

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY  
CHANNEL ISLANDS, INC.**

**Financial Statements and Supplemental  
Schedules for the Year Ended June 30, 2012  
and Independent Auditor's Report**

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
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**EXECUTIVE SUMMARY**

September 20, 2012

To the Board of Directors of  
Associated Students of  
California State University Channel Islands, Inc. (Associated Students, Inc.)  
Camarillo, California

Our independent auditor's report dated September 20, 2012 on the financial statements of Associated Students of California State University Channel Islands, Inc. at June 30, 2012 and for the year then ended contains an unqualified opinion. The following summary of selected financial data for 2012 should be read in conjunction with our audit report and the accompanying financial statements:

Revenues	\$ 877,853
Expenses	\$ 707,467
Changes in net assets	\$ 170,386
Cash and cash equivalents	\$ 387,951
Total assets	\$ 1,389,467
Unrestricted net assets	\$ 1,268,892
Net assets	\$ 1,268,892

Yours truly,

*Vasin, Heyn + Co.*

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Associated Students of  
California State University Channel Islands, Inc. (Associated Students, Inc.)  
Camarillo, California

We have audited the accompanying statement of financial position of Associated Students of California State University Channel Islands, Inc. as of June 30, 2012, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of Associated Students, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Associated Students, Inc.'s financial statements and, in our report dated September 22, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 audit provides 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 Associated Students, Inc. as of June 30, 2012, and the changes in its net assets and its cash flows for the year 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 supplemental schedules on pages 14 through 30 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the Associated Students, Inc.'s management. Such supplemental schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Vasin, Heyn + Co.*

September 20, 2012

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2012  
(WITH COMPARATIVE TOTALS FOR 2011)**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 387,951	\$ 427,608
Accounts receivable	-	6,929
Related party receivables	1,000,050	812,629
Property and equipment	<u>1,466</u>	<u>4,002</u>
Total assets	<u>\$1,389,467</u>	<u>\$1,251,168</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 4,489	\$ 4,257
Accrued liabilities	351	8,813
Deferred revenue	23,366	24,881
Related party payables	40,982	81,686
Funds held for others	<u>51,387</u>	<u>33,025</u>
Total liabilities	120,575	152,662
<b>NET ASSETS</b>		
Unrestricted net assets	<u>1,268,892</u>	<u>1,098,506</u>
Total net assets	<u>1,268,892</u>	<u>1,098,506</u>
Total liabilities and net assets	<u>\$1,389,467</u>	<u>\$1,251,168</u>

See accompanying auditor's report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE TOTALS FOR 2011)**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Student fees	\$ 848,424	\$ 821,254
Contributions	2,787	172
Sales and services	1,315	841
Interest income	1,262	2,644
Other revenue	<u>24,065</u>	<u>61,261</u>
 Total revenue	 877,853	 886,172
 <b>EXPENSES</b>		
Student programs	289,160	204,753
Student union	233,825	201,477
General and administrative	181,946	271,020
Depreciation	<u>2,536</u>	<u>2,320</u>
Total expenses	707,467	679,570
 <b>CHANGE IN NET ASSETS</b>	 170,386	 206,602
 <b>NET ASSETS - beginning of year</b>	 <u>1,098,506</u>	 <u>891,904</u>
 <b>NET ASSETS - end of year</b>	 <u>\$ 1,268,892</u>	 <u>\$ 1,098,506</u>

See accompanying auditor's report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE TOTALS FOR 2011)**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 170,386	\$ 206,602
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation	2,536	2,320
(Increase) decrease in:		
Accounts receivable	6,929	(282,349)
Related party receivable	(187,421)	387,090
Increase (decrease) in:		
Accounts payable	232	(113,294)
Accrued liabilities	(8,462)	-
Deferred revenue	(1,515)	(11,253)
Related party payable	(40,704)	81,686
Funds held for others	<u>18,362</u>	<u>13,346</u>
Total adjustments	<u>(210,043)</u>	<u>77,546</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(39,657)	284,148
<b>CASH AT BEGINNING OF YEAR</b>	<u>427,608</u>	<u>143,460</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 387,951</u>	<u>\$ 427,608</u>

See accompanying auditor's report and notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**1. ORGANIZATION**

*Nature of Organization*

Associated Students of California State University Channel Islands, Inc. (Associated Students, Inc.) was created on November 7, 2003 pursuant to the General Nonprofit Corporation Law of the State of California and was organized to promote and assist education, administration and related services of the California State University Channel Islands (University). All registered California University students are members of Associated Students, Inc. and pay fees to Associated Students, Inc. as part of their registration. Associated Students, Inc. operates as an auxiliary organization of the University under an operating agreement with the Trustees of the California State University (the Trustees) which expires June 30, 2013.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting and Reporting*

The Associated Students, Inc. prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America for NFPs. The significant accounting and reporting policies used by The Associated Students, Inc. are described below to enhance the usefulness and understandability of the financial statements.

