

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
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Date: February 1, 2007

Code: AD NOAT 07-017

To: Financial Managers
Accounting Officers
Budget Officers

From: George V. Ashkar
Senior Director, Controller
Financial Services, Accounting

Subject: Centrally Paid Health & CERF Direct Costs FY 2006/07

Transfer Request: 069190
Legal Posting FY2006-07
GAAP Posting FY2006-07

(When GAAP year = Legal year, no GAAP entry is needed)

In accordance with Financing and Treasury memorandums FT 06-02 dated August 10, 2006, the centrally paid Health center facilities direct costs for fiscal year 2006/07 have been charged via Plan of Financial Adjustment (PFA). Campuses should record the journal entry listed on Attachment A.

In accordance with Financing and Treasury memorandums FT 06-07 dated August 10, 2006, the centrally paid CERF direct costs for fiscal year 2006/07 have been charged via Plan of Financial Adjustment (PFA). Campuses should record the journal entry listed on Attachment B.

The State Controller's Office is processing the third quarter charges on PFA 069190.

If you have any questions, please contact Brian Lee at (562) 951-4399 or via e-mail at blee@calstate.edu.

GVA:BL:lm AD NOAT 07-017

Attachment A
Attachment B

THE CALIFORNIA STATE UNIVERSITY
Health Center Facilities Fund
2006/07 Centrally Paid Direct Program Costs
(REVISED)

| Campus | Debt Service Payments | Debt Service Reserve | Annual PFA Amount | Quarterly PFA Amount (a) |
|--|-----------------------|----------------------|-------------------|--------------------------|
| Bakersfield | 0 | 0 | - | - |
| Channel Islands | 0 | 0 | - | - |
| Chico | 0 | 0 | - | - |
| Dominguez Hills | 0 | 0 | - | - |
| Fresno | 0 | 0 | - | - |
| Fullerton | 0 | 0 | - | - |
| Hayward | 0 | 0 | - | - |
| Humboldt | 0 | 0 | - | - |
| Long Beach | 0 | 0 | - | - |
| Los Angeles | 0 | 0 | - | - |
| Maritime Academy | 0 | 0 | - | - |
| Monterey Bay | 0 | 0 | - | - |
| Northridge | 0 | 0 | - | - |
| Pomona | 0 | 0 | - | - |
| Sacramento | 0 | 0 | - | - |
| San Bernardino | 0 | 0 | - | - |
| San Diego | 532,100 | 79,815 (a) | 611,915 | 152,978.75 |
| San Francisco | 0 | 0 | - | - |
| San Jose | 0 | 0 | - | - |
| San Luis Obispo | 0 | 0 | - | - |
| San Marcos | 0 | 0 | - | - |
| Sonoma | 0 | 0 | - | - |
| Stanislaus | 0 | 0 | - | - |
| Totals | 532,100 | 79,815 | 611,915 | 152,978.75 |
| Campus Journal Entry Required (FIRMS): | | | | |
| Debit | 680126 | 680126 | | |
| Credit | 305022 | 305022 | | |

Net Revenue Debt Service Coverage Ratio (DSCR) Calculation

Example:

If annual revenue = \$15,000,000
and annual operating expense = \$10,000,000
then, annual net income = \$5,000,000

If annual debt service payment = \$750,000 (b)
then, 15% reserve (of debt service payment) = \$112,500 (b)
and annual debt service transfer = \$862,500

Therefore, DSCR = \$5,000,000/\$750,000 = 6.67

- (a) **Revised:** Transfers to occur **September 1, October 1, February 1 and April 1**. Refer to coded memo FT 06-01 Attachment A for centrally paid indirect costs, which has different PFA dates.
- (b) Projected debt service reserve for 07/08 is \$213,627 and for 08/09 is \$136,062.
- (c) This should be recorded as "Transfer Out" (680126) in FIRMS.

THE CALIFORNIA STATE UNIVERSITY
Continuing Education Revenue Fund
2006/07 Centrally Paid Direct Program Costs
(REVISED)

| Campus | Debt Service Payments | Debt Service Reserve | Annual PFA Amount | Quarterly PFA Amount (a) |
|--|-----------------------|----------------------|-------------------|--------------------------|
| Bakersfield | 0 | 0 | - | - |
| Channel Islands | 0 | 0 | - | - |
| Chico | 0 | 0 | - | - |
| Dominguez Hills | 0 | 0 | - | - |
| Fresno | 0 | 0 | - | - |
| Fullerton | 0 | 0 | - | - |
| Hayward | 0 | 0 | - | - |
| Humboldt | 0 | 0 | - | - |
| Long Beach | 0 | 0 | - | - |
| Los Angeles | 0 | 0 | - | - |
| Maritime Academy | 0 | 0 | - | - |
| Monterey Bay | 0 | 0 | - | - |
| Northridge | 0 | 0 | - | - |
| Pomona | 0 | 0 | - | - |
| Sacramento | 0 | 0 | - | - |
| San Bernardino | 0 | 0 | - | - |
| San Diego | 378,826 | 56,824 (b) | 435,650 | 108,912.50 |
| San Francisco | 0 | 0 | - | - |
| San Jose | 0 | 0 | - | - |
| San Luis Obispo | 0 | 0 | - | - |
| San Marcos | 0 | 0 | - | - |
| Sonoma | 0 | 0 | - | - |
| Stanislaus | 0 | 0 | - | - |
| Totals | 378,826 | 56,824 | 435,650 | 108,913 |
| Campus Journal Entry Required (FIRMS): | | | | |
| Debit | 680126 | 680126 | | |
| Credit | 305022 | 305022 | | |

Net Revenue Debt Service Coverage Ratio (DSCR) Calculation

Example:

If annual revenue = \$15,000,000
and annual operating expense = \$10,000,000
then, annual net income = \$5,000,000

If annual debt service payment = \$750,000(c)
then, 15% reserve (of debt service payment) = \$112,500(c)
and annual debt service transfer = \$862,500

Therefore, DSCR = \$5,000,000/\$750,000 = 6.67

Note:

- (a) **Revised:** Transfers to occur **September 1, October 1, February 1 and April 1.**
- (b) Projected debt service reserve for 07/08 is \$57,090.
- (c) This should be recorded as "Transfer Out" (680126) in FIRMS.