



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

**AGENDA
Regular Meeting
March 4, 2024 at 11:30 a.m.**

Location: California State University Channel Islands
Richard R. Rush Hall, President's Board Room
Camarillo Street, Camarillo, CA 93012

<http://www.csuci.edu/siteauthority/>

MEMBERS: John Broome, Jr., Chair; Laura Hernandez, Vice Chair; Trustee Larry Adamson; Assistant Vice Chancellor Robert Eaton; Supervisor Jeff Gorell; Supervisor Vianey Lopez; President Richard Yao

ALTERNATES: Supervisor Kelly Long; Councilmember Martita Martinez-Bravo; AVP Laurie Nichols

OPENING STATEMENTS

1. Call to Order (Broome) and Roll Call (Sotelo)
2. Public Comment Period (Pursuant to Government Code section 11125.7) (Broome)
3. Board Member Comment Period (Broome)
4. ACTION: Approve Consent Agenda (Broome)

CONSENT AGENDA

5. ACTION: Approval of Site Authority/Financing Authority Board Minutes of November 13, 2023 (Sotelo)
6. INFORMATION: Anacapa Canyon Project Update (Lazarus)
7. INFORMATION: CI Power/DWR Update (Nichols)
8. INFORMATION: Financial Report (Bracamontes)

INFORMATION AND ACTION ITEMS

9. INFORMATION: CalTRUST Investment Portfolio Presentation (CalTrust) **Time Certain: 12:00**
10. ACTION: Acceptance of Audited Fiscal Year 22-23 Financial Statements for Site Authority (CohnReznick)
ACTION: Acceptance of Audited Fiscal Year 22-23 Financial Statements for Financing Authority (CohnReznick)
11. ACTION: Approval of the Hearing Procedure for Homeowners to Challenge Assessments to Pay Bonded Indebtedness (Mootchnik)
12. ACTION: Appoint Members to Hearing Panel -conditional upon approval of Action Item #12 (Lazarus/Mootchnik)

13. INFORMATION: Site Authority Operations Report (Lazarus)
14. INFORMATION: University Glen Community Advisory Group Update (Lazarus)
15. INFORMATION: Campus and Early Childhood Care & Education Center Updates (Yao)
16. ACTION: Elect Audit Committee Chairperson [Audit Committee Members vote] (Lazarus)
17. ADJOURN

Public Instructions on Addressing the Site Authority Board

Members of the public are welcome to address agenda items that come before standing and special meetings of the board. Comments should pertain to the agenda or University-related matters and not to specific issues that are the subject of collective bargaining, individual grievances or appeals, or litigation. Written comments are also welcome and will be distributed to the members of the board. The purpose of public comments is to provide information to the board, and not to evoke an exchange with board members. Questions that board members may have resulting from public comments will be referred to appropriate staff for response.

In fairness to all speakers who wish to speak, and to allow the board to hear from as many speakers as possible, while at the same time conducting the public business of their meetings within the time available, the Chairperson will determine and announce reasonable restrictions upon the time for each speaker and may ask multiple speakers on the same topic to limit their presentations. In most instances, speakers will be limited to no more than three minutes. The totality of time allotted for public comment at the board meeting will be 30 minutes, and speakers will be scheduled for appropriate time in accord with the numbers that sign up. Speakers are requested to make the best use of the public comment opportunity and to follow the rules established.

Requests for reasonable modification or accommodation from individuals with disabilities, consistent with the American with Disabilities Act, shall be made as follows:

- By email: to christina.sotelo429@csuci.edu or
- By telephone: to 805-437-3281

**Regular Meeting Minutes
Monday, November 13, 2023**

The California State University Channel Islands Site Authority (SA) and The California State University Channel Islands Financing Authority (FA) met on Monday, November 13, 2023, at 11:30 a.m. on the CSUCI campus in the Handel Evans Conference Room in the John Spoor Broome Library, Camarillo St., Camarillo, CA.

Site Authority Board Chairperson John Broome, Jr. called the meeting to order at 11:34 a.m. A quorum was established.

Members present:

John Broome Jr., Chair; Laura Hernandez, Vice Chair; Trustee Larry Adamson; Assistant Vice Chancellor Robert Eaton; Supervisor Vianey Lopez; President Richard Yao

Regrets:

Supervisor Jeff Gorell; Supervisor Kelly Long

Alternates present:

Councilmember Martita Martinez-Bravo; Laurie Nichols, AVP Administrative Services/HRO

Others present: Marc Mootchnik, University Counsel; Stephanie Bracamontes, Controller; Thomas Hunt, AVP Facilities Services; Barbara Rex, SA Treasurer; Terry Tarr, Associate Architect; Celina Zacarias, Executive Director of Community & Government Relations; Christina Sotelo, Secretary

OPENING STATEMENTS

Robert Eaton opened the Financing Authority meeting to run concurrently with the Site Authority meeting.

ACTION: Election of Chair and Vice Chair of the Financing Authority (Eaton)

Motion was made by Robert Eaton to nominate John Broome Jr. as chair of the CSUCI Financing Authority and Laura Hernandez as Vice Chair for the CSUCI Financing Authority. The motion was seconded by Larry Adamson and carried unanimously by roll-call vote.

Chair Broome called for public comment (pursuant to Government Code Section 11125.7).

Public Comment Period

Mary Kennedy, a University Glen resident, discussed the information regarding grants available under the Inflation Reduction Act. She said there are grants available for the Tri-County with the Renewable Energy Alliance. Grants are also available for Universities under the Direct Pay Provisions of the Inflation Reduction Act. Ms. Kennedy stated that with the recent cost of a furnace replacement, the liability for the reserves increased to 1.8 million dollars. She requested to have a team appointed which includes individuals from the office, government affairs, finance, sustainability, and community members. The team would develop a plan to identify the appropriate public officials and work together to find and receive grants available. Ms. Kennedy mentioned the recent special assessment due to an insurance premium. Her concerns are elaborated in the submitted public comment document.

Sandi Boyd, a University Glen homeowner, expressed her concerns for the University Glen Investment Policy. She stated that the investments in CalTRUST involved risk. She expressed her concerns about the Mello-Roos taxes. She requested the creation of an investment subcommittee of the Community Advisory Group with specific objectives that she elaborated in the submitted public comment document.

Board Member Comment Period

Chair Broome asked if there were any comments.

Councilmember Martita Martinez-Bravo asked when the agendas are posted. Laurie Nichols stated that they are posted ten days before the board meeting.

No further comments were made.

CONSENT AGENDA

- ACTION: Approval of Site Authority Board Minutes of August 14, 2023 (Sotelo)
- ACTION: Approval of 2024 Meeting Calendar (Sotelo)
- INFORMATION: Anacapa Canyon Project Update (Lazarus/Nichols)
- INFORMATION: Site Authority Operations Report (Lazarus/Nichols)
- INFORMATION: CI Power/DWR Update (Hunt)
- INFORMATION: Financial Report (Bracamontes)

Approve Consent Agenda

Motion was made by Robert Eaton to approve the consent agenda. The motion was seconded by Laura Hernandez and carried unanimously by roll-call vote.

INFORMATION AND ACTION ITEMS

ACTION: Approval of Audited Fiscal Year 22-23 Financial Statements for Site Authority (CohnReznick) TIME CERTAIN: 12:10

ACTION: Approval of Audited Fiscal Year 22-23 Financial Statements for Financing Authority (CohnReznick)

Aaron Filene, the Audit Senior Manager at Cohn Reznick presented the financial statements. He stated that Cohn Reznick identified no significant control deficiencies in the internal control structure. Nicole Stan added that if they become aware of anything significant or material, as it relates to the controls, it would be brought to everyone's attention. Ms. Stan said that since there was nothing to report, the controls are strong for the business cycles they tested. Mr. Filene continued with addressing the most significant risks identified. He said the adoption of Government Accounting Standards Board (GASB) No. 94 had the most significant impact on the balance statement. Mr. Filene focused on the significant estimate related to the adoption of the new lease standard. Cohen Reznick did not report any unusual transactions, no significant deficiencies, and no suspected fraud was found. Mr. Filene elaborated on the Management Consultation with Other Accountants. He explained that it is a preventative for opinion shopping. There was no sign of this with the Site Authority. The financial statements are very consistent with the prior year with some influences related to the adoption of GASB No. 94. A clean opinion has been issued for the audit report. A clean opinion is the best opinion Cohen Reznick can issue. Capital assets slightly increased due to the adoption of GASB No. 94. Mr. Filene mentioned the growth in accounts payable and occurred expenses. This was due to a settlement of a dispute related to energy sales. Nicole Stan provided a high-level overview of the changes to the accounting principles. Which is the geographical location of the leases but has no impact on the net income or net assets. Mr. Filene finished the presentation by reviewing the Notes to the Financial Statements.

Councilmember Martita Martinez-Bravo asked if the Site Authority Board falls under the Brown Act. Marc Mootchnik stated that since the Site Authority is a state entity it falls under the Bagley-Keene Act. Councilmember Martinez-Bravo expressed her concern with the appearance of a lack of transparency. She requested that the community members have more time to review the financial reports before the board can decide. She requested to table the action item and bring in Cohen Reznick to present in person due to technical difficulties.

Robert Eaton asked Stephanie Bracamontes if there was a reason why the financial statements were not posted on the agenda ten days in advance. Ms. Bracamontes explained that the Audit Committee met in September and accepted the reports to the full board. The Audit Committee appointed chairperson would be the one presenting the reports to the board. Since there is not an Audit Committee chairperson appointed Cohen Reznick was appointed to present the reports. The reports have already been accepted by the Audit Committee. Mr. Eaton suggested moving forward with the report because it was a clean opinion and he had time to review it. The board unanimously decided to defer the action item for the next board meeting to allow time to review the audit statements. Chair Broome requested to have Cohen Reznick in person to present.

Motion was made by Larry Adamson to defer the acceptance of the audit reports until the following board meeting. The motion was seconded by Robert Eaton and carried unanimously by roll-call vote.

ACTION: Request the Board to appoint member(s) to and formation of a panel to conduct a proceeding to review the Special Tax of a resident contesting that per Section 7.3 of the GSL (Nichols/Mootchnik)

Laurie Nichols explained that within the Ground Sublease, Section 7.3, it allows a homeowner to contest the Special Tax. It has been proposed to allow the homeowner to present to a three-member board. Larry Adamson asked what the three-member board's final authority would be. Marc Mootchnik stated this would be an opportunity for the homeowner to present their arguments for review. Vice Chair, Laura Hernandez asked if there are any specifications as to what comprises the committee. Mr. Mootchnik stated that the provisions are bare on requirements. Chair Broome requested to formulate a process with timelines before appointing board members to the committee. Larry Adamson suggested working with the CSU office to put together a set of standards for the committee. Robert Eaton asked for a balanced approach for the committee. Ms. Hernandez asked if there would be a conflict of interest if there was a community member on the committee. Mr. Mootchnik stated that a process will be developed, and it will be brought back to the board to appoint the committee. President Yao agreed and requested clarification on the parameters.

Motion was made by Larry Adamson to table the agenda item until the following board meeting. The motion was seconded by Robert Eaton and carried unanimously by roll-call vote.

INFORMATION: University Glen Community Advisory Group Update (Lazarus/Nichols)

The Community Advisory Group's charter was redefined to include the entire community, including Anacapa Canyon. A legal opinion was requested for the code of conduct for the Homeowners Advisory Council meetings. Marc Mootchnik stated that since he represents the Site Authority, and the Homeowners Advisory Council is not a Site Authority committee, he does not have the authority to advise them on their code of conduct. He defers this to the Homeowners Advisory Council members to decide on how to draft their code of conduct. The draft document was reviewed by Mr. Mootchnik. The drafted code of conduct does not affect the Site Authority. The community has expressed its desire to form an investment committee. CalTRUST will be presenting at the next Site Authority Board meeting.

INFORMATION: Campus & Early Childhood Care & Education Center Update (Yao)

The university has 80% of the capital costs committed for the Early Childhood Care and Education Center. Primarily funded through Ventura County, through direct state allocations, campus share, and philanthropic support.

The President updated the Board on the following items:

- The ribbon-cutting ceremony took place for the Black Cultural Center, LatinX Cultural Center, and Social Justice Center.
- The groundbreaking ceremony took place at Gateway Hall. Construction continues for the new welcome center for the university. This is scheduled for completion in the Summer of 2025.
- Manzanita Hall has been transitioned into the Martin V. Smith Hall. Which will be the home of the School of Business and Economics.
- CSUCI hosted a group of Biotechnology leaders, in partnership with the Conejo Valley Chamber of Commerce. Professor Nitika Parmar worked with industry leaders to make sure student learning outcomes are in full alignment with workforce needs.

- Martin V. Smith, School of Business and Economics partnered with Women's Economic Ventures. The collaboration gave access to training and funding for Latinx entrepreneurs with limited English proficiencies. Women's Economic Ventures awarded 45 microgrants worth \$7,500 to historically marginalized entrepreneurs.
- CSUCI has partnered with Community Memorial Health through the health science department. Professor Kristen Linton and CSUCI students worked in the brain injury center, creating immersive virtual reality scenarios to help individuals with brain injuries and improve memory. They also did the data analysis for the three-year Caregivers pilot program. The pilot results have shown that Latinas/os with traumatic brain injuries who received the intervention had improved functional abilities, depression, and somatic symptoms more than those in a control group.
- Thomas Clobes, professor of Health Science, is working with Cottage Hospital in Santa Barbara. Looking at data from over 4000,000 anonymous patient visits. They evaluated the relationship between cannabis use and opioid prescribing, among patients with chronic pain.
- Three new programs are coming next fall, EdD Educational Leadership, Master of School Counseling, and Master of Public Administration.
- CSUCI is honored to be selected from the surviving family of Carmen Rameriz to house her archives. A campus display will be set up in the Fall of 2024.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:58 p.m.