*Financial Statement Presentation*

The financial statements are presented based on Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. ASC Topic 958, Sections 210 and 225 requires classification of the Associated Students, Inc.'s net assets, revenues as well as expenses based on the existence or absence of donor-imposed restrictions. The statement requires presentation of the amounts for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – in the statement of financial position and the amounts of change in each of those classes of net assets in the statement of activities.

*Net Assets*

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- *Unrestricted net assets.* Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Associated Students, Inc., the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.



**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

- *Temporarily restricted net assets.* Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Associated Students, Inc.'s unspent contributions are classified in this class if the donor limited their use, as is the unspent appreciation of its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the Associated Students, Inc., unless the donor provides more specific directions about the period of its use.
  
- *Permanently restricted net assets.* Permanently restricted net assets are resources whose use by the Associated Students, Inc. is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses are reported as decreases in unrestricted net assets.

*Cash Equivalents*

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. At year-end, and throughout the year, the Associated Students, Inc.'s cash balances, deposited in the bank, exceeded federally insured limits. Management believes the Associated Students, Inc. is not exposed to any significant credit risk on cash and cash equivalents.

*Accounting for Contributions*

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Contributed Goods and Services*

Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. Contributions of services are recognized if the services received meet any of these criteria: (1) if they create or enhance nonfinancial assets and (2) if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

*Property and Equipment*

Property and Equipment is recorded at cost and/or fair market value. The minimum dollar amount for capitalizing and depreciating an asset is \$5,000. Depreciation and amortization is provided using the straight-line method over the estimated useful lives of the assets. Depreciation is provided on the straight-line method over estimated useful lives of three to twenty years.

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

*New Accounting Standards*

The Associated Students, Inc. measures fair value in accordance with FASB ASC 820-10. FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires the Associated Students, Inc. to develop its own assumptions. The Associated Students, Inc. uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Associated Students, Inc. measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. All assets reported at fair value at June 30, 2012, are Level 1 inputs.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Income Taxes*

The Associated Students, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

The Associated Students, Inc. has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the year ended June 30, 2012, the Associated Students, Inc. had no material unrecognized tax benefits, tax penalties or interest.

The Associated Students, Inc.'s Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2010, 2009, 2008, are subject to examination by the IRS, generally for 3 years after they were filed.

*Functional Expenses*

Expenses are charged directly to program, activity or administration in general categories based on specific identification. Indirect expenses have been allocated based on salary, square footage and terminal port calculations.

*Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Associated Students, Inc.'s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Associated Students, Inc.'s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

*Comparative Totals*

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. 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 Associated Students, Inc.'s financial statements for the year ended June 30, 2011 from which the summarized information was derived.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)**

**3. FAIR VALUE MEASUREMENTS**

The Associated Students, Inc. reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1* - Quoted prices for identical assets or liabilities in active markets to which the Associated Students, Inc. has access on the measurement date.
- *Level 2* - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3* - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents and accounts receivable approximate fair value because of the terms and relatively short maturity of these financial instruments.

The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, the Associated Students, Inc. measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)**

**4. STUDENT ACTIVITY FEES**

Each student enrolled at California State University Channel Islands is required to pay fees each semester to support Associated Students, Inc. as follows:

Associated Students Fee of \$62, per semester, per student. The \$62 Associated Student Fee is to cover expenses of Student Government, Student Programming, Yearbook and Nautical Operations and other activities. All Associated Students fees are collected in trust at the University, and reimbursed to Associated Students, Inc. once requested. Revenues are recorded on Associated Students, Inc.'s books as earned in the quarter in which the student enrolls with a corresponding receivable from the University for the amounts unpaid.

Student Body Center Fee of \$162, per semester, per student. The \$162 Student Body Center Fee is to first cover debt service, debt service reserves, the general operation of the student union and other activities. The entire \$162 Student Body Center Fee is recorded as revenue by the University and the portion for general operation, (after debt service requirements are met) are transferred to Associated Students, Inc. The amount is agreed upon between the Associated Students, Inc. Treasurer and the University CFO.

The University borrowed \$13 million for the construction of the Student Union which opened spring 2010. The University maintains a portion of the Student Body Center Fee to pay for debt service and to maintain a reserve. At June 30, 2012 the University had accumulated \$1,828,285 that it was holding to make debt service payments.

