

**California State University, Channel Islands
Financing Authority**

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

June 30, 2021

**California State University, Channel Islands
Financing Authority**

Index

	<u>Page</u>
Independent Auditor's Report	2
Management's Discussion and Analysis	6
Financial Statements	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows	12
Notes to Financial Statements	13
Required Supplementary Information	
GASB Schedule of Net Position	19
GASB Schedule of Revenues, Expenses and Changes in Net Position	20
Other Information	21
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28

Independent Auditor's Report

To the Board of Directors
The California State University, Channel Islands Financing Authority

Report on Financial Statements

We have audited the accompanying financial statements of California State University, Channel Islands Financing Authority, which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Channel Islands Financing Authority as of June 30, 2021, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise California State University, Channel Islands Financing Authority's financial statements. The accompanying supplementary information on pages 19 to 27 is presented for purposes of additional analysis as required by an Administrative Directive dated June 24, 2003, *Financial Reporting Requirements for Auxiliary Organizations*, from the California State University Office of the Chancellor, and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

The financial statements of California State University, Channel Islands Financing Authority for the year ended June 30, 2020, were audited by other auditors whose report, dated September 17, 2020, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Prior Period Financial Statements

The financial statements of California State University, Channel Islands Financing Authority as of June 30, 2020, were audited by other auditors whose report dated September 17, 2020, expressed an unmodified opinion on those statements

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2021, on our consideration of the California State University, Channel Islands Financing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the California State University, Channel Islands Financing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the California State University, Channel Islands Financing Authority's internal control over financial reporting and compliance.



Los Angeles, California
September 17, 2021

**California State University, Channel Islands
Financing Authority**

**Management's Discussion and Analysis
For the Year Ended June 30, 2021
(Unaudited)**

This section of the California State University Channel Islands Financing Authority (the Financing Authority) annual financial report presents our discussion and analysis of the financial performance of the Financing Authority for the fiscal year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Introduction to the Financial Statements

This annual report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and No. 38, *Certain Financial Statement Note Disclosures*. For reporting purposes, the Financing Authority is considered a special purpose government engaged only in business type activities, which best represent the activities of the Financing Authority.

The financial statements include the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows. These statements are supported by the notes to the financial statements and this section. All sections must be considered together to obtain a complete understanding of the financial picture of the Financing Authority.

Statement of Net Position

The statement of net position includes all assets and liabilities. Assets and liabilities are reported at their book value, on an accrual basis, as of the statement date. It also identifies major categories of restrictions on the net position of the Financing Authority.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year on an accrual basis.

Statement of Cash Flows

The statement of cash flows presents the inflows and outflows of cash for the year and is summarized by operating, noncapital financing, capital and related financing, and investing activities. The statement is prepared using the direct method of cash flows and, therefore, presents gross rather than net amounts for the year's activities.

Analytical Overview

Summary

The following discussion highlights management's understanding of the key financial aspects of the Financing Authority's financial activities. Included are an analysis of current year activities and balances, and a summary of operations.

**California State University, Channel Islands
Financing Authority**

**Management's Discussion and Analysis
For the Year Ended June 30, 2021
(Unaudited)**

The Financing Authority's summary of net position as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Assets:				
Current assets	\$9,556	\$9,556	\$ -	-
Other noncurrent assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>9,556</u>	<u>9,556</u>	<u>-</u>	<u>-</u>
Liabilities:				
Current liabilities	9,556	9,556	-	-
Other noncurrent liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>9,556</u>	<u>9,556</u>	<u>-</u>	<u>-</u>
Net position:				
Net investment in capital assets	-	-	-	-
Restricted	-	-	-	-
Unrestricted	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

Assets

Total assets had no change. The \$9k is for accounts receivable balances remaining on direct billings.

Liabilities

Total liabilities had no change compared to prior year and continues to reflect assets due to the California State University, Channel Islands Site Authority.

