University Park Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Los Angeles, California
September 16, 2021

North Campus - University Park Development Corporation

**Statement of Financial Position
June 30, 2021
With Summarized Totals at June 30, 2020**

	<u>Assets</u>	
	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 811,901	\$ 1,693,336
Short-term investments	458,037	1,969,301
	<hr/>	<hr/>
Total current assets	1,269,938	3,662,637
Investments	3,490,060	-
Deferred rent receivable	466,491	491,655
	<hr/>	<hr/>
Total assets	<u>\$ 5,226,489</u>	<u>\$ 4,154,292</u>
	<u>Liabilities and Net Assets</u>	
Liabilities		
Accounts payable and accrued expenses	\$ 9,075	\$ -
Deferred revenue	48,354	-
Security deposit	18,786	18,786
	<hr/>	<hr/>
Total liabilities	76,215	18,786
Commitments and contingencies		
Net assets		
Without donor restrictions	5,150,274	4,135,506
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 5,226,489</u>	<u>\$ 4,154,292</u>

See Notes to Financial Statements.

North Campus - University Park Development Corporation

**Statement of Activities
Year Ended June 30, 2021
With Summarized Totals for the Year Ended June 30, 2020**

	<u>2021</u>	<u>2020</u>
Revenues		
Lease revenue	\$ 836,540	\$ 796,868
Investment income, net	<u>659,200</u>	<u>8,874</u>
Total revenues	<u>1,495,740</u>	<u>805,742</u>
Expenses		
Program services		
Operating	188,992	167,988
University support	<u>250,000</u>	<u>250,000</u>
Total program services	438,992	417,988
Supporting services		
General and administrative	<u>41,980</u>	<u>42,035</u>
Total expenses	<u>480,972</u>	<u>460,023</u>
Change in net assets	1,014,768	345,719
Net assets, beginning	<u>4,135,506</u>	<u>3,789,787</u>
Net assets, end	<u>\$ 5,150,274</u>	<u>\$ 4,135,506</u>

See Notes to Financial Statements.

North Campus - University Park Development Corporation

**Statement of Functional Expenses
Year Ended June 30, 2021
With Summarized Totals for the Year Ended June 30, 2020**

	2021				2020	
	Program services		Total program services	Supporting services		Total
	Operating	University support		General and administrative	Total	
Salaries	\$ 112,087	\$ -	\$ 112,087	\$ 12,454	\$ 124,541	\$ 112,056
Employee benefits	18,237	-	18,237	2,026	20,263	21,560
Repairs and maintenance	43,890	-	43,890	-	43,890	47,733
Professional services	14,778	-	14,778	22,451	37,229	23,046
Contribution to University	-	250,000	250,000	-	250,000	250,000
Insurance	-	-	-	3,030	3,030	3,936
Dues and subscriptions	-	-	-	1,768	1,768	1,532
Other expenses	-	-	-	251	251	160
	<u>\$ 188,992</u>	<u>\$ 250,000</u>	<u>\$ 438,992</u>	<u>\$ 41,980</u>	<u>\$ 480,972</u>	<u>\$ 460,023</u>

See Notes to Financial Statements.

North Campus - University Park Development Corporation

**Statement of Cash Flows
Year Ended June 30, 2021
With Summarized Totals for the Year Ended June 30, 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 1,014,768	\$ 345,719
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized and unrealized (gain) loss on investments	(603,948)	76,339
Changes in operating assets and liabilities		
Accounts receivable	-	18,120
Prepaid expenses	-	4,600
Deferred rent receivable	25,164	25,164
Accounts payable and accrued expenses	9,075	(5,913)
Deferred revenue	48,354	(43,958)
	<u>493,413</u>	<u>420,071</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Proceeds from the sale of investments	3,283,461	-
Purchase of investments	<u>(4,658,309)</u>	<u>(23,566)</u>
	<u>(1,374,848)</u>	<u>(23,566)</u>
Net cash used in investing activities		
Net increase (decrease) in cash and cash equivalents	(881,435)	396,505
Cash and cash equivalents, beginning	<u>1,693,336</u>	<u>1,296,831</u>
Cash and cash equivalents, end	<u>\$ 811,901</u>	<u>\$ 1,693,336</u>

See Notes to Financial Statements.