APPROVED

California State University Channel Islands Site Authority Board and California State University Channel Islands Financing Authority Board

Christina Sotelo, Secretary

Date

ANACAPA CANYON PROJECT UPDATE

BACKGROUND

The Site Authority previously approved a long-term partnership with Kennedy Wilson (KW) to develop the final phase of the University Glen residential community. The development will consist of 589 additional units including 310 market rate apartments, 170 age-restricted/income-based rental units, 109 total single-family homes (64 townhouses and 45 single-family detached houses), and amenities. A Master Ground Sublease (or Master Sublease) with KW was signed on September 27, 2021, and work on the site began in November 2021.

CURRENT STATUS

Both Market Rate and Senior age and income restricted apartments are now sealed up, several Market Rate buildings now have Certificates of Occupancy and have people living in them and construction on the remaining buildings is progressing.

Common areas like the Clubhouse and Pool are now open to both residents of Anacapa Canyon and University Glen

The first residents moved in in December. 15 Single-family and townhouse have closed Escrow and 14 are occupied Phases 2, 3 and 4, consisting of 27 single-family homes and 22 townhomes, are progressing well.

CONSTRUCTION TIMELINE DETAILS

1. 170 each Senior Age/Income restricted Apartments with a mx of 1BR/1BA and 2BR/2BA
 - a. In order to pre-qualify applicant must be within income restrictions and make 1.5 x the rental amount for the unit they are applying for.
 - b. Rental Rates:
 - i. Starting at \$874 and range to \$1,749** for 1 bedroom ** Subsidized rents may vary/rates are subject to change.
 - ii. Starting at \$1,079 and range to \$2,098** for 2 bedroom ** Subsidized rents may vary/rates are subject to change.
 - c. Income restrictions
 - i. 1 person income restriction; 30% \$32,640, 50% \$54,400, 60% \$65,280
 - ii. 2-person income restriction; 30% \$37,320, 50% \$62,200, 60% \$74,640
2. Overall construction timeline is
 - a. 170 Senior Apartments
 - i. Phase 1 Occupancy-March/April 2024
 - b. 310 Market Rate Apartments
 - i. Phase 1 (9 Buildings, 87 Units) – January-March 2024
 - ii. Phase 2 (9 Buildings, 125 Units) - May 2024
 - iii. Phase 3 (8 Buildings, 98 Units) - September 2024
 - c. Comstock For Sale Homes/Townhomes
 - i. Phase 1 (6 townhomes, 2 single-family homes) – October 2023

- ii. Phase 2 (8 townhomes, 9 single-family homes) – January/February 2024
 - iii. Phase 3 (8 townhomes, 12 single-family homes) – July/August 2024
 - iv. The remaining 42 townhomes and 22 single-family homes - TBD
 - d. Approximate prices* for the single-family homes (SFH) and townhomes (TH)
 - i. TH = \$590k-\$650k
 - ii. SFH = \$775k-\$850k
- * This does not include upgrades

COMMUNITY PHOTOS



OPERATIONS UPDATE

The property management firm, Seabreeze, has begun providing property management services. Because all units in Anacapa Canyon have water meters installed, this allows each unit to receive their own bill and the process for collecting that is being done by a 3rd party, RealPage, and that is operating well. The process for Property Improvement Applications (similar to building permits) in

Anacapa Canyon is being worked out with Seabreeze being the primary contact for homeowners and Seabreeze liaises with VCFD, CALFire and CSUCI Facilities as needed,

The 24/25 Anacapa CAM Budget has been developed. It varies depending on the phase since each phase changes the number of units paying for the services, but it's expected to vary within this range. Another item still under review is if the Townhouse owners would like to have the Site Authority purchase Earthquake Insurance for them. Unlike University Glen, the decision on if Earthquake Insurance will cover the TH Owners is made by the Townhome Owners themselves. The 24/25 Earthquake Insurance quote has been provided to Comstock and they are polling the TH residents to see if they would like to have it included in the 24/25 Anacapa Canyon CAM budget. The DRAFT 24/25 Budgets as they currently stand (these are still being developed) look like this.

	UNIVERSITY GLEN		ANACAPA CANYON	
	SFR	TH	SFR	TH
23/24 CAM FEE	\$ 313.86	\$ 484.76	N/A	N/A
DRAFT 24/25 Gross Monthly CAM per Unit	\$ 332.33	\$ 573.32	\$ 274.82	\$ 471.26
% Increase	5.9%	18.3%		
Monthly Water/Sewer/Trash	\$ 118.00	\$ 118.00	\$ -	\$ -
Monthly Earthquake Insurance for TH	\$ -	\$ 34.00	\$ -	TBD
DRAFT Monthly Net of Water/Sewer/Trash/EQ Insurance Expenses	\$ 214.33	\$ 421.32	\$ 274.82	\$ 471.26

COMMUNICATION

John Lazarus, Executive Director of Operations, and Ben Gordon of Kennedy Wilson continue to update the UGlen community on the progress of the project at the monthly Community Advisory Group (CAG) meetings.

OTHER BUSINESS

We are planning a safety/evacuation Presentation for late April or summer of 2024 and held in Anacapa Canyon and open to residents of both Anacapa Canyon and University Glen.

CI POWER/DWR UPDATE

BACKGROUND

CI Power currently operates under a 5-year agreement with the California Department of Water Resources (DWR) to provide power to the grid in times of extreme emergency. CI Power was previously designated a Reliability Must Run (RMR) plant by the California Independent System Operator (CAISO) from May 2020 through December 2022. In January 2023,

CURRENT STATUS

CI Power was not dispatched in 2023, but did perform a summer readiness test in June, as well as some routine maintenance in October. It is expected that CAISO will perform a summer readiness test again in 2024. CI Power staff meets bi-weekly with DWR to discuss and monitor ongoing plant operations.

The pass-through billing process between CSUCI and DWR continues to run smoothly and CSUCI has received its full capacity payment each month.

Resource Adequacy Availability Incentive Mechanism (RAAIM) penalties were assessed by CAISO under the RMR agreement for non-performance when the plant was down for unplanned repairs in 2022. CSUCI began discussions with CAISO in August 2023 regarding a solution to the excessive penalties and came to an agreement in September 2023. However, this relief would require approval from the Federal Energy Regulatory Commission (FERC). CSUCI then engaged the California Public Utilities Commission (CPUC), which protested the original RMR agreement in 2020 and was the most likely protestor at FERC in the RAAIM matter. CPUC indicated they would protest the filing due to the amount of relief requested. CSUCI then entered settlement discussions with CPUC, which concluded on December 21, 2023, with a settlement that recovers 50% of the penalty amount, or \$644,531.

CSUCI has prepared a FERC filing for the settlement with CPUC/CAISO, which is presently under review at CAISO. Once approved by CAISO and CPUC, CSUCI can file an uncontested Offer of Settlement and Agreement at FERC. It should be expected that it will take some time for the process and recovery of the penalty relief. Details should become clear over the next couple of months.

In connection with the same 2022 unplanned outage, CSUCI incurred repair costs totaling \$380,428. Under the RMR agreement, CSUCI is entitled to receive a partial reimbursement from CAISO for the unplanned repairs in the amount of \$318,334. This reimbursement also required FERC approval. FERC approved the filing on February 9, 2024, and CSUCI is currently working with CAISO on the next steps.

OTHER BUSINESS

None.

California State University Channel Islands Site Authority
Statement of Net Position
As of December 31, 2023 and December 31, 2022
(Unaudited)

	<u>12/31/2023</u>		<u>12/31/2022</u>	<u>Variance</u>
Current assets:				
Cash and cash equivalents	17,752,198		16,708,613	1,043,585
Accounts receivable	1,450,355	1	1,222,884	227,471
Due from Campus	373,718	2	270,557	103,161
Prepaid expenses	121,823	3	51,265	70,558
Total current assets	<u>19,698,094</u>		<u>18,253,319</u>	<u>1,444,775</u>
Noncurrent assets:				
Other assets	5,105,625	4	5,571,475	(465,850)
Capital assets, net	34,739,466	5	32,170,399	2,569,067
Total noncurrent assets	<u>39,845,091</u>		<u>37,741,874</u>	<u>2,103,217</u>
Total assets	<u>59,543,185</u>		<u>55,995,193</u>	<u>3,547,992</u>
Current liabilities:				
Accounts payable	208,609	6	443,674	(235,065)
Deferred revenue	1,104,769	7	946,062	158,707
PPP liability, current	366,444	8	-	366,444
Lease liability, current	170,471	9	-	170,471
Other current liabilities	2,917,431	10	467,164	2,450,267
Interest payable	182,228		181,160	1,068
Due to Foundation	-		-	-
Due to Campus (net)	2,710,078	11	152,414	2,557,664
Due to Univ Aux Svcs (net)	-		1,700	(1,700)
Total current liabilities	<u>7,660,030</u>		<u>2,192,174</u>	<u>5,467,856</u>
Noncurrent liabilities:				
Capital lease obligations	46,250,000	12	85,094,353	(38,844,353)
PPP liability, noncurrent	32,822,424	13	-	32,822,424
Lease liability, noncurrent	668,000	14	-	668,000
Capital reserve (CAM)	119,138		152,862	(33,724)
Total noncurrent liabilities	<u>79,859,562</u>		<u>85,247,215</u>	<u>(5,387,653)</u>
Total liabilities	<u>87,519,592</u>		<u>87,439,389</u>	<u>80,203</u>
Net position:				
Net position	<u>(27,976,408)</u>		<u>(31,444,196)</u>	<u>3,467,789</u>
Total net position	<u>(27,976,408)</u>		<u>(31,444,196)</u>	<u>3,467,789</u>

1. Primarily from CI Power A/R of \$984K due from DWR and \$318 due from CAISO.

2. Balance is the result of timing of payments from the Campus for the reimbursement of the student apartment housing subsidy.

3. Increase is primarily due to prepaid expense of \$59K for CAM operations.

4. Composed of the unamortized cost of refinancing library debt.

5. Implementation of GASB 94 for the P3 agreement related to the infrastructure debt resulted in an increase in P3 capital asset value and renewal of the CI Power lease also resulted in an increase in the lease capital asset.

6. Decrease is primarily due to lower fuel costs compared to last year

7. Composed of the Age Restricted Apartments advanced rent received and amortized to 2098.

8. P3 liability based on the infrastructure debt schedule recorded according to GASB 94.

9. Lease liability for the power plant recorded according to GASB 87.

10. Comprised of \$2.4M Library Debt and \$362K penalty due related to CI Power.

11. Due to timing of payments to the Campus for the infrastructure and library debt totaling \$2.5M.

12. Decrease is due to infrastructure reported as a P3 liability in FY2022-2023 in compliance to GASB 94.

13. The noncurrent portion of the P3 liability.

14. The renewal of the CI Power lease through 12/31/2027 resulted in a revaluation and increase of the lease liability according to GASB 87.

California State University Channel Islands Site Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2023 and December 31, 2022
(Unaudited)

Common Area Maintenance (CAM)					
	12/31/2023	12/31/2022	Budget 12/31/2023	Budget 2023- 2024	% Used
Revenues:					
Maintenance rent	1,155,048	996,828	1,398,013	2,796,019	41%
Other revenue	-	-	-	-	0%
Total revenues	1,155,048	996,828	1,398,013	2,796,019	41%
Expenses:					
Operations	1,132,029	987,699	1,234,932	2,297,911	49%
Property tax	-	-	-	-	0%
Transfers	23,019	9,129	249,054	498,108	5%
Total expenses	1,155,048	996,828	1,483,986	2,796,019	41%
Net increase/(decrease)	-	-	(85,973)	-	

CI Power					
	12/31/2023	12/31/2022	Budget 12/31/2023	Budget 2023- 2024	% Used
Revenues:					
Energy sales	590,000 ¹	3,052,923	480,216	880,746	67%
Other revenue	802,225 ²	(80,666)	1,277,289	2,479,845	32%
Total revenues	1,392,225	2,972,257	1,757,505	3,360,591	41%
Expenses:					
Cost of energy sales	315,087 ³	1,983,564	708,584	1,191,567	26%
Operations	313,296	349,941	568,706	1,288,279	24%
Depreciation	-	-	-	-	0%
Total expenses	628,383	2,333,505	1,277,290	2,479,846	25%
Net increase/(decrease)	763,842	638,752	480,215	880,745	87%
Operations	-	-	-	-	0%

Footnote:

1. Decrease in revenue is the result of the implementation of the DWR capacity and cost reimbursement agreement and termination of RMR.
2. Increase is due to reimbursements for operating expenses submitted to DWR, last fiscal year included an over estimate of turbine cost recovery.
3. Decrease in expenses is the result of the implementation of the DWR capacity and cost reimbursement agreement and termination of RMR.