Net Position

Total net position had no change. Special taxes received from the County of Ventura are transferred to the California State University, Channel Islands Site Authority.

**California State University, Channel Islands
Financing Authority**

**Management's Discussion and Analysis
For the Year Ended June 30, 2021
(Unaudited)**

The Financing Authority's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Operating revenues:				
Other operating revenues	\$ -	\$ -	\$ -	-
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:				
General, administrative, and other operating costs	<u>15,368</u>	<u>5,974</u>	<u>9,394</u>	<u>157.25%</u>
Total operating expenses	<u>15,368</u>	<u>5,974</u>	<u>9,394</u>	<u>157.25%</u>
Operating income (loss)	<u>(15,368)</u>	<u>(5,974)</u>	<u>(9,394)</u>	<u>157.25%</u>
Nonoperating revenues (expenses):				
Special taxes	<u>778,982</u>	<u>751,993</u>	<u>26,989</u>	<u>4%</u>
Income before transfers	<u>763,614</u>	<u>746,019</u>	<u>17,595</u>	<u>2%</u>
Transfers to California State University Channel Islands Site Authority - Special Tax- Communities Facilities District	<u>763,614</u>	<u>746,019</u>	<u>17,595</u>	<u>0.00%</u>
Changes in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Ending net position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>0.00%</u></u>

Operating Revenues and Expenses

Operating revenues and expenses come from sources that are connected directly to the Financing Authority's business function. There are no operating revenues in the Financing Authority, only expenses in the form of fee assessments from the County of Ventura.

Operating Revenues

There are no operating revenues to report.

Operating Expenses

Total operating expenses increased by \$9.4K versus prior year.

Nonoperating Revenues (Expenses)

Nonoperating revenues (expenses) come from sources that are not connected directly to the Financing Authority's business function. Revenues come from special taxes received from the County of Ventura. Expenses are the transfer of these revenues to the California State University, Channel Islands Site Authority.

**California State University, Channel Islands
Financing Authority**

**Management's Discussion and Analysis
For the Year Ended June 30, 2021
(Unaudited)**

Total nonoperating revenue is dependent on the amount of special tax collected from the privately-owned single-family homes (72) and townhomes (200) by the County of Ventura, and then reapportioned to the Financing Authority. Total nonoperating expenses are transfers to service debt. Transfers increased \$26.9K over the prior year.

Basic Financial Statements

**California State University, Channel Islands
Financing Authority**

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

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Accounts receivable - property tax	\$ 9,556	\$ 9,556
Total current assets	<u>9,556</u>	<u>9,556</u>
Total assets	<u>9,556</u>	<u>9,556</u>
<u>Liabilities and Net Position</u>		
Current liabilities		
Due to California State University, Channel Islands Site Authority	<u>9,556</u>	<u>9,556</u>
Total current liabilities	<u>9,556</u>	<u>9,556</u>
Total liabilities	<u>9,556</u>	<u>9,556</u>
Net position:		
Unrestricted	<u>-</u>	<u>-</u>
Total net position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to the Financial Statements

**California State University, Channel Islands
Financing Authority**

**Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2021
With Summarized Totals for the Year Ended June 30, 2020**

	<u>2021</u>	<u>2020</u>
Operating expenses		
General, administrative, and other operating costs	\$ 15,368	\$ 5,974
Total operating expenses	<u>15,368</u>	<u>5,974</u>
Operating loss	(15,368)	(5,974)
Nonoperating revenues (expenses):		
Special taxes	<u>778,982</u>	<u>751,993</u>
Income before transfers	763,614	746,019
Transfer to California State University, Channel Islands Site Authority - Special Tax - Community Facilities District	<u>(763,614)</u>	<u>(746,019)</u>
Changes in net position	-	-
Net position, beginning of year	<u>-</u>	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to the Financial Statements