North Campus - University Park Development Corporation

Notes to Financial Statements

June 30, 2021

Note 1 - Business activity and summary of significant accounting policies

Business activity

North Campus - University Park Development Corporation (the "Corporation") is a nonprofit auxiliary organization related to California State University, Northridge (the "University") and was formed in 1987.

The 65 acres of University-owned land ("North Campus") is 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.

The Corporation is currently in the process of analyzing and assessing the highest and best use of the property for future development. This analysis is an ongoing process.

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

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation

To ensure the observance of certain constraints and restrictions placed on the use of resources, the accounts of the Corporation are maintained in accordance with Accounting Standards Codification Topic 958. Under this standard, resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

Net Assets Without Donor Restrictions - These generally result from revenues generated by receiving contributions without donor restrictions, providing services, and receiving income from investments less expenses incurred in providing program related services, raising contributions and performing administrative functions.

Net Assets With Donor Restrictions - The Corporation reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose, or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from purpose or time restrictions. At June 30, 2021, the Corporation does not have any net assets with donor restrictions.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and all highly liquid investments with an initial maturity at date of purchase of three months or less.

North Campus - University Park Development Corporation

Notes to Financial Statements

June 30, 2021

Investments

Investments are reported at their fair values in the statement of financial position. Realized and unrealized gains or losses are included in the statement of activities as investment income (loss).

Fair value measurements

The Corporation values certain of its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted priced (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Lease revenue

The Corporation recognizes lease revenue on a straight-line basis over the term of the respective leases. Deferred rent receivable represents the amount by which straight-line lease revenue exceeds rent currently billed in accordance with the lease agreements. Deferred revenue represents tenant prepayments of rent.

Salaries and fringe benefits

The Corporation utilizes employees of The University Corporation ("TUC"), a related party, and the University to perform its operations. These costs are billed to the Corporation by TUC and the University. The Corporation subsequently reimburses both entities for the salaries and related fringe benefits. The Corporation has no employees or benefit plans of its own. These expenses are included in operating expenses.

Functional allocation of expenses

The costs of providing programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between functional services based on personnel time.

Income taxes

The Corporation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue Taxation Code of California. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Corporation has no unrecognized tax benefits at June 30, 2021. The Corporation's federal income tax returns for fiscal years 2020, 2019, and 2018 remain open. The Corporation's state income tax returns for fiscal years 2020, 2019, 2018, and 2017 remain open. Management

North Campus - University Park Development Corporation

Notes to Financial Statements June 30, 2021

continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If applicable, the Corporation recognizes interest and penalties associated with tax matters as part of income tax expense and includes accrued interest and penalties with accrued expenses in the statement of financial position.

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, 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.

Comparative totals

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

New accounting pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases*. This ASU increases transparency and comparability by recognizing a lessee's rights and obligations resulting from leases by recording them on the balance sheet as lease assets and lease liabilities. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. Lessor accounting guidance will align with revenue recognition guidance made effective with ASU 2014-09. ASU 2016-02 will be effective for the Corporation for the year beginning July 1, 2022. The Corporation is currently evaluating the impact of this ASU and expects that certain leases will be recorded as lease assets and lease liabilities, but the full impact has not yet been determined.

Adoption of new accounting pronouncement

The FASB issued ASU 2014-09, *Revenue from Contracts with Customers ("Topic 606")* in May 2014, providing new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenues. The Corporation adopted ASU 2014-09 on July 1, 2020 using the modified retrospective method of transition for all contracts that were not completed as of the date.