CAM Reserves for Single Family Home & Townhouse					
	12/31/2023	12/31/2022	Budget 12/31/2023	Budget 2023- 2024	% Used
Revenues:					
Reserves contribution	238,276 ¹	325,955	-	-	0%
Other revenue	115,989 ²	2,395	-	-	0%
Total revenues	354,265	328,350	-	-	0%
Expenses:					
Operations	67,654	51,046	-	-	0%
Transfers	(23,019)	(9,129)	-	-	0%
Total expenses	44,635	41,917	-	-	0%

California State University Channel Islands Site Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2023 and December 31, 2022
(Unaudited)

Net increase/(decrease)	309,630	286,433	-	-	0%
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Footnote:

1. Last fiscal year, revenue included the final contribution of \$129k approved by the Site Authority.
2. Other revenue consists of investment gains

Library Debt

	12/31/2023	12/31/2022	Budget 12/31/2023	Budget 2023- 2024	% Used
Revenues:					
Contributions to debt service	-	-	-	-	0%
Other revenue	2,597,263	2,542,632	-	3,856,750	
Total revenues	2,597,263	2,542,632	-	3,856,750	67%
Expenses:					
Operations	-	-	-	-	0%
Interest expense	328,364	543,241	-	3,856,750	9%
Depreciation	-	-	-	-	0%
Transfers	-	-	-	-	0%
Total expenses	328,364	543,241	-	3,856,750	9%
Net increase/(decrease)	2,268,899	1,999,391	-	-	0%

Footnote:

Administrative

	12/31/2023	12/31/2022	Budget 12/31/2023	Budget 2023- 2024	% Used
Revenues:					
Home sales	25,155	28,651	41,600	83,000	30%
Sales tax	-	-	-	13,592	
Other revenue	115,606 ¹	11,326	9,000	15,000	851%
Total revenues	140,761	39,977	50,600	111,592	126%
Expenses:					
Operations	255,461	242,234	207,807	415,450	61%
Depreciation	822	2,256	-	-	0%
Transfers	-	-	-	-	0%
Total expenses	256,283	244,490	207,807	415,450	62%
Net increase/(decrease)	(115,522)	(204,513)	(157,207)	(303,858)	38%

Footnote:

1. Insurance premium reimbursed by Kennedy Wilson paid by the Site Authority last fiscal year.

East Campus

	12/31/2023	12/31/2022	Budget 12/31/2023	Budget 2023- 2024	% Used
Revenues:					
Property tax	-	-	1,475,000	1,958,627	0%
Special tax	426,439	417,763	413,975	840,199	51%
Other revenue	-	238	-	-	0%
Total revenues	426,439	418,001	1,888,975	2,798,826	15%
Expenses:					
Operations	6,840	10,604	12,250	27,250	25%
Depreciation	-	737,197	-	-	0%
Interest expense	726,075	508,504	709,299	1,641,973	44%

California State University Channel Islands Site Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Six Months Ended December 31, 2023 and December 31, 2022
(Unaudited)

LAPT	-	-	528,260	528,260	0%
Transfer	-	(1,444)	-	-	0%
Total expenses	732,915	1,254,861	1,249,809	2,197,483	33%
Net increase/(decrease)	(306,476)	(836,860)	639,166	601,343	-51%

Footnote:

1. Decrease in depreciation is the result of implementation of GASB 94.

32 Acre Project					
	12/31/2023	12/31/2022	Budget 12/31/2023	Budget 2023- 2024	% Used
Revenues:					
Home sales	-	-	-	-	
Other revenue	310,706 ¹	352,027	- ¹⁵	657,159	47%
Total revenues	310,706	352,027	-	657,159	47%
Expenses:					
Operations	22,147	32,445	17,268	34,535	64%
Transfers	-	-	-	-	0%
Total expenses	22,147	32,445	17,268	34,535	64%
Net increase/(decrease)	288,559	319,582	(17,268)	622,624	46%

Footnote:

1. Revenue primarily related to single family home sublease rent, \$1k due on completion of home and \$24k when sold, as of December 11 homes sold.

Faculty/Staff Housing and Subsidy Program					
	12/31/2023	12/31/2022	Budget 12/31/2023	Budget 2023- 2024	% Used
Revenues:					
Contributions for debt service	-	-	-	-	0%
Other revenue	341,640	350,168	384,198	768,400	44%
Total revenues	341,640	350,168	384,198	768,400	44%
Expenses:					
Operations	95,267 ¹	130,800	228,462	456,920	21%
Transfers	-	-	-	-	0%
Total expenses	95,267	130,800	228,462	456,920	21%
Net increase/(decrease)	246,373	219,368	155,736	311,480	79%

Footnote:

1. Decrease primarily due to Kennedy Wilson issuance of subsidy credit in error. Correction to be reflected in January.

Site Authority Reserves	-	(129,487)			
Total Site Authority Net Increase/(Decrease)	3,455,305	2,292,666	1,014,669	2,112,334	164%

ACCEPTANCE OF AUDITED FISCAL YEAR 2022-2023 FINANCIAL STATEMENTS

Financial Services

Annually, financial statement audits are performed for the Site and Financing Authorities by an external certified public accounting firm. The audit for year-ending June 2023 was performed by Cohn Reznik, L.L.P. The Site and Financing Authorities are discretely presented component units of California State University Channel Islands and are consolidated in the Systemwide financial statements and separately issued as stand-alone audited financial statements.

The financial statements for the fiscal year ended June 30, 2023, were issued with an unmodified audit opinion on September 11, 2023, and presented to the Site Authority/Financing Authority Audit committee. The Audit Committee approved to move to the full board for acceptance, a copy of which is included in the board packet. Additionally, electronic copies can be found on the Site Authority web page at <https://www.csuci.edu/siteauthority/statements.htm>.

There were no audit findings relating to the financial statements. Highlights and/or significant changes are noted below.

Capital Assets

The Site Authority's capital assets include infrastructure projects, property and equipment and various leased buildings and building improvements. The balance of these amounts increased by \$1.8 million.

This was primarily due to the current year adoption of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and the required capitalization of the related leased assets.

Operating Revenue

CI Power Operating revenue increased by \$1.2M and will continue to operate under the Electricity Supply Strategic Reliability Reserve Program Capacity and Purchase Agreement through December 31, 2027.

RECOMMENDATION

The Site Authority Board of Directors and Financing Authority Board of Directors accept the audited 2022-2023 financial statements for year ended June 30, 2023 as presented.

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

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

June 30, 2023

California State University, Channel Islands Site Authority

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of California State University, Channel Islands Site Authority (the "Site Authority"), a component unit of California State University, Channel Islands as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Site Authority's basic financial statements as listed in the index.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Site Authority as of June 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Site Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2023, the Site Authority adopted new accounting guidance GASB No. 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Site Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Site Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Site Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Site Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 to 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

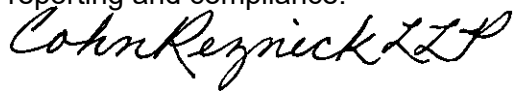
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Site Authority's basic financial statements. The accompanying supplementary information on pages 34 to 47 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 accompanying supplementary information on pages 34 to 47 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 accompanying supplementary information on pages 34 to 47 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2023, on our consideration of the Site 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 Site 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 Site Authority's internal control over financial reporting and compliance.



Los Angeles, California
September 15, 2023

Management's Discussion and Analysis

California State University, Channel Islands Site Authority

Management's Discussion and Analysis For the Year Ended June 30, 2023 (Unaudited)

This section of California State University, Channel Islands Site Authority (the "Site Authority") annual financial report presents our discussion and analysis of the financial performance of the Site Authority for the fiscal year ended June 30, 2023. 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 Site Authority is considered a special-purpose government engaged only in business-type activities which best represent the activities of the Site 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 Site 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 Site 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 Site Authority's financial activities. Included are an analysis of current year activities and balances, and a summary of operations.

California State University, Channel Islands Site Authority

**Management's Discussion and Analysis
For the Year Ended June 30, 2023
(Unaudited)**

The Site Authority's summary of net position as of June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Assets:				
Current assets	\$ 4,412,574	\$ 4,443,131	\$ (30,557)	-0.7%
Capital assets, net	34,744,601	32,909,852	1,834,749	5.6%
Other noncurrent assets	<u>14,557,827</u>	<u>13,975,837</u>	<u>581,990</u>	<u>4.2%</u>
Total assets	<u>53,715,002</u>	<u>51,328,820</u>	<u>2,386,182</u>	<u>4.6%</u>
Deferred outflows of resources:				
Refunding of debt	<u>5,105,625</u>	<u>5,571,475</u>	<u>(465,850)</u>	<u>-8.4%</u>
Total deferred outflows of resources	<u>5,105,625</u>	<u>5,571,475</u>	<u>(465,850)</u>	<u>-8.4%</u>
Liabilities:				
Current liabilities	6,996,328	5,693,092	1,303,236	22.9%
Other noncurrent liabilities	<u>83,256,012</u>	<u>84,944,062</u>	<u>(1,688,050)</u>	<u>-2.0%</u>
Total liabilities	<u>90,252,340</u>	<u>90,637,154</u>	<u>(384,814)</u>	<u>-0.4%</u>
Net position:				
Net investment in capital assets	(757,738)	2,690,161	(3,447,899)	-128.2%
Restricted for:				
Capital projects	6,823,239	6,004,558	818,681	13.6%
Debt service	3,330,000	3,330,000	-	0.0%
Economic uncertainty	1,448,000	1,500,000	(52,000)	-3.5%
Maintenance reserves	3,679,877	3,237,087	442,790	13.7%
Unrestricted	<u>(45,955,091)</u>	<u>(50,498,665)</u>	<u>4,543,574</u>	<u>-9.0%</u>
Total net position	<u>\$ (31,431,713)</u>	<u>\$ (33,736,859)</u>	<u>\$ 2,305,146</u>	<u>-6.8%</u>

Assets

Total assets increased by approximately \$2.4 million compared to the prior year. This change is attributed primarily to the implementation of GASB 94 for the infrastructure lease resulting in an increase of \$1 million leased capital assets, net and the renewal of the CI Power lease resulting in an increase of lease capital assets, net by \$654 thousand. There was also an increase in the restricted cash by \$636 thousand, most of which is from transfer of cash to the CAM reserves investments in CalTRUST.

Capital Assets

The Site Authority's capital assets include infrastructure projects, property and equipment and various leased buildings and building improvements. The balance of these amounts increased by \$1.8 million. This was primarily due to the current year adoption of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and the required capitalization of the related leased assets.

California State University, Channel Islands Site Authority

**Management's Discussion and Analysis
For the Year Ended June 30, 2023
(Unaudited)**

Liabilities

Total liabilities decreased by \$385 thousand compared to the prior year representing a .4% change. Current liabilities increased by \$1.3 million but was offset by a decrease in noncurrent liabilities by \$1.7 million. Current liabilities increased primarily due to a penalty liability for CI Power in the amount of \$612 thousand and an increase in related party payables by \$624 thousand which is due to the payment for the payable being made later than in the prior year.

Long Term Debt

Noncurrent liabilities consist of the Site Authority's long term lease obligations, obligations under public-public partnerships, unearned revenue and loan payable. The noncurrent liabilities decreased due to the payment of the Broome Library loan payable in the amount of \$2.4 million offset with unearned revenue of \$1 million for payment received for the age restricted apartments.

Net Position

Total net position increased by \$2.3 million due to overall net income. The net investment in capital asset decreased by \$3.4 million due primarily to the infrastructure lease asset less liability. Capital projects increased by \$819 thousand due to additional reserves being designated for capital projects. Maintenance reserves increased by \$443 thousand due to the increase in CAM reserves.

California State University, Channel Islands Site Authority

**Management's Discussion and Analysis
For the Year Ended June 30, 2023
(Unaudited)**

The Site Authority's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Operating revenues:				
Home sales	\$ 56,379	\$ 72,811	\$ (16,432)	-22.6%
Energy sales	4,357,292	3,171,587	1,185,705	37.4%
Other income	3,047,711	2,891,593	156,118	5.4%
	<u>7,461,382</u>	<u>6,135,991</u>	<u>1,325,391</u>	<u>21.6%</u>
Operating expenses:				
Cost of energy sales	3,758,823	3,070,972	687,851	22.4%
Depreciation and amortization	2,449,763	1,668,894	780,869	46.8%
Other operating expenses	2,691,425	2,984,197	(292,772)	-9.8%
	<u>8,900,011</u>	<u>7,724,063</u>	<u>1,175,948</u>	<u>15.2%</u>
Operating loss	<u>(1,438,629)</u>	<u>(1,588,072)</u>	<u>149,443</u>	<u>-9.4%</u>
Nonoperating revenues (expenses):				
Interest, net	(2,117,602)	(3,042,118)	924,516	-30.4%
Taxes	2,183,027	2,112,439	70,588	3.3%
Other	1,159,306	(4,999,609)	6,158,915	-123.2%
Contributions for debt service	2,519,044	2,118,120	400,924	18.9%
Nonoperating revenues (expenses), net	<u>3,743,775</u>	<u>(3,807,168)</u>	<u>7,550,943</u>	<u>-198.3%</u>
Increase (decrease) in net position	<u>2,305,146</u>	<u>(5,395,240)</u>	<u>7,700,386</u>	<u>-142.7%</u>
Beginning net position	<u>(33,736,859)</u>	<u>(28,341,619)</u>	<u>(5,395,240)</u>	<u>19.0%</u>
Ending net position	<u>\$ (31,431,713)</u>	<u>\$ (33,736,859)</u>	<u>\$ 2,305,146</u>	<u>-6.8%</u>

Operating Revenues and Expenses

Operating revenues and expenses come from sources that are connected directly to the Site Authority business function. Revenues come primarily from energy sales, home sales and rental income. Expense comes from cost of energy sales, depreciation and amortization, and rental housing operations.

Total revenues increased by \$1.3 million, or a 21.6% increase compared to prior year. CI Power sales was the bulk of that increase with \$1.2 million with the remainder coming from a \$156 thousand increase in maintenance rent and miscellaneous revenue. This was slightly offset by a decrease of \$16 thousand in home sales due to decreased sales volume year-on-year.

California State University, Channel Islands Site Authority

**Management's Discussion and Analysis
For the Year Ended June 30, 2023
(Unaudited)**

Total operating expenses increased by \$1.2 million due to a \$687 thousand increase in cost of energy sales and a \$780 thousand increase in depreciation and amortization primarily due to the implementation of GASB 94 for the infrastructure and the renewal of the CI Power lease. These increased expenses were offset by a \$292 thousand decrease in general, administrative, and other costs.

Nonoperating Revenues (Expenses)

Total nonoperating revenues (expenses) increased \$7.6 million or 198.3%. The increase is due to the prior year \$4.9 million write off of disposable property related to the Anacapa Canyon development, a \$1.1 million increase in other nonoperating revenue of which a \$2.5 million increase is associated with the implementation of GASB 94 for infrastructure offset by \$1.4 million penalty payment related to CI Power. There was also an increase in contributions for debts service from CSU Chancellor's Office by \$401 thousand and a decrease in interest payments by \$924 thousand for the debt associated with Broome Library and the infrastructure.