**California State University, Channel Islands
Financing Authority**

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

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash paid to suppliers	<u>\$ (15,368)</u>	<u>\$ (5,974)</u>
Net cash used in operating activities	<u>(15,368)</u>	<u>(5,974)</u>
Cash flows from noncapital financing activities:		
Tax receipts	778,982	742,437
Special taxes	<u>(763,614)</u>	<u>(746,019)</u>
Net cash provided by (used in) noncapital financing activities	<u>15,368</u>	<u>(3,582)</u>
Cash flows from capital and related financing activities:		
Funding provided to California State University, Channel Islands Site Authority	<u>-</u>	<u>9,556</u>
Net cash provided by capital and related financing activities	<u>-</u>	<u>9,556</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	<u>\$ (15,368)</u>	<u>\$ (5,974)</u>
Net cash used in operating activities	<u><u>\$ (15,368)</u></u>	<u><u>\$ (5,974)</u></u>

See Notes to the Financial Statements

**California State University, Channel Islands
Financing Authority**

**Notes to Financial Statements
June 30, 2021**

Note 1 - Organization

The CSUCI Financing Authority (the Financing Authority) was formed on May 10, 2000 under and pursuant to a Joint Powers Authority formed by and between the Trustees of the California State University (the CSU Trustees) and the California State University Site Authority (the Site Authority). The Financing Authority's purpose is to provide financing for public capital improvements serving the California State University, Channel Islands (the Campus).

The Financing Authority is authorized to issue revenue bonds to be used to finance and refinance the cost of constructing various public improvements on property transferred to the CSU Trustees and will be managed by the Site Authority. The West Campus consists of developed space on 42 acres of what was formerly the Camarillo State Hospital. This portion of the Campus is centered on academic uses and houses the California State University, Channel Islands (the Campus). The East Campus comprises 162 acres of developable land, originally expected to contain 900 residential units and approximately 31,000 square feet of retail commercial uses; however, in July 2017 the Trustees adopted a revised Master Plan that increases the residential unit density to 1,258. To date, 658 units are completed and the remaining 600 are expected to be completed in March 2023.

The Financing Authority is an integral part of the Campus, and the financial transactions of the Financing Authority are also included in the financial statements of the Campus as a discretely presented component unit.

Note 2 - Summary of significant accounting policies

Accounting method

The accompanying financial statements are prepared on the accrual basis of accounting.

Basis of presentation

The accompanying financial statements of the Financing Authority have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. The Financing Authority is considered a special-purpose government. The Financing Authority records revenue primarily from property taxes and, accordingly, has chosen to present its financial statements using the reporting model for special-purpose governments engaged only in business-type activities. This model allows all financial information for the Financing Authority to be reported in a single column in each of the financial statements. In accordance with the business-type activities reporting model, the Financing Authority prepares its statement of cash flows using the direct method.

Election of applicable FASB statements

The Financing Authority has elected to follow private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to November 30, 1989, unless those standards conflict with or contradict guidance of the GASB. The Financing Authority also has the option of following subsequent private-sector guidance subject to the same limitation. The Financing Authority has elected not to follow subsequent private-sector guidance.

California State University, Channel Islands
Financing Authority

Notes to Financial Statements
June 30, 2021

Financial reporting entity

The financial statements include the accounts of the Financing Authority. The Financing Authority is a government organization under accounting principles generally accepted in the United States of America and is also a component unit of the Campus, a public university under the California State University system. The Financing Authority has chosen to use the reporting model for special-purpose governments engage only in business type activities.

Classification of revenues and expenses

The Financing Authority considers operating revenues and expenses in the statement of revenues, expenses and changes in net position to be those revenues and expenses that result from exchange and nonexchange transactions or other activities that are connected directly to the Financing Authority's primary functions. Exchange transactions primarily include interest income and interest expense. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB requirements. These nonoperating activities are primarily transfers to the Site Authority and collection of special tax revenues.