The Corporation's revenue for reporting periods ended after June 30, 2020 is presented under the new guidance, while the financial results for prior periods will continue to be reported in accordance with the prior guidance and the Corporation's historical accounting policy. The Corporation has not experienced changes to the pattern of revenue recognition for its contracts, the identification of contracts and performance obligations or the measurement of variable consideration.

North Campus - University Park Development Corporation

Notes to Financial Statements

June 30, 2021

Subsequent events

The Corporation has evaluated subsequent events through September 16, 2021, which is the date these financial statements were available to be issued.

Note 2 - Liquidity and availability

The Corporation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Corporation has various sources of liquidity at its disposal, including cash and cash equivalents and marketable equity securities. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Corporation considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The emergence of COVID-19 may impact the Corporation's liquidity (see Note 8). Management continues to regularly monitor liquidity and consider all expenditures related to its ongoing activities.

At June 30, 2021, the Corporation had the following financial assets and liquidity resources available over the next 12 months:

Cash and cash equivalents	\$	811,901
Short-term investments		<u>458,037</u>
	\$	<u>1,269,938</u>

Note 3 - Concentrations

Financial instruments which potentially subject the Corporation to concentrations of credit risk consist primarily of cash and cash equivalents and investments. The Corporation maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Corporation's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Corporation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

For the year ended June 30, 2021, 100% of the Corporation's rental revenues were from two tenants.

North Campus - University Park Development Corporation

Notes to Financial Statements June 30, 2021

Note 4 - Investments

At June 30, 2021, investments consist of the following:

Equities	\$ 1,317,620
Corporate bonds	657,334
US government bonds	354,986
Certificates of deposit	207,905
Mutual funds	<u>1,410,252</u>
Total	<u><u>\$ 3,948,097</u></u>

These investments are disclosed in the accompanying statement of financial position as follows:

Short-term investments	\$ 458,037
Long-term investments	<u>3,490,060</u>
	<u><u>\$ 3,948,097</u></u>

Note 5 - Fair value measurements

At June 30, 2021, investments are carried at fair value and are classified in the table below in one of the three categories as described in Note 1:

	Level 1	Level 2	Level 3	Total
Equities	\$ 1,317,620	\$ -	\$ -	\$ 1,317,620
Corporate bonds	-	657,334	-	657,334
US government bonds	-	354,986	-	354,986
Certificates of deposit	-	207,905	-	207,905
Mutual funds	<u>1,410,252</u>	<u>-</u>	<u>-</u>	<u>1,410,252</u>
Total	<u><u>\$ 2,727,872</u></u>	<u><u>\$ 1,220,225</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,948,097</u></u>

Valuations of mutual funds are obtained from real-time quotes for transactions in active exchange markets involving identical assets. For the year ended June 30, 2021, there have been no changes in the valuation methodologies.

Note 6 - 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 University and leased at no cost to the Corporation. The ground sublease was amended effective October 31, 2003 to include an additional five acres for a total of 24 acres. Rental income for the year ended June 30, 2021 was \$555,084. The ground sublease contains provisions for future rent increases every five years based on changes in the Consumer Price Index with a maximum increase of 10% every five years. At June 30, 2021, deferred rent receivable is \$466,491.

On February 28, 2018, the Corporation extended an existing lease with Rydell Chevrolet for temporary storage of vehicle inventory on approximately 3.74 acres of North Campus, commonly known as Lot G-12, for two years. On May 6, 2019, the Corporation extended this lease for an

North Campus - University Park Development Corporation

Notes to Financial Statements June 30, 2021

additional year. On May 8, 2020, the Corporation extended the lease for an additional year through June 30, 2022. On May 5, 2021, the Corporation extended the lease for an additional two years through June 30, 2024. The Corporation started leasing additional property adjacent to Lot G-12 on July 1, 2016 on a month-to-month basis. Rental income for the year ended June 30, 2021 was \$281,456.