Basic Financial Statements

California State University, Channel Islands Site Authority

**Statement of Net Position
June 30, 2023**

Assets	
Current assets	
Cash and cash equivalents	\$ 2,847,117
Accounts receivable	1,398,062
Related party receivables	121,144
Due from CSUCI Financing Authority - restricted	18,903
Other assets	27,348
	<hr/>
Total current assets	4,412,574
	<hr/>
Noncurrent assets	
Restricted cash	11,820,790
Restricted investments	2,737,037
Capital assets, net	34,744,601
	<hr/>
Total noncurrent assets	49,302,428
	<hr/>
Total assets	\$ 53,715,002
	<hr/>
Deferred outflows of resources	
Refunding of debt	\$ 5,105,625
	<hr/>
Total deferred outflows of resources	\$ 5,105,625
	<hr/>
Current liabilities	
Accounts payable and accrued expenses	\$ 1,213,831
Interest payable to California State University ("CSU")	
Systemwide Revenue Bond Program	346,467
Unearned revenue	21,546
Related party payables	904,335
CAM reserves held by Kennedy Wilson	98,234
Lease obligations, current portion	170,471
Obligations under public-public partnerships, current portion	1,841,444
Loans payable - current portion	2,400,000
	<hr/>
Total current liabilities	6,996,328
	<hr/>
Noncurrent liabilities	
Lease obligations, net of current portion	668,000
Obligations under public-public partnerships, net of current portion	32,822,424
Unearned revenue, net of current portion	1,095,588
Loan payable, net of current portion	48,670,000
	<hr/>
Total noncurrent liabilities	83,256,012
	<hr/>
Total liabilities	90,252,340
	<hr/>
Net position (deficit)	
Net investment in capital assets	(757,738)
Restricted for	
Capital projects	6,823,239
Debt service	3,330,000
Economic uncertainty	1,448,000
Maintenance reserves	3,679,877
Unrestricted	(45,955,091)
	<hr/>
Total net deficit	\$ (31,431,713)
	<hr/>

See Notes to Financial Statements.

California State University, Channel Islands Site Authority

**Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023**

Operating revenues	
Home sales	\$ 56,379
Energy sales	4,357,292
Miscellaneous revenues	1,063,920
Maintenance rent	<u>1,983,791</u>
Total operating revenues	<u>7,461,382</u>
Operating expenses	
Cost of energy sales	3,758,823
Depreciation and amortization	2,449,763
General, administrative and other operating costs	<u>2,691,425</u>
Total operating expenses	<u>8,900,011</u>
Operating loss	<u>(1,438,629)</u>
Nonoperating revenues (expenses)	
Interest, net	(1,099,441)
Property taxes	1,963,561
Property tax pass through expense	(587,564)
Contributions for debt service from CSU Chancellor's Office	2,519,044
Interest on loan payable to CSU Channel Islands	(1,018,161)
Special taxes	807,030
Investment gain	54,166
Other revenues	<u>1,105,140</u>
Total nonoperating revenues, net	<u>3,743,775</u>
Change in net position	2,305,146
Net deficit, beginning of year	<u>(33,736,859)</u>
Net deficit, end of year	<u><u>\$ (31,431,713)</u></u>

See Notes to Financial Statements.

California State University, Channel Islands Site Authority

**Statement of Cash Flows
Year Ended June 30, 2023**

Cash flows from operating activities	
Home sales	\$ 56,379
Energy sales	2,973,982
Miscellaneous revenues	2,075,660
Payments to vendors	(5,765,185)
Maintenance rent	<u>2,084,124</u>
Net cash provided by operating activities	<u>1,424,960</u>
Cash flows from noncapital financing activities	
Property and sales taxes	2,762,986
Property tax pass through paid	<u>(587,564)</u>
Net cash provided by noncapital financing activities	<u>2,175,422</u>
Cash flows from capital and related financing activities	
Payments on loan payable	(235,000)
Interest paid on loan payable	(105,108)
PPP payment	(1,781,851)
PPP interest payments	(1,108,630)
Lease payment	(178,217)
Lease interest payment	<u>(22,346)</u>
Net cash used in capital and related financing activities	<u>(3,431,152)</u>
Cash flows from investing activities	
Sale of investments	<u>18,400</u>
Net cash provided by investing activities	<u>18,400</u>
Net increase in cash and cash equivalents	187,630
Cash and cash equivalents at beginning of year	<u>14,480,277</u>
Cash and cash equivalents at end of year	<u><u>\$ 14,667,907</u></u>
Summary of cash and cash equivalents at end of year	
Cash and cash equivalents	\$ 2,847,117
Restricted cash	<u>11,820,790</u>
Total cash and cash equivalents	<u><u>\$ 14,667,907</u></u>

California State University, Channel Islands Site Authority

**Statement of Cash Flows
Year Ended June 30, 2023**

Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (1,438,629)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation and amortization	2,449,763
Other nonoperating revenue	(1,360,095)
Change in assets and liabilities	
Accounts receivable	(308,735)
Related party receivables	(4,584)
Other assets	(7,113)
Accounts payable and accrued expenses	698,746
Unearned revenue	1,111,927
Reserve held for CAM	(340,506)
Related party payables	624,186
	<hr/>
Net cash provided by operating activities	<u>\$ 1,424,960</u>
Supplemental disclosure of noncash capital and related financing activities	
Contribution of debt service payment from CSU Chancellor's Office	\$ 2,055,000
Contribution of interest payment from CSU Chancellor's Office	\$ 929,894
Amortization of loss on refunding	\$ 465,850
Leased assets acquired in exchange for lease obligations	\$ 842,152

See Notes to Financial Statements.

California State University, Channel Islands Site Authority

Notes to Financial Statements June 30, 2023

Note 1 - Organization

The California State University, Channel Islands Site Authority (the "Site Authority") was formed on September 28, 1998 for the purpose of providing a specific reuse plan that will finance and support the transition of the property previously known as the Camarillo State Hospital (the "Property") from its former use to the California State University campus and other compatible uses. The Site Authority is governed by a board of seven members comprising four representatives of the Trustees of the California State University and three representatives from the County of Ventura.

The Property comprises two major sectors: the West Campus and East Campus. 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" or "University"). 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 density to 1,258 units. To date, 658 units are completed and the remaining 600 are expected to be completed by the end of 2024.

The Site Authority is an integral part of the California State University, Channel Islands ("CSUCI"), and the financial transactions of the Site Authority are also included in the financial statements of the CSUCI as a discretely presented component unit.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements for the Site 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 Site Authority is considered a special-purpose government under the provisions of GASB Statement No. 34. The Site Authority records revenue primarily from housing sales, apartment rentals, and tax increment revenues and, accordingly, has chosen to present its financial statements using the reporting model for special-purpose governments. This model allows all financial information for the Site Authority to be reported in a single column in each of the financial statements. In accordance with the business-type activities reporting model, the Site Authority prepares its statement of cash flows using the direct method.

Election of applicable FASB statements

The Site 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 Site Authority also has the option of following subsequent private-sector guidance subject to the same limitation. The Site Authority has elected not to follow subsequent private-sector guidance.

California State University, Channel Islands Site Authority

Notes to Financial Statements June 30, 2023

Financial reporting entity

The financial statements include the accounts of the Site Authority. The Site 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 Site Authority has chosen to use the reporting model for special-purpose governments that engage only in business-type activities.

Classification of current and noncurrent assets and liabilities

The Site Authority considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net position date. Liabilities that reasonably can be expected, as part of normal business operations, to be liquidated within 12 months of the statement of net position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

Net position

The Site Authority's net position is classified into the following net position categories:

Net investment in capital assets - Capital assets, net of accumulated depreciation, amortization, and outstanding principal balances of debt and lease liabilities attributable to the acquisition, construction, or improvement of those assets.

Restricted - Net position subject to externally imposed conditions that can be fulfilled by the actions of the Site Authority or the passage of time.

Unrestricted - All other categories of net position. In addition, unrestricted net position may be designated for use by the Site Authority.

The Site Authority has adopted a policy of utilizing restricted funds, when available, prior to unrestricted funds.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly-liquid debt instruments with a maturity of three months or less from date of purchase. The Site Authority maintains its cash and cash equivalents in bank accounts which, at times, may exceed federally insured limits. The Site Authority has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of net position. Unrealized gains and losses are included in the change in net position in the accompanying statement of revenues, expenses and changes in net position. All investments are restricted for maintenance reserve.

Accounts receivable

Receivables consist of related party receivables and other miscellaneous receivables. The Site Authority 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.

California State University, Channel Islands Site Authority

Notes to Financial Statements June 30, 2023

Capital assets

Capital assets are stated at cost and are capitalized over \$5,000, and depreciation is calculated using the straight-line method over the following estimated useful lives of the respective assets:

Infrastructure	40 years
Buildings and building improvements	30 years
Improvements other than buildings	10 years
Equipment	5 years

Capital assets 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.

Revenue recognition

Revenues from home sales are recognized as homes are sold, 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.

Classification of revenues and expenses

The Site 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 transactions or other activities that are connected directly to the Site Authority's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Public Colleges and Universities - an amendment of GASB Statement No. 34*. These nonoperating activities include the Site Authority's net investment income and interest expense, collection of tax increment and sales tax revenues, which are reported as nonoperating revenues and expenses. Certain other transactions are reported as nonoperating activities and primarily include the Site Authority's investment income, interest expense, pass-through agency taxes, contribution for debt service, and transfers between the Site Authority and the CSUCI Financing Authority and other California State University ("CSU") funds.

Maintenance reserves

Maintenance reserve activities are based on the various ground subleases, and retail leases reserve payments come from three sources: (1) homeowners, (2) leased units, and (3) retail tenants. Reserve contribution amounts are determined after review of the reserve study conducted by an outside firm every two to three years. Reserve expenditures consist of nonoperating and major repairs, which extend the life of an asset. Some examples include street repairs, roof replacement, and major repairs to the exteriors of townhomes and rental properties.

Income taxes

The Site 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.

California State University, Channel Islands Site Authority

Notes to Financial Statements June 30, 2023

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 Community Development Area Specific Reuse Plan adopted June 5, 2000, the Site Authority is permitted to collect a maximum of \$250,000,000 of tax increment revenues. Tax increment revenues are derived from property taxes that result from increases in assessed property values. The Site Authority is required to deposit 20% of the tax increment revenues into a Low- and Moderate-Income Housing Fund to provide affordable housing for households with moderate and low incomes. The tax increment revenues required to be deposited in the Low- and Moderate-Income Housing Fund may be pledged to repay that portion of the capitalized lease obligation to Systemwide Revenue Bonds ("SRB") related to infrastructure construction financing, and accordingly, all of the tax increment revenues are pledged to repay this portion of the capitalized lease.

Property taxes are levied on both real and personal property. The County Assessor levies taxes on all property developed by the Site Authority, including rental units. 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 on July 1 and are payable in two equal installments; the first payment is generally due on November 1 and delinquent with penalties after December 10; the second payment is generally due on February 1 and delinquent with penalties after April 10. Tax increment 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.

Fair value measurements

The Site 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

California State University, Channel Islands Site Authority

Notes to Financial Statements June 30, 2023

the inputs to valuation techniques used to measure fair value. This hierarchy, established by Generally Accepted Accounting Principles, 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 (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

When available, the Site Authority measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

New accounting pronouncement adopted

For fiscal year 2023, the Site Authority implemented GASB No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. GASB Statement No. 94 defines a Public-Private Partnership ("PPP") as an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Site Authority recognized the following changes as of the adoption date, in connection with transitioning to GASB No. 94:

	<u>July 1, 2022</u>
Capital assets, net	\$ 3,442,360
Obligations under public-public partnerships	1,021,367

Note 3 - Liquidity and availability

The Site Authority regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Site Authority has various sources of liquidity at its disposal, including cash and cash equivalents, receivables and investments. Management continues to regularly monitor liquidity and consider all expenditures related to its ongoing activities.

California State University, Channel Islands Site Authority

**Notes to Financial Statements
June 30, 2023**

At June 30, 2023, the Site Authority had the following financial assets and liquidity resources available over the next 12 months:

Cash and cash equivalents	\$ 2,847,117
Accounts receivable	1,398,062
Related party receivables	<u>121,144</u>
	<u><u>\$ 4,366,323</u></u>

Note 4 - Cash and cash equivalents

The Site Authority's cash and cash equivalents as of June 30, 2023 is classified in the accompanying financial statements as follows:

Cash and cash equivalents	\$ 2,847,117
Restricted cash	<u>11,820,790</u>
	<u><u>\$ 14,667,907</u></u>

Cash and cash equivalents

At June 30, 2023, cash and cash equivalents consisted of demand deposits maintained at the bank. Total cash and cash equivalents of \$14,667,907 had a corresponding carrying value balance with the bank of \$14,735,832 at June 30, 2023. The difference is related to outstanding checks of \$90,602 and deposits in transit of \$22,677.

Custodial credit risk for deposits

Custodial credit risk for deposits is the risk that the Site Authority will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code and Education Code do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the provision that a financial institution must secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. This risk is mitigated as the Site Authority's deposits are maintained at financial institutions that are fully insured or collateralized as required by state law.

Note 5 - Restricted investments

Restricted Investments consist of the following at June 30, 2023:

	Fair value measurements			Investments measured at NAV	Total	Credit Rating	Maturities
	Level 1	Level 2	Level 3				
Government funds							
CalTRUST Short-Term Fund	\$ 581,788	\$ -	\$ -	\$ -	\$ 581,788	AAf	0-2 Years
CalTRUST Medium-Term Fund	<u>2,155,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,155,249</u>	AAf	1-3 Years
Total government funds	<u>2,737,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,737,037</u>		
Total investments	<u><u>\$ 2,737,037</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,737,037</u></u>		

The amounts in these accounts are restricted for maintenance reserves. At June 30, 2023, the Site Authority did not have any investments measured using Level 2 or Level 3 inputs.

California State University, Channel Islands Site Authority

Notes to Financial Statements June 30, 2023

Financial assets valued using Level 1 inputs are based on quoted market prices within active markets and are valued on a recurring basis. For the year ended June 30, 2023, there have been no changes in the valuation methodologies.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Site Authority believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Site Authority's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstance that caused the transfer. There were no transfers during the year ended June 30, 2023.

The composition of the investment return reported in the statement of revenues, expenses and changes in net position are as follows:

Interest and dividend income	\$ 90,564
Realized and unrealized loss on investments	<u>(36,398)</u>
Total investment gain	<u>\$ 54,166</u>

Custodial credit risk

Custodial credit risk for investment deposits is the risk that the Site Authority will not be able to recover its deposits in the event of a failure of a depository institution. In the ordinary course of Site Authority's operations, deposit balances in checking accounts can exceed the Federal Deposit Insurance Corporation insured limits. In accordance with the Site Authority's investment policy, all certificates of deposit are FDIC-insured and limited to \$250,000 at any one institution.

