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## **Independent Auditors' Report**

The Board of Directors  
California State University, Channel Islands Site Authority:

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 statement of net assets (deficit) of the California State University, Channel Islands Site Authority (the Site Authority) as of June 30, 2007, and the related statements of revenues, expenses, and changes in net assets (deficit), and cash flows for the year then ended, and have issued our report thereon dated December 21, 2007.

In connection with our audit, nothing came to our attention that caused us to believe that the Site Authority failed to comply with the terms, covenants, provisions, or conditions of the Reimbursement Agreements dated as of August 1, 2004, respectively, by and among the CSUCI Financing Authority, the Site Authority, and Citibank, FSB, governing the CSUCI Financing Authority For-Sale Housing Bonds Series 2004, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the board of directors of the Site Authority and the aforementioned bank and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

December 21, 2007