The estimated future minimum rental payments to be received under the operating leases are as follows:

Year ending June 30,	Medtronic MiniMed, Inc.	Rydell Chevrolet	Total
2022	\$ 580,248	\$ 287,223	\$ 867,471
2023	580,248	287,223	867,471
2024	580,248	287,223	867,471
2025	580,248	-	580,248
2026	580,248	-	580,248
Thereafter	7,833,351	-	7,833,351
Total	<u>\$ 10,734,591</u>	<u>\$ 861,669</u>	<u>\$ 11,596,260</u>

Note 7 - Related party transactions

During the year ended June 30, 2021, the Corporation incurred expenses of \$52,868 to the University relating to salaries and benefits.

The Corporation entered into an agreement with the University to contribute a portion of its annual surplus funds. This is to be reviewed each year by the Corporation and University. During the year ended June 30, 2021, the Corporation contributed \$250,000 to the University for its discretionary use.

TUC is an affiliate of the Corporation. During the year ended June 30, 2021, salaries and benefits of the Corporation of \$91,936 were allocated from TUC. At June 30, 2021, \$9,075 is due to TUC and is included in accounts payable and accrued expenses in the accompanying statement of financial position.

Note 8 - Commitments and contingencies

Coronavirus

In December 2019, a novel strain of the coronavirus ("COVID-19") was reported. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closures. As a result of mandates issued by government officials, the campus of California State University Northridge transitioned to virtual learning and programming in late March 2020. For the fall semester of 2021, the campus returned to in-person and online instruction, following LA County guidelines and public health protocols. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of this disruption. Therefore, while the Corporation expects this matter to continue to temporarily impact the Corporation's financial condition, the extent of the financial impact and duration cannot be reasonably estimated at this time.

Supplementary Information

North Campus - University Park Development Corporation

**Schedule of Net Position
June 30, 2021
(for inclusion in the California State University)**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 811,901
Short-term investments	458,037
Accounts receivable, net	-
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
Total current assets	1,269,938
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	3,490,060
Capital assets, net	-
Other assets	466,491
Total noncurrent assets	3,956,551
Total assets	5,226,489
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
Total deferred outflows of resources	-
Liabilities:	
Current liabilities:	
Accounts payable	-
Accrued salaries and benefits	9,075
Accrued compensated absences, current portion	-
Unearned revenues	48,354
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	18,786
Other liabilities	-
Total current liabilities	76,215
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	-
Total liabilities	76,215
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	-
Net position:	
Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	5,150,274
Total net position	\$ 5,150,274

See Independent Auditor's Report.

North Campus - University Park Development Corporation

**Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2021
(for inclusion in the California State University)**

Revenues:

Operating revenues:

Student tuition and fees, gross	\$	-
Scholarship allowances (enter as negative)		-
Grants and contracts, noncapital:		
Federal		-
State		-
Local		-
Nongovernmental		-
Sales and services of educational activities		-
Sales and services of auxiliary enterprises, gross		-
Scholarship allowances (enter as negative)		-
Other operating revenues		836,540
Total operating revenues		836,540

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	250,000
Operation and maintenance of plant	43,890
Student grants and scholarships	-
Auxiliary enterprise expenses	187,082
Depreciation and amortization	-
Total operating expenses	480,972
Operating income (loss)	355,568

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	659,200
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	-
Net nonoperating revenues (expenses)	659,200
Income (loss) before other revenues (expenses)	1,014,768

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	1,014,768

Net position:

Net position at beginning of year, as previously reported	4,135,506
Restatements	-
Net position at beginning of year, as restated	4,135,506
Net position at end of year	\$ 5,150,274

See Independent Auditor's Report.