Cash and cash equivalents

The Financing Authority considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

Revenue recognition

Revenues from home sales are recognized as homes are sold, the title passes, and escrow closes. Rental revenues are recognized as amounts are earned and coincide with the lease agreement. Maintenance rent is recognized monthly upon receipt from homeowners and retail tenants. Tax increment revenues are recognized when the taxes are levied and sales tax revenues are recognized upon receipt. Energy sales are recognized as energy is provided to customers.

Income taxes

The Financing Authority was formed pursuant to Articles 1 – 4, Chapter 5, division 7, title 1 of the Government Code of the State of California and, as a governmental entity, is not subject to federal or state income taxes.

Property taxes

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Codes and Revenue and Taxation Codes. Property is originally assessed at 100% of full cash or market value at the date of transfer or completion of construction pursuant to Article XIII(A) of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization.

Pursuant to the Mello-Roos Community Facilities Act of 1982, the Financing Authority formed Community Facilities District No. 2000-1 (the District) on November 6, 2000 to assist in financing the development of the Campus. The District is authorized to incur a maximum of \$50,000,000 of indebtedness to provide for the cost of certain public facilities and services. The District may levy and collect a special tax within the district to repay such indebtedness. The special taxes are payable and are collected in the same manner and time as are general and ad valorem taxes on real property.

Property taxes are levied on both real and personal property. Secured property taxes become a lien on the property on January 1 or the date on which title to the property transfers or improvements to the property are completed. Secured property taxes are levied July 1 and payable in two equal

California State University, Channel Islands
Financing Authority

Notes to Financial Statements
June 30, 2021

installments the first is generally due on November 1 and delinquent with penalties after December 10; the second is generally due on February 1 and delinquent with penalties after April 10. Special tax revenues are recognized in the period in which they are levied, net of amounts determined to be uncollectible.

Supplemental property tax assessments/refunds associated with changes in assessed valuations due to transfers of title and completed property improvements are levied in two equal installments and have variable due dates based on the date of title transfer and/or completion of the property improvements.

Use of estimates

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Management also determines the accounting principles to be used in the preparation of the financial statements.

Comparative totals

The financial statements include certain prior-year summarized comparative information in total but not by net position 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 Financing Authority's financial statements for the year ended June 30, 2020 from which the summarized information was derived.

Special taxes

The Financing Authority transfers special tax receipts (the Mello-Roos property tax receipts) along with any interest earned after paying any related fees to the Site Authority. The transferred amount is used to pay the Site Authority's capitalized lease obligations.

Fair Value Measurements

The Financing Authority reports its fair value measurements using a three-level hierarchy that prioritizes the inputs used to measure fair value in accordance with GASB 72, *Fair Value Measurement and Application*. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques 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.

California State University, Channel Islands
Financing Authority

Notes to Financial Statements
June 30, 2021

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 Financing Authority has access at 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 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, Financing Authority measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Note 3 - Due to CSUCI Site Authority

Pursuant to the terms of the trust agreements with U.S. Bank and The Bank of New York (each, a Trustee), the Financing Authority holds the cash from the sale of the Revenue Bonds with the Trustee for those Revenue Bonds and the Trustee disburses cash to the Site Authority as expenses are incurred. Amount due to the Site Authority at June 30, 2021 was \$9,556 and consists of special tax receipts yet to transfer, which will be used for upcoming capitalized lease payments.

Note 4 - Related party transactions

Substantially all of the transactions entered into by the Financing Authority are with the Site Authority.

Note 5 - Contingencies

From time to time, the Financing Authority may have claims against it arising from its normal operations. Currently, there are no claims or litigation against the Financing Authority.

Coronavirus

In December 2019, a novel strain of the coronavirus ("COVID-19") was reported. On March 11, 2020, the World Health Organization declared the COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closures. As a result of mandates

**California State University, Channel Islands
Financing Authority**

**Notes to Financial Statements
June 30, 2021**

issued by government officials, the campus of California State University, Channel Islands and the Financing Authority transitioned to virtual learning and programming in late March 2020. For the fall semester of 2021, the campus returned to in-person and online instruction, following Ventura County guidelines and public health protocols.

