

**CALIFORNIA STATE UNIVERSITY,
CHANNEL ISLANDS FOUNDATION**

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

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
California State University, Channel Islands Foundation (Foundation)
Camarillo, California

We have audited the accompanying financial statements of California State University, Channel Islands Foundation, which comprise the statement of net position as of June 30, 2013, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Channel Islands Foundation as of June 30, 2013, and the respective changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT - Continued

Report on Summarized Comparative Information

We have previously audited the California State University, Channel Islands Foundation's 2012 financial statements, and our report dated September 12, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of California State University, Channel Islands Foundation. The GASB schedule of net position, GASB schedule of revenues, expenses and changes in net position, expenses by natural classification, and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The GASB schedule of net position, GASB schedule of revenues, expenses and changes in net position, expenses by natural classification, and other information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the GASB schedule of net position, GASB schedule of revenues, expenses and changes in net position, expenses by natural classification, and other information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Vorwin, Hays + Co.

Calabasas, California
September 10, 2013

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2013**

This section of California State University, Channel Islands Foundation (Foundation) annual financial report presents our discussion and analysis of the financial performance of the Foundation for the fiscal year ended June 30, 2013. 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 University is considered a special-purpose government engaged only in business-type activities, which best represent the activities of the Foundation.

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 Foundation.

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 Foundation.

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 Foundation's financial activities. Included is an analysis of current year activities and balances; a discussion of restrictions of Foundation net position; a discussion of capital assets and long-term debt; and factors impacting future reporting periods.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2013**

The Foundation's summary of net position as of June 30, 2013 and 2012 are as follows:

Condensed Summary of Net Position

	<u>June 30</u>			
	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
Assets:				
Current assets	\$ 1,371,301	\$ 2,228,724	\$ (857,423)	-38.5%
Other noncurrent assets	<u>18,530,630</u>	<u>16,508,058</u>	<u>2,022,572</u>	<u>12.3%</u>
Total assets	<u>19,901,931</u>	<u>18,736,782</u>	<u>1,165,149</u>	<u>6.2%</u>
Liabilities:				
Current liabilities	214,459	237,058	(22,599)	-9.5%
Other noncurrent liabilities	<u>318,649</u>	<u>269,178</u>	<u>49,471</u>	<u>18.4%</u>
Total liabilities	<u>533,108</u>	<u>506,236</u>	<u>(26,872)</u>	<u>5.3%</u>
Net position				
Restricted	18,530,242	17,429,722	1,100,520	6.3%
Unrestricted	<u>838,581</u>	<u>800,824</u>	<u>37,757</u>	<u>4.7%</u>
Total net position	<u>\$ 19,368,823</u>	<u>\$ 18,230,546</u>	<u>\$ 1,138,277</u>	<u>6.2%</u>

Assets

Total assets increased by \$1.2M. However, current pledges receivable decreased by \$241K and cash decreased by \$633K due to a \$900K transfer of operating cash to a long-term cash account coupled with an increase of \$267K. A significant increase is in the non-current assets; long term investments had a gain on investments of \$1M and restricted cash saw a considerable increase due to the transfer from operating cash of \$900K and increase of earnings of \$155K.

Liabilities

Total liabilities increased by \$27K compared to prior year. Most notably, related party payables decreased by \$59K and liability to beneficiaries increased by \$50K due to market conditions.

Net Position

Total net position increased by \$1.1M compared to prior year. A significant portion of the increase is in non-expendable endowments. As such, non-expendable endowment activity increased due to a gains in investment earnings.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2013**

Restricted Resources

Net position of the Foundation includes funds that are restricted by donor or law. The following table summarizes which funds are restricted, the type of restriction, and the amount:

Restricted Net Position

	<u>June 30</u>			
	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
Non Expendable Endowments	\$ 6,510,528	\$ 5,311,623	\$ 1,198,905	22.6%
Expendable:				
Scholarships and fellowships	1,045,572	1,101,211	(55,639)	-5.1%
Research	82,758	35,257	47,501	-134.7%
Instruction	3,913,907	5,689,550	(1,775,643)	-31.2%
Capital Projects	77,525	276,889	(199,364)	-72.0%
Other	<u>6,899,952</u>	<u>5,015,192</u>	<u>1,884,760</u>	<u>37.6%</u>
Total restricted net position	<u>\$18,530,242</u>	<u>\$17,429,722</u>	<u>\$ 1,100,520</u>	<u>6.3%</u>