Custodial credit risk for investments is the risk that if the counterparty to an investment transaction were to fail, the Site Authority would not be able to recover its investment. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to indirect investment in securities through the use of mutual funds and government investment pools. U.S. Treasury issues and Federally Sponsored Enterprise issues are held by Securities Investor Protection Corporation insured brokers and are not registered with the issuer in the Site Authority's name.

Note 6 - Concentrations of credit risk

Financial instruments which potentially subject the Site Authority to concentrations of credit risk include cash and cash equivalents. The Site Authority maintains its cash and cash equivalents and investments with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits, which are currently \$250,000 per institution. As of June 30, 2023, Site Authority's bank deposits exceeded the balance insured by the FDIC by \$14,229,693, which are collateralized by securities held by the pledging financial institution.

Note 7 - Due from CSUCI Financing Authority

The due from CSUCI Financing Authority balance at June 30, 2023 was \$18,903 and consists of special tax receipts yet to be transferred to the Site Authority to ultimately be used for capitalized lease payments.

California State University, Channel Islands Site Authority

Notes to Financial Statements June 30, 2023

Note 8 - Capital assets

Capital assets for the year ended June 30, 2023 consists of the following:

	Balance July 1, 2022 as restated	Increases	Decreases	Balance June 30, 2023
Infrastructure				
Right-of-use asset	\$ 36,115,839	\$ -	\$ -	\$ 36,115,839
Other	65,891	-	-	65,891
Accumulated depreciation: right-of-use asset	-	(2,257,241)	-	(2,257,241)
Accumulated depreciation: other	(12,355)	(1,645)	-	(14,000)
	<u>36,169,375</u>	<u>(2,258,886)</u>	<u>-</u>	<u>33,910,489</u>
Leased building and building improvements	367,276	842,152	-	1,209,428
Accumulated amortization	(191,622)	(188,007)	-	(379,629)
	<u>175,654</u>	<u>654,145</u>	<u>-</u>	<u>829,799</u>
Property and equipment	998,612	-	-	998,612
Accumulated depreciation	(991,429)	(2,870)	-	(994,299)
	<u>7,183</u>	<u>839,282</u>	<u>-</u>	<u>4,313</u>
Capital assets, depreciable (net)	<u>\$ 36,352,212</u>	<u>\$ (765,459)</u>	<u>\$ -</u>	<u>\$ 34,744,601</u>

Depreciation expense for the year ended June 30, 2023 was \$2,449,763.

Note 9 - Obligations under Public-Public Partnerships

Public-Public Partnership

On March 14, 2007, the CSU Trustees (the "Trustees"), Site Authority, and Financing Authority authorized the use of the SRB Program to provide funds to refinance certain of the outstanding Financing Authority Bonds.

In August 2016, the Site Authority entered into an agreement to sell the apartment and town center rental facilities. The sale included 328 apartments, 12 retail units, and 58 units in the Town Center, and the Site Authority retained the Infrastructure, 88 rental town homes, 112 for sale town homes, and 72 for the sale of single family homes. In May 2017, the Site Authority defeased \$74,000,000, and in October 2017, \$13,540,000 in bonds, and refinanced the remaining portion of the Infrastructure bond. Concurrent with the defeasance and refinancing of the bonds, the Site Authority entered into a capitalized lease arrangement with the Trustees of the CSU. The lease of \$38,938,000 will be repaid from revenues received by the Site Authority. Interest ranging from the original 4.00% to 5.45% is paid semiannually on May 1 and November 1. The principal payments are paid on November 1 of each year beginning November 1, 2017, with the final payment due on November 1, 2037.

California State University, Channel Islands Site Authority

**Notes to Financial Statements
June 30, 2023**

In connection with the defeasance and refinancing of the lease, the Site Authority recorded a lease premium of \$4,371,450, which is being amortized on a straight-line basis over the life of the leases. As of June 30, 2022, the balance of the premium is \$3,163,266.

The Site Authority incurred a loss on refunding of the bonds of \$1,322,603, which is being amortized on a straight-line basis over the life of the leases. As of June 30, 2022, the balance of the loss on refunding of the bonds is \$908,914, and this amount is netted against unamortized premium.

As a result of adopting GASB No. 94, as of June 30, 2023, the bond premium and the related loss on refunding has been removed from the Site Authority and is now recorded by the campus.

The interest rate is based on the incremental borrowing rate of 3.09%.

Obligations under public-public partnerships for the year ended June 30, 2023 are as follows:

	Balance July 1, 2022, as restated	Additions	Reductions	Balance June 30, 2023	Current portion
Obligations under public-public partnerships	\$ 36,445,719	\$ -	\$ (1,781,851)	\$ 34,663,868	\$ 1,841,444

Annual maturity analysis of the Site Authority's obligations under public-public partnerships as of June 30, 2023:

	<u>Year ending June 30,</u>	
	2024	\$ 2,893,606
	2025	2,892,980
	2026	2,893,480
	2027	2,894,855
	2028	2,891,980
	2029-2033	14,464,492
	2034-2038	<u>14,463,480</u>
Total obligations under public-public		
partnerships payments		43,394,873
Less interest		<u>(8,731,005)</u>
Present value of future minimum obligations		
under public-public partnerships payments		\$ <u>34,663,868</u>

California State University, Channel Islands Site Authority

Notes to Financial Statements June 30, 2023

Financial Information

The following provides information about Site Authority's right-of-use assets and its obligations under public-public partnerships as of June 30, 2023:

<u>Statement of financial position</u>		
Right-of-use assets	Capital assets, net	\$ 36,115,839
Accumulated depreciation	Capital assets, net	<u>(2,257,241)</u>
Total capital assets, net		<u>\$ 33,858,598</u>
Obligations under public-public partnerships, current portion	Current liabilities	\$ 1,841,444
Obligations under public-public partnerships, net of current portion	Noncurrent liabilities	<u>32,822,424</u>
Total obligations under public-public partnerships		<u>\$ 34,663,868</u>

The components of Site Authority's obligations cost for the year ended June 30, 2023 are as follows:

<u>Statement activities classification</u>		
Depreciation expense	Depreciation and amortization	\$ 2,257,241
Interest expense	Interest expense, net	<u>1,052,162</u>
Total expense		<u>\$ 3,309,403</u>

Public-Private Partnerships

Ground Sublease-East Campus University Glen: 328 Apartments and Town Center: 58 Apartments and Ground Floor Retail

In August 2016, CSU CI Site Authority ("Site Authority") entered into a ground sublease agreement with KW University Glen LLC ("KW") in which KW improved the property by constructing 328 multifamily apartment buildings (University Glen) and another 58 multifamily apartment units and ground floor retail units (Town Center). The term of the agreement is from August 2016 to June 30, 2098. KW shall pay Percentage Rent, which is seven percent of the effective gross income received.

KW agrees to invest an amount of not less than \$2,296,000 (\$7,000 per University Glen Units) in upgrades to the interiors of the Units at the Property. All Improvement on the Property shall, during the Term, be and remain the property of KW and the Site Authority shall not have title. At the end of the Term, all Improvements which constitute or are a part of the Property shall become without payment or any compensation to KW, the property of the Site Authority.

Ground Sublease Phase II Master Sublease

In September 2021, Site Authority entered into a Phase II Master Sublease agreement with KW Camarillo Land, LLC ("KW Camarillo") for development of 32 acres including building infrastructure to support age/income restricted housing, multifamily housing, and single-family housing. As the infrastructure supporting the individual residential development types are completed and other conditions are met, the portion of the property related to that phase of residential development will be released from the Master Ground Sublease and a longer-term ground sublease specific to that phase of residential development will be entered into.

The Master Ground Sublease term is two years with two possible one-year extensions upon the payment of \$500,000 per extension, which are either refundable to KW Camarillo upon completion of the infrastructure improvement or retained by the Site Authority if the Master Ground Sublease

California State University, Channel Islands Site Authority

Notes to Financial Statements June 30, 2023

expires without completion of all the infrastructure improvements. The Site Authority received \$250,000 in advanced rent on execution of the Master Ground Sublease.

Sublease for Age Restricted

On September 3, 2021, the Site Authority entered into a Ground Sublease agreement with Vintage at University Glen, LP ("Vintage"). The term of the agreement is through June 30, 2098. The Sublease requires development of 170 rental units with all but two units restricted based on age qualification of 55 years or older.

The Age Restricted Sublease commenced when the Memorandum of Ground Lease (Age Restricted Apartment) was recorded with Ventura County, on May 18, 2022. Vintage will have an initial four years, plus two optional one-year extension upon payment of \$200,000 per extension, to complete the construction of the age restricted housing. Extension payments are refundable upon completion of the age restricted housing.

The Site Authority received \$1,125,000 advanced rent on commencement of the Age Restricted Sublease. This is being amortized over the life of the lease term. The Site Authority will also receive seven percent of the effective gross income received from the age restricted housing project through the term of the sublease.

Sublease for Multifamily Apartments

On August 25, 2022, a Memorandum of Ground Lease (Multifamily Apartments) was executed between the Site Authority and UG2 MR, LLC ("UG2"). The term of the Lease is through June 30, 2098. The agreement restricts UG2's right to encumber, assign or transfer the Site Authority's leasehold interest in the Multifamily Housing Property. The Lease further provides the Site Authority with a Right of First Offer regarding assignments of Lease.

The Sublease requires the development of 310 Market Rate Multifamily Apartments in which the construction must be complete in four years plus two optional one-year extension upon payment of \$200,000 per extension. Extension payments are refundable upon completion of the housing project.

The Site Authority will receive \$1,125,000 in advanced rent on execution of the first Market Rate Multifamily Sublease. The Site Authority will also receive seven percent of the effective gross income received from all market rate apartments through the term of the sublease.

Sublease for Single Family/Townhouse Agreements

On December 28, 2022, the Site Authority executed a Memorandum of Ground Lease (Single Family Housing Property-Phase One) with University Glen-Camarillo, LP ("University Glen"). The Tenant will construct 109 single-family homes, which is comprised of 64 townhouses and 45 single family detached houses. A joint venture between University Glen, Comstock Homes and Hearthstone will be the assigned entity to enter into these subleases.

The term of the development sublease will be four years, plus two optional one-year extensions upon payment of \$2,000 per lot per extension to complete construction of the unit. Extension payments are refundable upon completion of each applicable single-family unit. The term of the homebuyer subleases will be through June 30, 2098.

The Site Authority will receive a total of \$25,000 per lot on the initial sale of each single-family home. \$1,000 per lot will be paid to the Site Authority when each developer sublease commences. The remaining \$24,000 per lot will be paid to the Site Authority through escrow at closing of the homebuyer

California State University, Channel Islands Site Authority

Notes to Financial Statements June 30, 2023

sublease. The fee will constitute a complete prepayment of the ground sublease rent to the Site Authority. During the fiscal year ended June 30, 2023, Site Authority received \$25,000 in rent. No further ground lease rent will be payable to the Site Authority under the homebuyer's sublease with the Site Authority other than rents for the Site Authority's maintenance and service obligations.

Note 10 - Leases

Electricity Supply Strategic Reserve - Capacity and Energy Purchase Agreement

The site and facility were leased from the Board of Trustees of the California State University to the Site Authority. The lease is expected to be continuously renewed through December 31, 2027, as the site is necessary for the Site Authority to meet the requirements under the Electricity Supply Strategic Reserve - Capacity and Energy Purchase ("ESSR") agreement, formerly known as the Reliability Must Run ("RMR") contract, with the California Department of Water Resources ("DWR"). The site rent is increased annually by the Consumer Price Index ("CPI") for all Urban Consumers ("CPI-U"), published by the United States Bureau of Labor Statistics from the immediately preceding calendar year, calculated on October 31 or any replacement index reasonably agreed to by the parties if such index is no longer available. The interest rate is based on the incremental borrowing rate of 4.98%.

Lease activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Current portion
Lease obligations	\$ 178,217	\$ 838,471	\$ (178,217)	\$ 838,471	\$ 170,471

Annual maturity analysis of the Site Authority's leases as of June 30, 2023:

<u>Year ending June 30,</u>	
2024	\$ 208,371
2025	208,368
2026	208,368
2027	208,368
2028	104,185
Total lease payments	937,660
Less interest	(99,189)
Present value of future minimum lease payments	\$ 838,471

Note 11 - Deferred outflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Site Authority has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding

California State University, Channel Islands Site Authority

Notes to Financial Statements
June 30, 2023

results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Note 12 - Partial bond refunding

Bonds are refunded to retire all or a portion of an outstanding bond issue. Most typically, refundings are done to refinance at a lower interest rate to reduce overall debt service. Certain issues of bonds may be refunded prior to the call date, known as an advance refunding.

On April 1, 2005, the Site Authority, entered into an agreement with the Campus to pay the Campus' debt service on revenue bonds issued to build and renovate certain Campus buildings. The original loan amount was \$61,945,000 and has since been refinanced in 2013 and 2014 to \$57,290,000. It was refinanced again in 2021. Interest ranging from 0.50% to 3.00% is paid semiannually on May 1 and November 1. The principal payments are paid on November 1 of each year beginning November 1, 2021, with the final payment due November 1, 2038.

In July 2021, on behalf of Site Authority, the Trustees of California State University issued Systemwide Revenue Bond, Series 2021B. These bonds are labeled internally in Site Authority as SRB 21B - Refunding of Channel Islands Information Resource Center and SRB 21B - Refunding of Channel Islands BAN. These bonds reduced the present value of future debt service payments. The savings were available due to improved lower interest rates during the year.

The effect of the refunding is summarized as follows:

	Systemwide Revenue Bond, Series 2021B
Title and series	Series 2021B
Closing date	July 29, 2021
Net interest rate	2.03%
Refunding bonds issued	\$ 49,235,000
Premium	-
Issuance costs and insurance	<u>(159,684)</u>
Net proceeds	<u>\$ 49,075,316</u>
Economic gain on refunding	\$ 11,469,341
Number of years affected	16

The difference between the cash flows required to service the old debt and that required to service the new debt and complete the refunding was \$4,779,341.