**5. PROPERTY AND EQUIPMENT**

Property and equipment for the year ended June 30, 2012 consists of the following:

Equipment	<u>\$ 16,727</u>
	16,727
Accumulated depreciation	<u>(15,261)</u>
Net Property and Equipment	<u>\$ 1,466</u>

Depreciation expense for the year ended June 30, 2012 \$2,536.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)**

**6. RELATED PARTY TRANSACTIONS AND ECONOMIC DEPENDENCY**

Related party receivables consist of the following:

	<u>June 30, 2012</u>
California State University Channel Islands	\$ 999,050
Site Authority	<u>1,000</u>
	<u>\$ 1,000,050</u>

Related party payables consist of the following:

	<u>June 30, 2012</u>
California State University Channel Islands	\$ 7,134
Site Authority	746
University Glen Corporation	<u>33,102</u>
	<u>\$ 40,982</u>

As discussed in Note 1, Associated Students, Inc. operates under agreements with the Trustees. Accordingly, essentially all revenues, and realization of certain assets, are dependent upon the continuation of this agreement.

Funds held by the University on behalf of Associated Students, Inc. include the balance of related party receivable of \$866,582 at June 30, 2012.

**7. RESTRICTED NET ASSETS**

There were no temporarily and permanently restricted net assets at June 30, 2012.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)**

**8. CONCENTRATION RISK**

The majority of the Associated Students, Inc.'s contributions and grants are received from corporations, foundations, and individuals located in the greater Camarillo metropolitan area and from agencies of the state of California and Ventura County. As such, Associated Students, Inc.'s ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the state of California. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for Associated Students, Inc.'s services.

**9. SUBSEQUENT EVENTS**

The Associated Students, Inc. has evaluated events subsequent to June 30, 2012, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 20, 2012, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**SUPPLEMENTARY INFORMATION**



**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
GASB SCHEDULE OF NET ASSETS  
JUNE 30, 2012**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 387,951
Short-term investments	—
Accounts receivable, net	1,000,050
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	—
Total current assets	<u>1,388,001</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	1,466
Other assets	—
Total noncurrent assets	<u>1,466</u>
Total assets	<u>1,389,467</u>
Liabilities:	
Current liabilities:	
Accounts payable	4,840
Accrued salaries and benefits payable	—
Accrued compensated absences— current portion	—
Deferred revenue	23,366
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	40,982
Total current liabilities	<u>69,188</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	51,387
Other postemployment benefits obligation	—
Other liabilities	—
Total noncurrent liabilities	<u>51,387</u>
Total liabilities	<u>120,575</u>
Net assets:	
Invested in capital assets, net of related debt	1,466
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	<u>1,267,426</u>
Total net assets	<u>\$ 1,268,892</u>

See accompanying auditor's report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
GASB SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$_____)	\$ 848,424
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 \$_____)	1,315
Other operating revenues	24,065
Total operating revenues	<u>873,804</u>
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	522,985
Institutional support	181,946
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	2,536
Total operating expenses	<u>707,467</u>
Operating income (loss)	<u>166,337</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	2,787
Investment income (loss), net	1,262
Endowment income (loss), net	—
Interest Expenses	—
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>4,049</u>
Income (loss) before other additions	170,386
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net assets	<u>170,386</u>
Net assets:	
Net assets at beginning of year, as previously reported	1,098,506
Restatements	—
Net assets at beginning of year, as restated	<u>1,098,506</u>
Net assets at end of year	<u>\$ 1,268,892</u>

See accompanying auditor's report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
GASB FOOTNOTES  
FOR THE YEAR ENDED JUNE 30, 2012**

**Footnote II - Transactions with related entities**

State appropriations receivable	\$ -
Payments to University for employee salaries, services, space, etc.	149,543
Payments to the Foundation for services, space and programs	180
Payments to Site Authority for services, space and programs	8,805
Payments to University Glen for services, space and programs	368,258
Amounts receivable from (payable to) the University	999,050
Amounts receivable from (payable to) the Foundation	-
Amounts receivable from (payable to) the Site Authority	1,000
Amounts receivable from (payable to) the University Glen Corporation	-
Amounts receivable from (payable to) the University	(7,134)
Amounts receivable from (payable to) the Foundation	-
Amounts receivable from (payable to) the Site Authority	(746)
Amounts receivable from (payable to) the University Glen Corporation	(33,102)

See accompanying auditor's report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.  
EXPENSES BY NATURAL CLASSIFICATION  
FOR THE YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE TOTALS FOR 2011)**