Designated Resources

The Foundations unrestricted net position is designated as follows:

	<u>June 30</u>			
	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
Designated:				
Working Capital	\$ 738,581	\$ 700,824	\$ (37,757)	5.3%
Undesignated:				
Foundation Operating Funds	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>0.0%</u>
Total Unrestricted Net Position	<u>\$ 838,581</u>	<u>\$ 800,824</u>	<u>\$ (37,757)</u>	<u>4.7%</u>

The Foundation has adopted a policy of generally utilizing restricted-expendable funds, prior to unrestricted funds, when an expense is incurred for purposes for which both are available.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2013**

The Foundation's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2013 and 2012 is as follows:

Condensed Summary of Revenues, Expenses, and Changes in Net Position

	<u>Year ended June 30</u>			
	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Revenues:				
Other Operating Revenues	\$ 155,704	\$ 87,065	\$ 68,639	78.8%
Total operating revenues	155,704	87,065	68,639	78.8%
Operating Expenses				
Operating income (loss)	<u>(2,378,643)</u>	<u>(1,662,773)</u>	<u>715,870</u>	<u>43.1%</u>
	(2,222,939)	(1,575,708)	(647,231)	41.1%
Nonoperating revenues (expenses):				
Nongovernmental grants, noncapital	68,893	372,000	(303,107)	81.5%
Gifts non Capital	1,350,097	1,673,186	(323,089)	-19.3%
Gifts in-Kind	120,629	86,471	34,158	39.5%
Investment income, net	<u>1,185,044</u>	<u>(426,071)</u>	<u>1,611,115</u>	<u>-378.1%</u>
Total nonoperating revenues (expenses)	<u>2,724,663</u>	<u>1,705,586</u>	<u>1,019,077</u>	<u>59.7%</u>
Income (loss) before other additions	501,724	129,878	371,846	286.3%
Additions to permanent endowment	<u>636,553</u>	<u>60,361</u>	<u>576,192</u>	<u>954.6%</u>
Increase (decrease) in net position	1,138,277	190,239	948,038	498.3%
Beginning net position	<u>18,230,546</u>	<u>18,040,307</u>	<u>190,239</u>	<u>1.1%</u>
Ending net position	<u>\$ 19,368,823</u>	<u>\$ 18,230,546</u>	<u>\$ 1,138,277</u>	<u>6.2%</u>

Operating Revenues and Expenses

Operating revenues and expenses come from sources that are connected directly to the Foundation's business function. Revenues come from other operating revenues which include sales of goods and services associated with fundraising activities and other miscellaneous revenue. Expenses include categories such as gift to university, supplies and other services, scholarships and fellowships. In this discussion and analysis, expenses are reported by functional program such as instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, student grants and scholarships.