Deferred and amortized amounts on the Site Authority's bond refunding are reported as deferred outflows of resources at June 30, 2023. The total deferred outflow of resources generated from the refunding of debt on July 29, 2021 was \$5,998,504, which is made up of increases in principal of \$6,690,000 and decreases in interest charges of \$691,496. Site Authority recorded amortization of total deferred outflows of resources for \$465,850 for the year ended June 30, 2023. The balance of deferred outflows of resources as of June 30, 2023 is \$5,105,625.

California State University, Channel Islands Site Authority

**Notes to Financial Statements
June 30, 2023**

Note 13 - Loans payable

Loans payable for the year ended June 30, 2023 are as follows:

	<u>Interest rate</u>	<u>Fiscal year maturity date</u>	<u>Original issue amount</u>	<u>Amount outstanding June 30, 2023</u>
California State University, SRB 21B - Refunding of Channel Islands BAN	0.50% - 3.00%	2037	\$ 5,050,000	\$ 5,020,000
SRB 21B - Refunding of Channel Islands Information Resource Center	0.50% - 3.00%	2037	44,185,000	42,380,000
Series 2013A - Channel Islands BAN	5%	2024	615,000	215,000
Series 2013A - Channel Islands Information Resource Center	5%	2024	5,425,000	3,455,000
			<u>\$ 55,275,000</u>	<u>\$ 51,070,000</u>

Long-term debt activity for the year ended June 30, 2023 was as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2023</u>	<u>Current portion</u>
Loans					
CSU Channel Islands	\$ 53,360,000	\$ -	\$ (2,290,000)	\$ 51,070,000	\$ 2,400,000

The loans mature as follows, as of June 30, 2023:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,400,000	\$ 932,066
2025	2,420,000	871,886
2026	3,335,000	850,699
2027	3,375,000	817,054
2028	3,275,000	775,497
2029-2033	17,190,000	3,054,156
2034-2038	19,075,000	1,177,337
	<u>\$ 51,070,000</u>	<u>\$ 8,478,695</u>

California State University, Channel Islands Site Authority

**Notes to Financial Statements
June 30, 2023**

Note 14 - Disclosure related to debt

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, requires certain disclosures regarding the amount of unused lines of credit, assets pledged as collateral for debt and terms specified in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses.

The Site Authority's future annual loan payments of the Broome Library will be funded and paid by the Chancellor's Office and defaults of finance-related consequences are held to the Chancellor's Office. Since the loan is not directly funded, GASB Statement No. 88 does not apply to the Site Authority.

Note 15 - Commitments

The Site Authority entered into a Tenant Placement agreement with Kennedy Wilson Properties, LTD. for 100 of the 328 apartments sold in August of 2016. These apartments are exclusively used by CSUCI faculty and staff and are typically 5% below market rental rates. The Site Authority agreed to pay for the subsidy through proceeds from the annual Ground Sublease Payment. Total rental expense for the year ended June 30, 2023 amounted to \$286,448. The Ground Sublease generated \$833,508 in income, which nets to a surplus of \$547,060.

Note 16 - Net position

The Site Authority has a total net deficit of \$31,431,713 as of June 30, 2023. The net deficit in net position is due to an agreement in 2005 where the Site Authority agreed to pay the Campus' debt service on certain revenue bonds to renovate certain Campus buildings, but the ownership of the said assets was not transferred to the Site Authority. The amount outstanding on the loan payable to the Campus as of June 30, 2023 is \$51,070,000, resulting in the net deficit. This is documented in correspondence from the Chancellor's Office to the CSUCI President dated October 18, 2016 regarding Debt Service Payments for the CSUCI Broome Library. The intent of the agreement is that the Chancellor's Office was to cover any debt service payments for the CSUCI Broome Library. Further, on April 12, 2018, the Site Authority leased the Campus' cogeneration plant on a stand-by mode operation and signed a new energy service agreement with the Campus, entitling the Site Authority to the net revenues of the cogeneration plant primarily to assist the Campus. As a result, there is not a significant risk of the Site Authority's ability to continue as a going concern.

Note 17 - Related party transactions

The Site Authority receives its financing and contributions from the CSU Trustees, and the Site Authority has also entered into certain transactions with the Campus and recognized auxiliary organizations of the Campus relating to infrastructure, residential, commercial developments, and personnel cost reimbursement. The accompanying financial statements include the transactions with the CSU Trustees, the Site Authority, the Campus and a recognized auxiliary organization of the Campus as of and for the year ended June 30, 2023.

California State University, Channel Islands Site Authority

Notes to Financial Statements June 30, 2023

As of June 30, 2023, the Site Authority balances with related parties are as follows:

	<u>Related party receivable</u>	<u>Related party payable</u>	<u>Net related party receivable (payable)</u>
California State University, Channel Islands	\$ 121,144	\$ (904,335)	\$ (783,191)

The accompanying financial statements also include the following transactions with the University and other related parties as of and for the year ended June 30, 2023:

Payments received from CI University Auxiliary Services, Inc.	\$ 1,080
Payments received from University	1,548,420
Payments made to University	3,896,357
Payments made to CI University Auxiliary Services, Inc.	3,055

Note 18 - Maintenance rent

The CSUCI Site Authority contracts with Kennedy-Wilson Properties, LTD to manage the common area for homeowners, renters, and the Town Center tenants. Common area charges include all costs and expenses incurred by the CSUCI Site Authority in the operation, maintenance, replacement, and repair of the common areas during the term of the sublease. Common area expenses are allocated among all units based on type, such as single-family residences, townhomes, rental property, or retail space. Maintenance rent for the year ended June 30, 2023 was \$1,983,791.

Note 19 - Energy sales

In April 2018, the Site Authority subleased the Campus' cogeneration plant and entered into an energy services agreement with the Campus to operate a RMR operation through December 31, 2022. The Site Authority makes an annual payment of \$1 to the Campus to sublease the cogeneration plant. Under the terms of the agreement, the Site Authority is the operator of the plant, which includes being responsible for the costs of the plant's operations as well as entitling the Site Authority to the plant's net earnings. Revenue is recognized as energy is provided to the plant's customers, which primarily consist of Southern California Edison and the Campus.

On January 1, 2023, the Site Authority subleased the Campus's cogeneration plant to operate as an ESSR asset for DWR through December 31, 2027. Under the terms of the agreement, the Site Authority is the operator of the plant, which includes being responsible for the costs of the plant's operations as well as entitling the Site Authority to the plant's net earnings. The revenue recognized is the Performance Based Availability Charge ("PBAC") paid to the Site Authority from DWR for ownership of the plant's electricity capacity. The PBAC is paid monthly and based on the plant's availability, weighted for seasonality, with summer months having a higher payment value. The Site Authority will also receive revenue from the CAISO Settlements Market when the plant is dispatched. However, any Market Settlement Revenue is owned by DWR and will be passed through when payments are received from California Independent System Operator ("CAISO"). All costs to operate the plant under the approved budget are reimbursable by DWR. Costs in excess of the approved budget require DWR approval. Total energy sales for the year ended June 30, 2023 are \$4,357,292.

California State University, Channel Islands Site Authority

**Notes to Financial Statements
June 30, 2023**

Note 20 - Contingencies

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

Supplementary Information

California State University, Channel Islands Site Authority

GASB Schedule of Net Position June 30, 2023 (for Inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 2,847,117
Short-term investments	-
Accounts receivable, net	1,538,109
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	27,348
Total current assets	4,412,574
Noncurrent assets:	
Restricted cash and cash equivalents	11,820,790
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	2,737,037
Capital assets, net	34,744,601
Other assets	-
Total noncurrent assets	49,302,428
Total assets	53,715,002
Deferred outflows of resources:	
Unamortized loss on debt refunding	5,105,625
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-
Total deferred outflows of resources	5,105,625
Liabilities:	
Current liabilities:	
Accounts payable	1,504,881
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	21,546
Lease liabilities, current portion	2,011,915
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	2,400,000
Depository accounts	98,234
Other liabilities	959,752
Total current liabilities	6,996,328
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	1,095,588
Grants refundable	-
Lease liabilities, net of current portion	33,490,424
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	48,670,000
current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	83,256,012
Total liabilities	90,252,340
Deferred inflows of resources:	
P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-
Total deferred inflows of resources	-
Net position:	
Net investment in capital assets	(757,738)
Restricted for:	
Nonexpendable -- endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	10,503,116
Debt service	3,330,000
Others	1,448,000
Unrestricted	(45,955,091)
Total net position	\$ (31,431,713)

California State University, Channel Islands Site Authority

GASB Schedule of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2023 (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	\$	7,461,382
Total operating revenues		7,461,382

Expenses:

Operating expenses:

Instruction		-
Research		-
Public service		2,691,425
Academic support		-
Student services		-
Institutional support		-
Operation and maintenance of plant		3,758,823
Student grants and scholarships		-
Auxiliary enterprise expenses		-
Depreciation and amortization		2,449,763
Total operating expenses		8,900,011
Operating income (loss)		(1,438,629)

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		54,166
Endowment income (loss), net		-
Interest expense		(2,117,602)
Other nonoperating revenues (expenses)		5,807,211
Net nonoperating revenues (expenses)		3,743,775
Income (loss) before other revenues (expenses)		2,305,146

State appropriations, capital		-
Grants and gifts, capital		-
Additions (reductions) to permanent endowments		-
Increase (decrease) in net position		2,305,146

Net position:

Net position at beginning of year, as previously reported	(31,424,713)
Restatements	(2,312,146)
Net position at beginning of year, as restated	(33,736,859)
Net position at end of year	\$ (31,431,713)

California State University, Channel Islands Site Authority

Other Information

June 30, 2023

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		11,820,790
Noncurrent restricted cash and cash equivalents		11,820,790
Current cash and cash equivalents		2,847,117
Total	\$	14,667,907

California State University, Channel Islands Site Authority

**Other Information
June 30, 2023**

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		-		-	-
Supranational		-		-	-
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 investments		-		-	-
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:					
CalTRUST Short-Term Fund	\$	-	\$	581,788	\$ 581,788
CalTRUST Medium-Term Fund		-		2,155,249	2,155,249
					-
					-
					-
Total other investments		-		2,737,037	2,737,037
Total investments		-		2,737,037	2,737,037
Less endowment investments (enter as negative number)				-	-
Total investments, net of endowments	\$	-		2,737,037	2,737,037

California State University, Channel Islands Site Authority

Other Information

June 30, 2023

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	-	-	-	-	-
Supranational	-	-	-	-	-
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 investments	-	-	-	-	-
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:					
CalTRUST Short-Term Fund	\$ 581,788	\$ 581,788	\$ -	\$ -	\$ -
CalTRUST Medium-Term Fund	2,155,249	2,155,249	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total other investments	2,737,037	2,737,037	-	-	-
Total investments	\$ 2,737,037	2,737,037	-	-	-

California State University, Channel Islands Site Authority

Other Information June 30, 2023

2.3 Investments held by the University under contractual agreements: Not applicable

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2022 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
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	65,891	-	-	-	65,891	-	-	-	65,891
Personal property:									
Equipment	998,612	-	-	-	998,612	-	-	-	998,612
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	1,064,503	-	-	-	1,064,503	-	-	-	1,064,503
Total capital assets	\$ 1,064,503	-	-	-	\$ 1,064,503	-	-	-	1,064,503
Less accumulated depreciation/amortization:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(12,355)	-	-	-	(12,355)	(1,645)	-	-	(14,000)
Personal property:									
Equipment	(991,428)	-	-	-	(991,428)	(2,871)	-	-	(994,299)
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	(1,003,783)	-	-	-	(1,003,783)	(4,516)	-	-	(1,008,299)
Total capital assets, net excluding ROU assets	\$ 60,720	-	-	-	\$ 60,720	(4,516)	-	-	56,204

California State University, Channel Islands Site Authority

Other Information June 30, 2023

<u>Composition of capital assets - Lease ROU, net:</u>	Balance June 30, 2022	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	367,276	-	-	-	367,276	842,152	-	-	1,209,428
Improvements, other than buildings	38,373,078	-	-	-	38,373,078	-	-	-	38,373,078
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable lease assets	38,740,354	-	-	-	38,740,354	842,152	-	-	39,582,506
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	(191,622)	-	-	-	(191,622)	(188,007)	-	-	(379,629)
Improvements, other than buildings	(2,257,240)	-	-	-	(2,257,240)	(2,257,240)	-	-	(4,514,480)
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(2,448,862)	-	-	-	(2,448,862)	(2,445,247)	-	-	(4,894,109)
Total capital assets - lease ROU, net	36,291,492	-	-	-	36,291,492	(1,603,095)	-	-	\$ 34,688,397

<u>Composition of capital assets - SBITA ROU, net</u>	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Depreciable/Amortizable SBITA assets:									
Software	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	-	-	-	-	-	-	-	-	-

California State University, Channel Islands Site Authority

Other Information June 30, 2023

<u>Composition of capital assets - P3 ROU, net:</u>	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	-	-	-	-	-	-	-	-	\$ -
Total capital assets, net including ROU assets									\$ 34,744,601

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 4,516
Amortization expense - Leases ROU	2,445,247
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
Total depreciation and amortization	\$ 2,449,763

California State University, Channel Islands Site Authority

Other Information June 30, 2023

4 Long-term liabilities:

	Balance June 30, 2022	Prior Period Adjustments/Reclassifications	Balance June 30, 2022 (Restated)	Additions	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
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 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:	-	-	-	-	-	-	-	-
Debt services on revenue bond	53,360,000	-	53,360,000	-	(2,290,000)	51,070,000	2,400,000	48,670,000
	-	-	-	-	-	-	-	-
Total others	53,360,000	-	53,360,000	-	(2,290,000)	51,070,000	2,400,000	48,670,000
Sub-total long-term debt	53,360,000	-	53,360,000	-	(2,290,000)	51,070,000	2,400,000	48,670,000
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	\$ 53,360,000	-	53,360,000	-	(2,290,000)	\$ 51,070,000	2,400,000	48,670,000

