

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

**Financial Statements and Supplemental
Schedules for the Year Ended June 30, 2013
and Independent Auditors' Report**

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
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INDEPENDENT AUDITORS' 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 financial statements of Associated Students of California State University Channel Islands, Inc., which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, 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.

Auditors' 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. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Associated Students of California State University Channel Islands, Inc. as of June 30, 2013, 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.

INDEPENDENT AUDITORS' REPORT - Continued

Report on Summarized Comparative Information

We have previously audited the Associated Students of California State University Channel Islands, Inc.'s 2012 financial statements, and our report dated September 20, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Associated Students of California State University Channel Islands, Inc.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements of Associated Students of California State University Channel Islands, Inc. The GASB schedule of net position, GASB schedule of revenues, expenses and changes in net position, GASB footnotes, expenses by natural classification, and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The GASB schedule of net position, GASB schedule of revenues, expenses and changes in net position, GASB footnotes, expenses by natural classification, and other information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 GASB schedule of net position, GASB schedule of revenues, GASB footnotes, expenses and changes in net position, expenses by natural classification, and other information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Vorlein, Hryn + Co.

Calabasas, California
September 9, 2013

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)**

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 248,144	\$ 387,951
Accounts receivable	1,013	-
Loan receivable	273,269	-
Related party receivables	878,066	1,000,050
Property and equipment	<u>-</u>	<u>1,466</u>
 Total assets	 <u><u>\$1,400,492</u></u>	 <u><u>\$1,389,467</u></u>
 LIABILITIES		
Accounts payable	\$ 484	\$ 4,489
Accrued liabilities	7,439	351
Deferred revenue	15,589	23,366
Related party payables	59,901	40,982
Funds held for others	<u>52,930</u>	<u>51,387</u>
Total liabilities	136,343	120,575
 NET ASSETS		
Unrestricted net assets	<u>1,264,149</u>	<u>1,268,892</u>
Total net assets	<u><u>1,264,149</u></u>	<u><u>1,268,892</u></u>
 Total liabilities and net assets	 <u><u>\$1,400,492</u></u>	 <u><u>\$1,389,467</u></u>

See accompanying auditors' report and notes to financial statements.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)**

	<u>2013</u>	<u>2012</u>
REVENUES		
Student fees	\$ 884,241	\$ 848,424
Contributions	-	2,787
Sales and services	-	1,315
Interest income	3,414	1,262
Other revenue	<u>37,000</u>	<u>24,065</u>
 Total revenue	 924,655	 877,853
 EXPENSES		
Student programs	318,225	289,160
Student union	272,282	233,825
General and administrative	337,425	181,946
Depreciation	<u>1,466</u>	<u>2,536</u>
Total expenses	929,398	707,467
 CHANGE IN NET ASSETS	 (4,743)	 170,386
 NET ASSETS - beginning of year	 <u>1,268,892</u>	 <u>1,098,506</u>
 NET ASSETS - end of year	 <u><u>\$ 1,264,149</u></u>	 <u><u>\$ 1,268,892</u></u>

See accompanying auditors' 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, 2013
(WITH COMPARATIVE TOTALS FOR 2012)**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (4,743)	\$ 170,386
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation	1,466	2,536
(Increase) decrease in:		
Accounts receivable	(1,013)	6,929
Loan receivable	(273,269)	-
Related party receivables	121,984	(187,421)
Increase (decrease) in:		
Accounts payable	(4,005)	232
Accrued liabilities	7,088	(8,462)
Deferred revenue	(7,777)	(1,515)
Related party payables	18,919	(40,704)
Funds held for others	<u>1,543</u>	<u>18,362</u>
 Total adjustments	 <u>(135,064)</u>	 <u>(210,043)</u>
 NET INCREASE (DECREASE) IN CASH	 (139,807)	 (39,657)
 CASH AT BEGINNING OF YEAR	 <u>387,951</u>	 <u>427,608</u>
 CASH AT END OF YEAR	 <u>\$ 248,144</u>	 <u>\$ 387,951</u>

See accompanying auditors' 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, 2013**

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 expired June 30, 2013. A new operating agreement is pending final approval and will extend through June 30, 2018.

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. 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, 2013**

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. The Associated Students, Inc. did not have any temporarily restricted net assets at June 30, 2013.

- *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. The Associated Students, Inc. did not have any permanently restricted net assets at June 30, 2013.

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.

Receivables

Receivables are primarily unsecured amounts due on cost reimbursement or performance contracts. The Associated Students, Inc. uses the allowance method of accounting for receivables determined to be potentially uncollectable. In management's opinion, all receivables were collectible at year-end and therefore no allowance has been established.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

No contributed goods and services qualified for recognition during the year ended June 30, 2013.

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 is provided on the straight-line method over estimated useful lives of three to twenty years, as follows:

Equipment	5 years
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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.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013, 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 2011, 2010, 2009, 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.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, 2012 from which the summarized information was derived.

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, 2013
(CONTINUED)**

3. 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.'s 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, 2013 the University had accumulated \$1,992,492 that it was holding to make debt service payments.