North Campus - University Park Development Corporation

Other Information June 30, 2021 (for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		-
Noncurrent restricted cash and cash equivalents		<u>-</u>
Current cash and cash equivalents		811,901
Total	\$	<u>811,901</u>

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	\$ -	-
Repurchase agreements	-	-	-
Certificates of deposit	207,905	-	207,905
U.S. agency securities	-	-	-
U.S. treasury securities	-	354,986	354,986
Municipal bonds	-	-	-
Corporate bonds	-	657,334	657,334
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	250,132	1,160,120	1,410,252
Exchange traded funds	-	-	-
Equity securities	-	1,317,620	1,317,620
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:	-	-	-
Total Other investments	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>458,037</u>	<u>3,490,060</u>	<u>3,948,097</u>
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ 458,037	\$ 3,490,060	\$ 3,948,097

North Campus - University Park Development Corporation

**Other Information
June 30, 2021
(for inclusion in the California State University)**

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -	\$ -	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	207,905	-	207,905	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	354,986	-	354,986	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	657,334	-	657,334	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	1,410,252	1,410,252	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	1,317,620	1,317,620	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
Total Other investments	-	-	-	-	-
Total investments	\$ 3,948,097	\$ 2,727,872	\$ 1,220,225	\$ -	\$ -

2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g - CSU Consolidated Investment Pool (formerly SWIFT):	\$ -	\$ -	\$ -

North Campus - University Park Development Corporation

Other Information June 30, 2021 (for inclusion in the California State University)

3.1 Composition of capital assets:

	Balance June 30, 2020	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2020 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2021
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	-	-	-	-	-	-	-	-	-
Total capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

North Campus - University Park Development Corporation

Other Information June 30, 2021 (for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense:
 Depreciation and amortization expense related to capital assets
 Amortization expense related to other assets
Total depreciation and amortization

	\$ -
	-
	\$ -

4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/Reclassifications	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

5 Capital lease obligations schedule:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	-	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium/(discount)									-
Total capital lease obligations									-
Less: current portion									-
Capital lease obligations, net of current portion									\$ -

North Campus - University Park Development Corporation

Other Information June 30, 2021 (for inclusion in the California State University)

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	-	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									\$ -

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	54,367
Payments to University for other than salaries of University personnel	-
Payments received from University for services, space, and programs	1,500
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	250,000
Accounts payable to University (enter as negative number)	-
Other amounts payable to University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	-
Other amounts receivable from University (enter as positive number)	-

8 Restatements

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement:

		Debit/(Credit)
Restatement #1	Enter transaction description	
		-
Restatement #2	Enter transaction description	
		-

North Campus - University Park Development Corporation

**Other Information
June 30, 2021
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9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	250,000	-	250,000
Student grants and scholarships	-	-	-	-	-	43,890	-	43,890
Auxiliary enterprise expenses	124,541	20,263	-	-	-	42,278	-	187,082
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	\$ 124,541	\$ 20,263	\$ -	\$ -	\$ -	\$ 336,168	\$ -	\$ 480,972

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)

Deferred outflows - net pension liability

Deferred outflows - net OPEB liability

Deferred outflows - others:

Sales/intra-entity transfers of future revenues

Gain/loss on sale leaseback

Loan origination fees and costs

Change in fair value of hedging derivative instrument

Irrevocable split-interest agreements

Total deferred outflows - others

Total deferred outflows of resources

-
-
\$ -

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements

Deferred inflows - net pension liability

Deferred inflows - net OPEB liability

Deferred inflows - unamortized gain on debt refunding(s)

Deferred inflows - nonexchange transactions

Deferred inflows - others:

Sales/intra-entity transfers of future revenues

Gain/loss on sale leaseback

Loan origination fees and costs

Change in fair value of hedging derivative instrument

Irrevocable split-interest agreements

Total deferred inflows - others

Total deferred inflows of resources

-
-
\$ -

11 Other nonoperating revenues (expenses)

Other nonoperating revenues

Other nonoperating (expenses)

Total other nonoperating revenues (expenses)

-
\$ -

See Independent Auditor's Report.

Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
North Campus - University Park Development Corporation

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of North Campus - University Park Development Corporation (the "Corporation"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated September 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Los Angeles, California
September 16, 2021



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