5. Lease, SBITA, P3 liabilities:

	Balance June 30, 2022	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
Lease liabilities	36,623,936	-	-	-	(1,121,597)	35,502,339	2,011,915	33,490,424
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ 36,623,936	\$ -	-	-	(1,121,597)	35,502,339	2,011,915	33,490,424
Total long-term liabilities						\$ 86,572,339	4,411,915	82,160,424

California State University, Channel Islands Site Authority

Other Information June 30, 2023

5 Future minimum payments schedule - leases, SBITA, P3:

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:												
2024	\$ 2,011,915	\$ 1,090,062	\$ 3,101,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,011,915	\$ 1,090,062	\$ 3,101,977
2025	2,078,279	1,023,069	3,101,348	-	-	-	-	-	-	2,078,279	1,023,069	3,101,348
2026	2,148,070	953,778	3,101,848	-	-	-	-	-	-	2,148,070	953,778	3,101,848
2027	2,221,149	882,074	3,103,223	-	-	-	-	-	-	2,221,149	882,074	3,103,223
2028	2,187,153	809,012	2,996,165	-	-	-	-	-	-	2,187,153	809,012	2,996,165
2029 - 2033	11,461,549	3,002,943	14,464,492	-	-	-	-	-	-	11,461,549	3,002,943	14,464,492
2034 - 2038	13,394,224	1,069,256	14,463,480	-	-	-	-	-	-	13,394,224	1,069,256	14,463,480
2039 - 2043	-	-	-	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ 35,502,339	8,830,194	44,332,533	-	-	-	-	-	-	35,502,339	8,830,194	44,332,533
Less: amounts representing interest												(8,830,194)
Present value of future minimum payments												35,502,339
Total Leases, SBITA, P3 liabilities												35,502,339
Less: current portion												(2,011,915)
Leases, SBITA, P3 liabilities, net of current portion												\$ 33,490,424

Future minimum payments schedule - Long-term debt obligations:

	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:									
2024	\$ 2,400,000	\$ 932,066	\$ 3,332,066	\$ -	\$ -	\$ -	\$ 2,400,000	\$ 932,066	\$ 3,332,066
2025	2,420,000	871,886	3,291,886	-	-	-	2,420,000	871,886	3,291,886
2026	3,335,000	850,699	4,185,699	-	-	-	3,335,000	850,699	4,185,699
2027	3,375,000	817,054	4,192,054	-	-	-	3,375,000	817,054	4,192,054
2028	3,275,000	775,497	4,050,497	-	-	-	3,275,000	775,497	4,050,497
2029 - 2033	17,190,000	3,054,156	20,244,156	-	-	-	17,190,000	3,054,156	20,244,156
2034 - 2038	19,075,000	1,177,337	20,252,337	-	-	-	19,075,000	1,177,337	20,252,337
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ 51,070,000	\$ 8,478,695	\$ 59,548,695	\$ -	\$ -	\$ -	\$ 51,070,000	\$ 8,478,695	\$ 59,548,695
Less: amounts representing interest									(8,478,695)
Present value of future minimum payments									51,070,000
Unamortized net premium/(discount)									-
Total long-term debt obligations									51,070,000
Less: current portion									(2,400,000)
Long-term debt obligations, net of current portion									\$ 48,670,000

California State University, Channel Islands Site Authority

Other Information June 30, 2023

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$	117,592
Payments to University for other than salaries of University personnel		3,778,765
Payments received from University for services, space, and programs		1,548,420
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		(904,335)
Other amounts payable to University		-
Accounts receivable from University		121,144
Other amounts receivable from University		-

8 Restatements:

		Debit/(Credit)
Restatement #1	Capital assets, net - lease ROU	\$ 3,267,205
	Accounts payable	66,307
	Lease liabilities, current portion	(1,781,851)
	Long-term debt obligations, current portion	1,400,000
	Long-term debt obligations, net of current portion	34,024,352
	Lease liabilities, net of current portion	(34,663,868)
	Unrestricted	(2,312,145)
		<u>\$ -</u>
Restatement #2		
		<u>\$ -</u>

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	-	-	-	-	-	2,691,425	-	2,691,425
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	3,758,823	-	3,758,823
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	2,449,763	2,449,763
Total operating expenses	\$ -	-	-	-	-	6,450,248	2,449,763	\$ 8,900,011

California State University, Channel Islands Site Authority

Other Information June 30, 2023

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	\$	5,105,625
Deferred outflows - net pension liability		-
Deferred outflows - net OPEB liability		-
Deferred outflows - leases		-
Deferred outflows - P3		-
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	\$	5,105,625

2. Deferred Inflows of Resources

Deferred inflows - P3 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 - leases		-
Deferred inflows - P3		-
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	\$	7,803,883
Other nonoperating (expenses)		(1,996,672)
Total other nonoperating revenues (expenses)	\$	5,807,211

California State University, Channel Islands Site Authority

**Schedule 1 - Supplementary Schedule of
Net Position (Deficit) by Program
June 30, 2023**

Assets:	
Cash and cash equivalents	\$ 14,667,907
Accounts receivable	1,398,062
Due from CSU Channel Islands	121,144
Investments	2,737,037
Prepaid expense	27,348
Due from CSUCI Financing Authority - restricted	18,903
Other assets - refunding of debt	5,105,625
Capital assets, net	34,744,601
Total assets	<u>\$ 58,820,627</u>
Liabilities:	
Accounts payable	\$ 1,213,831
Interest payable to CSU Systemwide Revenue Bonds	346,467
Deferred Revenue	1,117,134
Due to CSU Channel Islands	904,335
Reserves held for CAM	98,234
Loan from CSU Office of the Chancellor	51,070,000
Lease liability	838,471
PPP liability	34,663,868
Total liabilities	<u>90,252,340</u>
Net assets (deficit)	<u>(31,431,713)</u>
Total liabilities and net assets	<u>\$ 58,820,627</u>

California State University, Channel Islands Site Authority

Schedule 2 - Supplementary Schedule of Revenues, Expenses, and Changes in Net Position (Deficit) by Program For the Year Ended June 30, 2023

	General Operations	CI Power	Common Area Maintenance	Mission Hills	East Campus	32 Acres	Total
Operating revenues:							
Home sales	\$ 56,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,379
Energy Sales	-	4,357,292	-	-	-	-	4,357,292
Miscellaneous revenues	9,751	-	-	849,887	-	204,282	1,063,920
Maintenance rent	-	-	1,983,791	-	-	-	1,983,791
Total operating revenues	66,130	4,357,292	1,983,791	849,887	-	204,282	7,461,382
Operating expenses:							
Cost of Energy Sales	-	3,758,823	-	-	-	-	3,758,823
Depreciation of capital assets	4,516	188,007	-	-	2,257,240	-	2,449,763
General, administrative, and other expenses	838,762	-	1,492,661	286,448	-	73,554	2,691,425
Total operating expenses	843,278	3,946,830	1,492,661	286,448	2,257,240	73,554	8,900,011
Operating income (loss)	(777,148)	410,462	491,130	563,439	(2,257,240)	130,728	(1,438,629)
Nonoperating revenue (expense):							
Interest expense	-	-	-	-	(1,099,441)	-	(1,099,441)
Investment income (loss)	1,208	-	52,958	-	-	-	54,166
Property tax	-	-	-	-	1,932,870	-	1,932,870
Sales tax	30,691	-	-	-	-	-	30,691
Special tax	-	-	-	-	807,030	-	807,030
Pass through tax	-	-	-	-	(587,564)	-	(587,564)
Contribution for debt service	2,519,044	-	-	-	-	-	2,519,044
Interest on loan payable to CSU, Channel Islands	(1,018,161)	-	-	-	-	-	(1,018,161)
Other nonoperating revenue (expense)	20,303	(1,409,372)	(145)	-	2,494,354	-	1,105,140
Total nonoperating revenue (expense)	1,553,085	(1,409,372.00)	52,813	-	3,547,249	-	3,743,775
Income (loss) before transfers (to) from other CSU funds	775,937	(998,910)	543,943	563,439	1,290,009	130,728	2,305,146
Changes in net position	775,937	(998,910)	543,943	563,439	1,290,009	130,728	2,305,146
Net position (deficit), beginning of year	(47,565,385)	9,709,064	3,237,087	1,186,842	(356,622)	52,155	(33,736,859)
Net position (deficit), end of year	\$ (46,789,448)	\$ 8,710,154	\$ 3,781,030	\$ 1,750,281	\$ 933,387	\$ 182,883	\$ (31,431,713)
Transfer (to) from CSUCI Financing Authority	-	-	-	-	807,030	-	807,030
Transfer (to) from reserves	(129,487)	-	129,487	-	-	-	-
Total transfers	(129,487)	-	129,487	-	807,030	-	807,030

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*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of California State University, Channel Islands Site Authority ("Site Authority"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Site Authority's basic financial statements, and have issued our report thereon dated September 15, 2023, which includes an emphasis of matter paragraph as indicated on page 2.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Site 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 Site Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Site 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Site 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 15, 2023



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

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

June 30, 2023

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

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of California State University, Channel Islands Financing Authority (the "Financing Authority"), a component unit of California State University, Channel Islands as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Financing Authority's basic financial statements as listed in the index.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Financing Authority as of June 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Financing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Financing Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Financing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Financing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Financing Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Financing Authority's basic financial statements. The accompanying supplementary information on pages 17 to 20 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

We have previously audited the Financing Authority's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2023 on our consideration of the 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 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 Financing Authority's internal control over financial reporting and compliance.



Los Angeles, California
September 15, 2023

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

**Management's Discussion and Analysis
For the Year Ended June 30, 2023
(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, 2023. 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, 2023
(Unaudited)**

The Financing Authority's summary of net position as of June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Assets				
Current assets	\$ 18,904	\$ 11,298	\$ 7,606	67.3%
Other noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 18,904</u></u>	<u><u>\$ 11,298</u></u>	<u><u>\$ 7,606</u></u>	<u><u>67.3%</u></u>
Liabilities				
Current liabilities	\$ 18,904	\$ 11,298	\$ 7,606	67.3%
Other noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u><u>\$ 18,904</u></u>	<u><u>\$ 11,298</u></u>	<u><u>\$ 7,606</u></u>	<u><u>67.3%</u></u>
Net position				
Net investment in capital assets	\$ -	\$ -	\$ -	-
Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>-</u></u>

Assets

The current asset represents accounts receivable for current year special taxes expected to be paid to Financing Authority by Ventura County. The increase of \$7,606 is primarily due to a larger amount unpaid by Ventura County compared to the prior year.

Liabilities

The current liability represents the amount payable to the California State University Channel Islands Site Authority and is consistent with the accounts receivable.

Net position

Special taxes received from the County of Ventura are transferred to the California State University Channel Islands Site Authority. The Financing Authority functions as a pass-through account.

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

**Management's Discussion and Analysis
For the Year Ended June 30, 2023
(Unaudited)**

The Financing Authority's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Operating revenues				
Other operating revenues: Special tax	\$ 822,286	\$ 801,819	\$ 20,467	2.6%
Total operating revenues	<u>822,286</u>	<u>801,819</u>	<u>20,467</u>	<u>2.6%</u>
Operating expenses				
General, administrative, and other operating costs	15,256	15,227	29	0.2%
Transfers to California State University, Channel Islands Site Authority - Special Tax-Communities Facilities District	-	-	-	-
	<u>807,030</u>	<u>786,592</u>	<u>20,438</u>	<u>2.6%</u>
Total operating expenses	<u>822,286</u>	<u>801,819</u>	<u>20,467</u>	<u>2.6%</u>
Operating income	-	-	-	-
Changes in net position	-	-	-	-
Beginning net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

Operating revenues and expenses

Operating revenues and expenses come from sources that are connected directly to the Financing Authority's business function, which is to provide financing for public capital improvements serving California State University, Channel Islands. The Financing Authority currently receives special taxes from housing originally financed by the Financing Authority. The Financing Authority then transfers the income less general, administrative, and other operating costs to California State University Channel Islands Site Authority where the lease obligation is being paid.

Operating revenues

The operating revenues in the Financing Authority is comprised of special taxes collected from the privately-owned single-family homes and townhomes by the County of Ventura and then reapportioned to the Financing Authority. The revenue increased by \$20,467 primarily due to an increase in the special tax received.

Operating expenses

The expense is comprised of professional fees and fee assessments from the County of Ventura and the transfer of income less fees to Site Authority. There was no significant change in the operating expenses from the prior year.

Basic Financial Statements

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

**Statement of Net Position
June 30, 2023
With Summarized Totals at June 30, 2022**

	<u>Assets</u>	
	<u>2023</u>	<u>2022</u>
Assets		
Current assets		
Accounts receivable - property tax	\$ 18,904	\$ 11,298
Total current assets	<u>18,904</u>	<u>11,298</u>
Total assets	<u>\$ 18,904</u>	<u>\$ 11,298</u>
	<u>Liabilities and Net Position</u>	
Current liabilities		
Due to California State University, Channel Islands Site Authority	\$ 18,904	\$ 11,298
Total current liabilities	<u>18,904</u>	<u>11,298</u>
Total liabilities	<u>18,904</u>	<u>11,298</u>
Net position		
Unrestricted	<u>-</u>	<u>-</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

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

**Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022**

	<u>2023</u>	<u>2022</u>
Operating revenues		
Other operating revenues: Special tax	\$ 822,286	\$ 801,819
Total operating revenues	<u>822,286</u>	<u>801,819</u>
Operating expenses		
General, administrative, and other operating costs	15,256	15,227
Transfer to California State University, Channel Islands		
Site Authority - Special Tax - Community Facilities District	<u>807,030</u>	<u>786,592</u>
Total operating expenses	<u>822,286</u>	<u>801,819</u>
Operating loss	-	-
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 Financial Statements.

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

**Statement of Cash Flows
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Cash paid to suppliers	\$ (15,256)	\$ (15,227)
Net cash used in operating activities	<u>(15,256)</u>	<u>(15,227)</u>
Cash flows from noncapital financing activities		
Tax receipts	822,286	801,819
Special taxes	<u>(807,030)</u>	<u>(786,592)</u>
Net cash provided by noncapital financing activities	<u>15,256</u>	<u>15,227</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>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ -	\$ -
Taxes	(15,256)	(15,227)
Change in assets and liabilities		
Accounts receivable - property tax	(7,606)	1,742
Due to related party	<u>7,606</u>	<u>(1,742)</u>
Net cash used in operating activities	<u>\$ (15,256)</u>	<u>\$ (15,227)</u>

See Notes to Financial Statements.