4. PROPERTY AND EQUIPMENT

Property and equipment for the year ended June 30, 2013 consists of the following:

Equipment	<u>\$ 16,727</u>
	16,727
Accumulated depreciation	<u>(16,727)</u>
Net Property and Equipment	<u>\$ -</u>

Depreciation expense for the year ended June 30, 2013 \$1,466.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

5. LOAN RECEIVABLE

In March 2013 Associated Students, Inc. entered into a promissory note with University Glen Corporation for approximately half of the construction of Pizza 3.14 in the Town Center. The loan amount of \$278,000 bears interest at 2% with full payment to be completed by January 2033. The loan calls for monthly payments of \$1,406. The loan receivable balance owed at June 30, 2013 was \$273,269. The related party loan receivable is stated at fair value for purposes of the report.

6. RELATED PARTY TRANSACTIONS AND ECONOMIC DEPENDENCY

Related party receivables consist of the following:

	<u>June 30, 2013</u>
California State University Channel Islands	\$ 868,470
California State University Channel Islands Foundation	120
Site Authority	1,500
University Glen Corporation	<u>7,976</u>
	<u>\$ 878,066</u>

Funds held by the University on behalf of Associated Students, Inc. include the balance of related party receivable of \$859,595 at June 30, 2013.

Related party payables consist of the following:

	<u>June 30, 2013</u>
California State University Channel Islands	\$ 12,521
Site Authority	3,101
University Glen Corporation	<u>44,279</u>
	<u>\$ 59,901</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.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

7. FUNDS HELD FOR OTHERS

Funds held for others at year end were \$52,930 and is held in custody for various CI Student Organizations.

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, 2013, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 9, 2013, 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 POSITION
JUNE 30, 2013**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 248,144
Short-term investments	—
Accounts receivable, net	1,152,348
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	—
Total current assets	<u>1,400,492</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	—
Other assets	—
Total noncurrent assets	<u>—</u>
Total assets	<u>1,400,492</u>
Deferred outflows of resources:	
Unamortized loss on refunding(s)	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	7,923
Accrued salaries and benefits payable	—
Accrued compensated absences— current portion	—
Unearned revenue	15,589
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	59,901
Total current liabilities	<u>83,413</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
Unearned 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	52,930
Other postemployment benefits obligation	—
Other liabilities	—
Total noncurrent liabilities	<u>52,930</u>
Total liabilities	<u>136,343</u>
Deferred inflows of resources:	
Deferred service concession arrangement receipts	—
Total deferred inflows of resources	<u>—</u>
Net Position:	
Net investment in capital assets	—
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	1,264,149
Total net position	<u>\$ 1,264,149</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
GASB SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$_____)	\$	884,241
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)		—
Other operating revenues		37,000
		37,000
Total operating revenues		921,241

Expenses:

Operating expenses:

Instruction		—
Research		—
Public service		—
Academic support		—
Student services		590,507
Institutional support		337,425
Operation and maintenance of plant		—
Student grants and scholarships		—
Auxiliary enterprise expenses		—
Depreciation and amortization		1,466
		1,466
Total operating expenses		929,398
Operating income (loss)		(8,157)

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		3,414
Endowment income (loss), net		—
Interest Expenses		—
Other nonoperating revenues (expenses)		—
		—
Net nonoperating revenues (expenses)		3,414
Income (loss) before other additions		(4,743)

State appropriations, capital

Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
		—
Increase (decrease) in net position		(4,743)

Net position:

Net position at beginning of year, as previously reported		1,268,892
Restatements		—
Net position at beginning of year, as restated		1,268,892
Net position at end of year	\$	1,264,149

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
GASB FOOTNOTES
FOR THE YEAR ENDED JUNE 30, 2013**

Footnote II - Transactions with related entities

State appropriations receivable	\$ -
Payments to University for employee salaries, services, space, etc.	452,798
Payments to the Foundation for services, space and programs	433
Payments to Site Authority for services, space and programs	15,765
Payments to University Glen for employee services, space and programs	451,992
Amounts receivable from (payable to) the University	868,470
Amounts receivable from (payable to) the Foundation	120
Amounts receivable from (payable to) the Site Authority	1,500
Amounts receivable from (payable to) the University Glen Corporation	7,976
Amounts receivable from (payable to) the University	(12,521)
Amounts receivable from (payable to) the Foundation	-
Amounts receivable from (payable to) the Site Authority	(3,101)
Amounts receivable from (payable to) the University Glen Corporation	(44,279)

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
EXPENSES BY NATURAL CLASSIFICATION
FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)**