Supplementary Information

**California State University, Channel Islands
Financing Authority**

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

Assets:	
Current assets:	
Cash and cash equivalents	\$ -
Short-term investments	-
Accounts receivable, net	9,556
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
Total current assets	9,556
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	-
Other assets	-
Total noncurrent assets	-
Total assets	9,556
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
Total deferred outflows of resources	-
Liabilities:	
Current liabilities:	
Accounts payable	9,556
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	-
Total current liabilities	9,556
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	-
Total liabilities	9,556
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	-
Net position:	
Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	-
Total net position	\$ -

**California State University, Channel Islands
Financing Authority**

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

Revenues:

Operating revenues:

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

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	15,368
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	-
Depreciation and amortization	-
Total operating expenses	15,368
Operating income (loss)	(15,368)

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	-
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	15,368
Net nonoperating revenues (expenses)	15,368
Income (loss) before other revenues (expenses)	-

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

Net position:

Net position at beginning of year, as previously reported	-
Restatements	-
Net position at beginning of year, as restated	-
Net position at end of year	\$ -

**California State University, Channel Islands
Financing Authority**

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

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents	\$	-
Noncurrent restricted cash and cash equivalents	\$	-
Current cash and cash equivalents	\$	-
Total	\$	-

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	-	-
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	-	-	-
Exchange traded funds	-	-	-
Equity securities	-	-	-
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
Total Other investments	-	-	-
Total investments	-	-	-
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ -	\$ -	\$ -

**California State University, Channel Islands
Financing Authority**

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

2.2 Fair value hierarchy in investments:

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

2.3 Investments held by the University under contractual agreements:

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

**California State University, Channel Islands
Financing Authority**

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

3.1 Composition of capital assets:

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

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ -
Amortization expense related to other assets	\$ -
Total depreciation and amortization	<u>\$ -</u>

**California State University, Channel Islands
Financing Authority**

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

4 Long-term liabilities:

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

5 Capital lease obligations schedule:

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

**California State University, Channel Islands
Financing Authority**

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

6 Long-term debt obligations schedule:

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

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs

Payments to University for other than salaries of University personnel

Payments received from University for services, space, and programs

Gifts-in-kind to the University from discretely presented component units

Gifts (cash or assets) to the University from discretely presented component units

Accounts (payable to) University (enter as negative number)

Other amounts (payable to) University (enter as negative number)

Accounts receivable from University (enter as positive number)

Other amounts receivable from University (enter as positive number)

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

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

26

**California State University, Channel Islands
Financing Authority**

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

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	15,368	-	15,368
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	\$ -	\$ -	\$ -	\$ -	\$ -	15,368	\$ -	\$ 15,368

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	\$ -
Deferred outflows - net pension liability	-
Deferred outflows - net OPEB liability	-
Deferred outflows - others:	-
Sales/intra-entity transfers of future revenues	-
Gain/loss on sale leaseback	-
Loan origination fees and costs	-
Change in fair value of hedging derivative instrument	-
Irrevocable split-interest agreements	-
Total deferred outflows - others	-
Total deferred outflows of resources	\$ -

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	\$ -
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	-
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	-
Deferred inflows - others:	-
Sales/intra-entity transfers of future revenues	-
Gain/loss on sale leaseback	-
Loan origination fees and costs	-
Change in fair value of hedging derivative instrument	-
Irrevocable split-interest agreements	-
Total deferred inflows - others	-
Total deferred inflows of resources	\$ -

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	\$ 778,982
Other nonoperating (expenses)	(763,614)
Total other nonoperating revenues (expenses)	\$ 15,368

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

The Board of Directors
California State University, Channel Islands Financing Authority

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of California State University, Channel Islands Financing Authority (the "Financing Authority"), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

CohnReznick LLP

Los Angeles, California
September 17, 2021



Independent Member of Nexia International

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