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

**Notes to Financial Statements
June 30, 2023**

Note 1 - Organization

The California State University, Channel Islands 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, Channel Islands 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 Campus.

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, 2023

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 engaged 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.

Cash and cash equivalents

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

Revenue recognition

Revenue consists of special taxes which are recognized when the taxes are levied.

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 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.

California State University, Channel Islands
Financing Authority

Notes to Financial Statements
June 30, 2023

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, 2022 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 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 Generally Accepted Accounting Principles, 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 Financing Authority has access at the measurement date.

California State University, Channel Islands
Financing Authority

Notes to Financial Statements
June 30, 2023

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.

Reclassifications

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported change in net position.

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, 2023 was \$18,904 and consists of special tax receipts yet to transfer, which will be used for upcoming 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.

Supplementary Information

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

**GASB Schedule of Net Position
June 30, 2023
(for Inclusion in the California State University)**

Assets:	
Current assets:	
Cash and cash equivalents	\$ -
Short-term investments	-
Accounts receivable, net	18,904
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
Total current assets	18,904
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 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	18,904
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-
Total deferred outflows of resources	-
Liabilities:	
Current liabilities:	
Accounts payable	18,904
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - 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	18,904
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, 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	18,904
Deferred inflows of resources:	
P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
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**

**GASB Schedule of Revenues, Expenses and Changes in Net Position
June 30, 2023
(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	822,286
Total operating revenues	822,286

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	822,286
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	-
Depreciation and amortization	-
Total operating expenses	822,286
Operating income (loss)	-

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)	-
Net nonoperating revenues (expenses)	-
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, 2023
(for Inclusion in the California State University)**

- 1 Cash and cash equivalents: Not applicable**
- 2.1 Composition of investments: Not applicable**
- 2.2 Fair value hierarchy in investments: Not applicable**
- 2.3 Investments held by the University under contractual agreements: Not applicable**
- 3.1 Capital Assets, excluding ROU assets: Not applicable**
- 3.2 Detail of depreciation and amortization expense: Not applicable**
- 4 Long-term liabilities: Not applicable**
- 5 Future minimum payments schedule - leases, SBITA, P3: Not applicable**
- 6 Future minimum payments schedule - Long-term debt obligations: Not applicable**
- 7 Transactions with related entities: Not applicable**
- 8 Restatements: Not applicable**

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

**Other Information
June 30, 2023
(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	-	-	-	-	-	822,286	-	822,286
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	\$ -	\$ -	\$ -	\$ -	\$ -	822,286	\$ -	\$ 822,286

10 Deferred outflows/inflows of resources: Not applicable

11 Other nonoperating revenues (expenses): Not applicable

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 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 the business-type activities of California State University, Channel Islands Financing Authority (the "Financing Authority"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Financing Authority's basic financial statements, and have issued our report thereon dated September 15, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 15, 2023



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HEARING PROCEDURE FOR HOMEOWNERS TO CHALLENGE ASSESSMENTS TO PAY BONDED INDEBTEDNESS

Introduction

Section 7.1 of the [Ground Sublease](#) provides “the Unit and Homeowner’s possessory leasehold interest in the Sublease Parcel will be subject to the payment of ad valorem possessory interest taxes as well as assessments to pay bonded indebtedness of SA utilized to construct the Project commencing as of the Commencement Date.” The Ground Sublease does not provide a mechanism for homeowners or other University Glen residents to directly challenge assessments by the Site Authority except via Section 7.3 which provides:

Homeowner shall have the right, at Homeowner’s cost and expense, to refuse to pay and to contest the amount or validity of any tax or assessment by an appropriate proceeding diligently conducted in good faith; provided, however, that Homeowner’s right to contest shall be exercised in such a manner so as to avoid any exposure of the Sublease Parcel, the Unit or any Improvements to foreclosure or execution sale. Pending final judgment in and appeal from any such proceeding, CSU and SA shall not have the right to pay, remove or discharge any tax or assessment thereby contested, provided that Homeowner shall protect CSU, SA and the Sublease Parcel, the Unit and other Improvements from any lien by providing SA with a surety bond established by SA or other security deemed appropriate by SA.

Section 7.3 contemplates an administrative hearing by which homeowners can challenge taxes or assessments by other agencies, such as County of Ventura property taxes. The County provides [a procedure for appealing assessments](#).

The purpose of the procedure described herein is to provide a means for homeowners to challenge “assessments to pay bonded indebtedness of SA utilized to construct the Project commencing as of the Commencement Date.”

Deadline to File Appeal

Appeals of any assessments must be filed with California State University Channel Islands Site Authority Staff. Appeals must be filed within one year of the date the homeowner is issued or receives notice of the issuance of the assessment. If the final filing date falls on a Saturday, Sunday, or a legal holiday, an application that is mailed and postmarked on the next business day shall be deemed to have been filed timely. Deadlines cannot be extended except upon a showing of good cause that the appeal could not have been filed earlier.

The notice of appeal shall identify the homeowners' University Glen address. The homeowner agrees and consents to notices and any other service relating to the appeal, or the subject of the appeal being served at that address.

Appealing party shall remit a filing fee of \$300 to the Site Authority with their appeal. The appealing party shall be responsible for all costs and expenses incurred in contesting the assessment to the extent such costs and expenses exceed the amount of the filing fee.

Hearing Panel

The panel shall consist of three members: One member shall be appointed from Site Authority staff; one member shall be appointed from the University Glen Budget Advisory Group; and one member from the Site Authority Board. The panel shall select a hearing panel chairperson. If the panel cannot agree on a chairperson, the Site Authority staff representative shall serve as chairperson.

Pre-Hearing

Hearings shall be scheduled at the earliest convenience and availability of the parties and hearing panel. Hearings shall not be scheduled or continued due to the unavailability or convenience of witnesses or advisors. Requests for continuation of the hearing shall be granted subject to discretion of the panel chair, and only on a showing of good cause.

As the hearing is an informal process, there is no right to discovery nor are the parties required to disclose what evidence or witnesses they intend to introduce at the hearing. However, mutual exchange of evidence and witness lists is encouraged.

Conduct of Hearing

Parties may elect to be accompanied by an advisor of their choice, subject to the limitations set forth in these procedures. If a party elects to be accompanied by an advisor, they shall notify the panel and other party, and identify the advisor, no later than 72 hours before the hearing.

Each side shall present a brief opening statement. The appealing party shall have the burden of proof. As such, the appealing party shall present their opening statement first, followed by presentation by the other party. At the conclusion of opening statements, the parties shall present written evidence and oral testimony. As the party bearing the burden of proof, the appealing party shall present their evidence first, followed by the other party. The parties may be permitted to present rebuttal testimony at the discretion of the panel.

The formal rules of evidence applied in courtroom proceedings (e.g., California Evidence Code) shall not apply. However, all evidence must be relevant to the issues. All information that responsible persons are accustomed to rely upon in the conduct of serious affairs is considered. Hearsay may be considered and will be given the weight appropriate under all of the circumstances. Unduly repetitive information may be excluded. The panel shall determine the admissibility of any proffered evidence.

The rules of privilege will be effective to the extent that they are otherwise required by statute.

Each party may propose questions to be asked by the panel of the other party. Cross-examination of witnesses shall not be permitted except where specifically authorized by the panel.

Briefs may be submitted only as authorized by the panel.

The panel chairperson is responsible for maintaining order during the hearing. Abusive or otherwise disorderly behavior that causes a material disruption will not be tolerated. The chairperson may eject or exclude anyone (including a party, advisor, or both) whose behavior causes a material disruption.

The hearing panel will provide reasonable accommodations to any party or witness with a qualified disability upon request of the person needing the accommodation. Any such request should be submitted sufficiently in advance of the hearing, but at least 72 hours before the hearing. Continuances or postponements shall not be permitted due to late or untimely requests.

The hearing is subject to the requirements of the Bagley-Keene. Accordingly, notice shall be given in accordance with that Act. Additionally, the hearing shall be open to the public. While members of the public are allowed to address the Hearing Panel on matters relating to the hearing, only the parties shall be permitted to present evidence or call witnesses. Members of the public wishing to comment shall be invited to do so, prior to the presentation of opening statements.

Hearing Decision

As noted above, the appealing party bears the burden of proof. To prevail, the appealing party must prove their case by a preponderance of the evidence.

Decisions of the hearing panel shall be by majority vote. The decision of the hearing panel shall be final. The panel shall prepare and issue a written report of its findings and conclusions, as it deems appropriate. The report of the decision shall be issued as soon after the hearing as is reasonably feasible.

At any point prior to the issuance of the decision, the homeowner may elect to withdraw the appeal. However, any withdrawal shall be with prejudice – the homeowner shall not be entitled to re-file the appeal at a later date.

SITE AUTHORITY OPERATIONS REPORT

BACKGROUND

The Site Authority (SA) is staffed by CSUCI staff for oversight of operations, budgeting, accounting, and home sales coordination. The CSUCI Staff are represented by the Site Authority Liaison (Laurie Nichols), Executive Director of Operations (John Lazarus), Financial Services (Stephanie Bracamontes, Minna Chang), Facilities (Terry Tarr, Dan Gerrard), and Sales (Christina Sotelo).

Property management for University Glen is under contract with Kennedy-Wilson Properties, Ltd. (aka UGCAM) for services including the collection of fees, common area management, documentation, and reporting. The UGCAM team is composed of the Community Manager (Jake Friesen), Regional Manager (Donna Clark) and Accounting (Cris Campbell). Property Management for Anacapa Cayon is under contract with Seabreeze for services including the collection of fees, common area management, documentation, and reporting. The Seabreeze team consists of Brandon Tryon and Ashley Ziegler.

FOLLOW-UP FROM PUBLIC COMMENTS

Mary Kennedy spoke about furnaces being replaced with heat pumps.

A survey was sent out to gauge the interest of townhome owners, but this survey did not include the vital component of if townhome owners are willing to make the investment to cover the difference between the cost of installation and the subsidies available. Once that is determined, the Site Authority staff has offered to begin to work through the issues of adding Heat Pumps and their inherent colling capability into the Commonly Maintained portion of the Ground Sublease as well as tracking down all available subsidies.

Sandi Boyd spoke about modifying the Site Authority Investment Policy to only allow University Glen Reserves to be invested in instruments where the principal is guaranteed.

The BAG includes is waiting to see the CAL Trust Presentation occurring at this Board Meeting before making a recommendation.

COMMUNITY IMPROVEMENT REPORT

In the interest of increasing transparency, the Site Authority Board packet will be posted to the website the morning of the Site Authority Board meeting.

The DRAFT 24/25 UGCAM Budget is being developed and we are much further along I the process than any previous year with increase presentations to the community and collecting ideas for what should and should not be included. As it stands now,

- Overall TOTAL CAM Budget is currently projected to rise from \$2,743,680 to \$3,051,876.
Increase of
- Categories compared.
 - Landscaping is currently projected to stay flat a \$457,680
 - Utilities is currently projected to rise from \$722,901 to \$782,494 which is a 7.62% increase.
 - Trash is currently projected to rise from \$250,587 to \$261,429 which is a 4.15% increase

- Maintenance is currently projected to rise from \$351,728 to \$360,007 which is a 2.3% increase
- TH Insurance is currently projected to rise from \$144,266 to \$256,110 which is a 43.67% increase.
 - As previously reported, FY 23/24 had TH Homeowners Insurance budgeted at \$62,151, but the actual cost was \$119,053. It is not possible to get an actual Insurance quote more than 90 days in advance, but we have worked with our Carrier to get good estimates for FY 24/25 and those are \$157,572 for an increase of 32.24%. This works out to \$595.27 for 23/24 and \$787.86 for FY 24/25. This compares to the current CA average of \$1,380.
 - Earthquake Insurance is also not possible to get a quote for more than 90 days in advance. We are being told by our Broker that premiums will rise 10% - 20% (\$82,115 up to \$98,538) and we have used the 20% figure to be conservative in budgeting.
- Management Fee: The 24/25 Management Fee is still very much unknown at this time pending the outcome of the RFP Process and that cost will be plugged into the DRAFT 24/25 Budget. Plugged in flat at \$339,966. The RFP is expected to be awarded in March.
- The Townhouse Reserves contribution is still being determined. We recognize that higher Reserves contributions now have an immediate impact on owners, but that increasing Reserve contributions creates more stability over time and decreases the need for a Special Assessment. That stability is vital to affordable and more stable housing costs.

	UNIVERSITY GLEN		ANACAPA CANYON	
	SFR	TH	SFR	TH
23/24 CAM FEE	\$ 313.86	\$ 484.76	N/A	N/A
DRAFT 24/25 Gross Monthly CAM per Unit (Note the DRAFT Anacapa TH CAM varies between \$464.44 - 471.26 based on the number of home occupied in FY 24/25)	\$ 332.33	\$ 573.32	\$ 274.82	\$ 465.50
% Increase	5.9%	18.3%	N/A	N/A
Monthly Water/Sewer/Trash	\$ 118.00	\$ 118.00	\$ -	\$ -
Monthly Earthquake Insurance for TH (The GSL for Anacapa Canyon allows TH owners to decide if they want to have EQ insurance)	\$ -	\$ 34.00	\$ -	TBD. Quoted at \$60.67
DRAFT Monthly Net of Water/Sewer/Trash/EQ Insurance Expenses	\$ 214.33	\$ 421.32	\$ 274.82	\$ 465.50

Another presentation to the entire community, including University Glen and Anacapa Canyon is being planned for later April or the Summer of 2024 letting the community know about the evacuation plan, CERT and Firewise.

HOME SALES REPORT

There were 3 home sales between October 2023 and February 2024. Currently, there are no homes for sale.

In February 2024 the median price for a home in Camarillo was \$856,911 while the average price of a University Glen home sold in 2023 was \$450,783.

As of February 2024, 33% of all University Glen Single Family Homes and Townhomes are owned by current Category 1-3 CSUCI Employees or CSUCI retirees. This is the same % as the last Operations Report.