	<u>2013</u>	<u>2012</u>
EXPENSES		
Administrative fees	\$ 80,000	\$ 30,000
Advertising	1,541	219
Awards	2,039	2,947
Business meals and hospitality	74,341	46,013
Chargebacks	10,072	3,575
Contributions	-	2,405
Depreciation	1,466	2,536
Dues and fees	1,215	2,932
Education and training	15,595	4,655
Equipment rental	2,389	3,697
Honoraria	2,150	1,000
Insurance	1,730	1,924
Office expenses	5,254	3,535
Outside services, administrative	256,088	192,569
Outside services, program	256,087	219,927
Postage and delivery	426	340
Printing	9,406	7,398
Professional fees	46,160	39,928
Promotional items	7,093	10,791
Rentals/Leases	19,084	14,926
Repairs and maintenance	13,844	1,419
Small equipment	12,116	10,234
Supplies	61,430	57,556
Telephone	3,721	5,880
Travel	17,526	21,569
Utilities	<u>28,625</u>	<u>19,492</u>
 Total expenses	 <u>\$ 929,398</u>	 <u>\$ 707,467</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

1	Restricted cash and cash equivalents at June 30, 2013:		
	Portion of restricted cash and cash equivalents related to endowments	\$	-
	All other restricted cash and cash equivalents		-
			<hr/>
	Total restricted cash and cash equivalents	\$	-
			<hr/>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

2.1 Composition of investments at June 30, 2013:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-	-	-
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF)	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:							
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Partnership interests (includes private pass-through)	-	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Other major investments:							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

2.2 Investments held by the University under contractual agreements at June 30, 2013:
Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2013 :

2.3 Restricted current investments at June 30, 2013 related to:	<u>Amount</u>
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2013	<u>\$ —</u>

2.4 Restricted noncurrent investments at June 30, 2013 related to:	<u>Amount</u>
Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2013	<u>\$ —</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

3.1 Composition of capital assets at June 30, 2013:

	Balance June 30, 2012	Prior period Adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2013
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

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(15,261)	-	-	(15,261)	(1,466)	-	-	(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 accumulated depreciation/amortization	<u>(15,261)</u>	<u>-</u>	<u>-</u>	<u>(15,261)</u>	<u>(1,466)</u>	<u>-</u>	<u>-</u>	<u>(16,727)</u>
Total capital assets, net	<u>\$ 1,466</u>	<u>-</u>	<u>-</u>	<u>1,466</u>	<u>(1,466)</u>	<u>-</u>	<u>-</u>	<u>-</u>

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2013:

Depreciation and amortization expense related to capital assets	\$ 1,466
Amortization expense related to other assets	<u>—</u>
Total depreciation and amortization	<u>\$ 1,466</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

4 Long-term liabilities activity schedule:

	Balance June 30, 2012	Prior period adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Balance June 30, 2013	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	—	—	—	—	-	-	—	—	—
Note Payable related to SRB	—	—	—	—	-	-	—	—	—
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	\$ —	—	—	—	—	—	—	—	—

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

5 Future minimum lease payments - capital lease obligations:

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
Year ending June 30:			
2014	-	-	—
2015	-	-	—
2016	-	-	—
2017	-	-	—
2018	-	-	—
2019 - 2023	-	-	—
2024 - 2028	-	-	—
2029 - 2033	-	-	—
2034 - 2038	-	-	—
2039 - 2043	-	-	—
2044 - 2048	-	-	—
2049 - 2053	-	-	—
2054 - 2058	-	-	—
2059 - 2063	-	-	—
	<hr/>	<hr/>	<hr/>
Total minimum lease payments			—
Less amounts representing interest			—
Present value of future minimum lease payments			<hr/>
Less: current portion			—
Capitalized lease obligation, net of current portion			<hr/> \$ <hr/>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

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:									
2014	\$ -	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019 - 2023	-	-	-	-	-	-	-	-	-
2024 - 2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

7 Calculation of net position

	<u>Auxiliary Organizations</u>		<u>Total</u>
	<u>GASB</u>	<u>FASB</u>	<u>Auxiliaries</u>
7.1 Calculation of net position - Net investment in capital assets			
Capital assets, net of accumulated depreciation	\$	—	—
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 position - net investment in capital asset	\$	—	—
7.2 Calculation of net position - Restricted for nonexpendable - endowments			
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 position - Restricted for nonexpendable - endowments per SNP	\$	—	—

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

8 Transactions with Related Entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 81,506
Payments to University for other than salaries of University personnel	371,292
Payments received from University for services, space, and programs	339,549
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)	(12,521)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	868,470
Other amounts receivable from University	—

**ASSOCIATED STUDENTS OF
 CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
 OTHER INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2013
 (CONTINUED)**

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		—
NOO - end of year	\$	<hr/> <hr/>

**ASSOCIATED STUDENTS OF
 CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
 OTHER INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2013
 (CONTINUED)**

10 Pollution remediation liabilities under GASB Statement No. 49:

<u>Description</u>	<u>Amount</u>
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
	<hr/>
Total pollution remediation liabilities	\$ —
Less: current portion	—
	<hr/>
Pollution remediation liabilities, net of current portion	<hr/> — <hr/>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

11 The nature and amount of the prior period adjustment(s) recorded to beginning net position

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 2012, as previously reported		\$ 1,268,892
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 position as of June 30, 2012, as restated		\$ 1,268,892

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 position class: _____		
1 (breakdown of adjusting journal entry)	\$ —	—
Net position class: _____		
2 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
3 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
4 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
5 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
6 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
7 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
8 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
9 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
10 (breakdown of adjusting journal entry)	—	—