	<u>2012</u>	<u>2011</u>
<b>EXPENSES</b>		
Administrative fees	\$ 30,000	\$ 30,000
Advertising	219	2,750
Awards	2,947	4,099
Business meals and hospitality	46,013	20,269
Chargebacks	3,575	-
Contributions	2,405	-
Decorations	-	2,480
Depreciation	2,536	2,320
Dues and fees	2,932	3,107
Education and training	4,655	-
Equipment rental	3,697	14,791
Honoraria	1,000	139
Insurance	1,924	2,007
Office expenses	3,535	13,454
Outside services, administrative	192,569	193,188
Outside services, program	219,927	215,733
Postage and delivery	340	158
Printing	7,398	8,682
Professional fees	39,928	36,243
Promotional items	10,791	16,251
Registration fees	-	12,008
Rent	14,926	3,909
Repairs and maintenance	1,419	13,940
Small equipment	10,234	30,257
Supplies	57,556	24,632
Telephone	5,880	-
Travel	21,569	12,783
Utilities	<u>19,492</u>	<u>16,370</u>
Total expenses	<u>\$ 707,467</u>	<u>\$ 679,570</u>

See accompanying auditor's report and  
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<b>1</b>	<b>Restricted cash and cash equivalents at June 30, 2012:</b>		
	Portion of restricted cash and cash equivalents related to endowments	\$	-
	All other restricted cash and cash equivalents		<u>-</u>
	Total restricted cash and cash equivalents	\$	<u>-</u>

See accompanying auditor's report and  
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**2.2 Investments held by the University under contractual agreements at June 30, 2012:**

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2012 :

- - - - -

**2.3 Restricted current investments at June 30, 2012 related to:**

	Amount
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
<b>Total restricted current investments at June 30, 2012</b>	\$ —

**2.4 Restricted noncurrent investments at June 30, 2012 related to:**

	Amount
Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
<b>Total restricted noncurrent investments at June 30, 2012</b>	\$ —

See accompanying auditor's report and notes to financial statements.

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**3.1 Composition of capital assets at June 30, 2012:**

	Balance June 30, 2011	Prior period Adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2012
Nondepreciable/nonamortizable 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	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	16,727	-	-	16,727	-	-	-	16,727
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	16,727	-	-	16,727	-	-	-	16,727
Total capital assets	16,727	-	-	16,727	-	-	-	16,727

See accompanying auditor's report and  
notes to financial statements.





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

	Balance June 30, 2011	Prior period adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Balance June 30, 2012	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:									
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Total long-term debt obligations	—	—	—	—	-	-	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	-	-	—	—	—
Unamortized loss on refunding	—	—	—	—	-	-	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ —	—	—	—	—	—	—	—	—

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**5 Future minimum lease payments - capital lease obligations:**

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
Year ending June 30:			
2013	-	-	—
2014	-	-	—
2015	-	-	—
2016	-	-	—
2017	-	-	—
2018 - 2022	-	-	—
2023 - 2027	-	-	—
2028 - 2032	-	-	—
2033 - 2037	-	-	—
2038 - 2042	-	-	—
2043 - 2047	-	-	—
2048 - 2052	-	-	—
2053 - 2057	-	-	—
2058 - 2062	-	-	—
	<hr/>	<hr/>	<hr/>
Total minimum lease payments			—
Less amounts representing interest			—
Present value of future minimum lease payments			—
Less: current portion			—
<b>Capitalized lease obligation, net of current portion</b>			<b>\$ —</b>

See accompanying auditor's report and  
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6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2013	\$ -	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018 - 2022	-	-	-	-	-	-	-	-	-
2023 - 2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-	-	-	-
2058 - 2062	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

See accompanying auditor's report and notes to financial statements.

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**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	\$ —	1,466	1,466
Capitalized lease obligations - current portion	—	—	—
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 adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net assets - invested in capital assets, net of related debt	<u>\$ —</u>	<u>1,466</u>	<u>1,466</u>
<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	—	—	—
Add description	—	—	—
Add description	—	—	—
Net assets - Restricted for nonexpendable - endowments per SNA	<u>\$ —</u>	<u>—</u>	<u>—</u>

See accompanying auditor's report and  
notes to financial statements.

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**8 Transactions with Related Entities**

	<b>Amount</b>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 45,168
Payments to University for other than salaries of University personnel	104,375
Payments received from University for services, space, and programs	857,230
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)	(7,134)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	999,050
Other amounts receivable from University	—

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notes to financial statements.

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**9 Other Postemployment Benefits Obligation (OPEB)**

Annual required contribution (ARC)	\$	—
Contributions during the year		—
		<hr/>
Increase (decrease) in net OPEB obligation (NOO)		—
NOO - beginning of year		—
		<hr/>
NOO - end of year	\$	<hr/> <hr/>

See accompanying auditor's report and  
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**10 Pollution remediation liabilities under GASB Statement No. 49:**

<b>Description</b>		<b>Amount</b>
Add description	\$	—
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		—

See accompanying auditor's report and notes to financial statements.



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**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, 2011, as previously reported		\$ 1,098,506
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, 2011, as restated		\$ 1,098,506

**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)	—	—

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