Operating Revenues

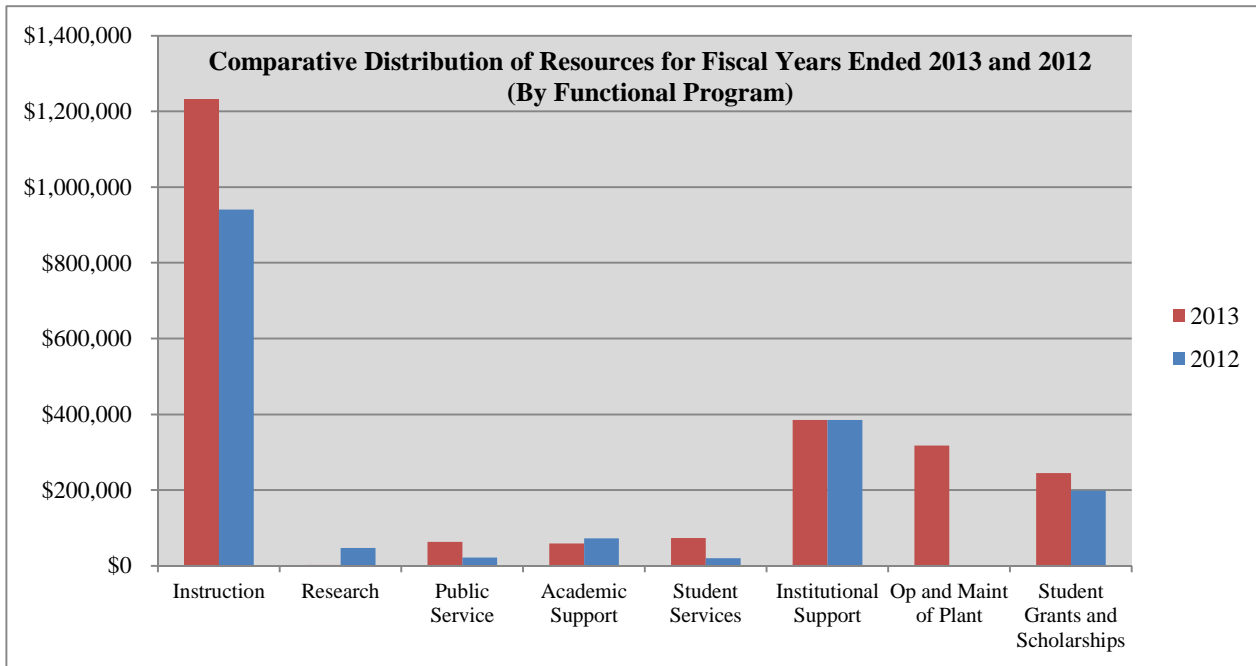
Total operating revenues increased by \$68K versus prior and are due to an increase in alumni fundraising activities of \$30K, President's Dinner fundraising activities of \$28K, and Administrative Fees of \$10K.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2013**

Operating Expenses

Total operating expenses increased by \$647K versus prior year and are attributable to capital project expenditures related to the Campus Center Mall Project of \$400K and an increase in instructional expenses of \$200K.

The following chart presents the distribution of resources in support of the Foundation's mission for fiscal years 2013 and 2012:



Non-Operating Revenues (Expenses)

Non-operating revenues (expenses) come from sources that are not part of the Foundation's primary business functions. Included in this classification are categories such as gifts noncapital, gifts in-kind, and investment income. Total non-operating revenue increased by \$1M and is primarily due to a gain in investment earnings.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
STATEMENT OF NET POSITION
JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets		
Cash	\$ 800,524	\$ 1,434,086
Short-term investments	97,809	97,717
Accounts receivable	53,259	57,637
Related party receivables	20,529	802
Pledges receivable, net	389,180	630,942
Prepaid expenses	<u>10,000</u>	<u>7,540</u>
Total current assets	1,371,301	2,228,724
Non-current assets		
Restricted cash and cash equivalents	4,557,240	3,469,267
Long-term investments	12,637,617	11,628,728
Pledges receivable, net	<u>1,335,773</u>	<u>1,410,063</u>
Total non-current assets	<u>18,530,630</u>	<u>16,508,058</u>
Total assets	<u>19,901,931</u>	<u>18,736,782</u>
LIABILITIES		
Current liabilities		
Accounts payable	55,059	18,085
Related party payable	<u>159,400</u>	<u>218,973</u>
Total current liabilities	214,459	237,058
Noncurrent liabilities		
Liability to beneficiaries	<u>318,649</u>	<u>269,178</u>
Total noncurrent liabilities	<u>318,649</u>	<u>269,178</u>
Total liabilities	<u>533,108</u>	<u>506,236</u>
NET POSITION		
Restricted for:		
Nonexpendable - endowments	6,510,528	5,311,623
Expendable:		
Instruction	3,913,907	5,689,550
Scholarships and fellowships	1,045,572	1,101,211
Research	82,758	35,257
Capital projects	77,525	276,889
Other	6,899,952	5,015,192
Unrestricted	<u>838,581</u>	<u>800,824</u>
Total net position	<u>\$ 19,368,823</u>	<u>\$ 18,230,546</u>

See accompanying auditors' report and notes to financial statements.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)**

	<u>2013</u>	<u>2012</u>
REVENUES		
Operating revenues		
Other operating income	\$ 155,704	\$ 87,065
 Total operating revenues	 155,704	 87,065
EXPENSES		
Operating expenses		
Instruction	1,231,358	940,935
Research	2,528	47,119
Public service	63,491	21,911
Academic support	59,072	72,456
Student services	73,114	19,841
Institutional support	385,558	361,644
Operation and maintenance of plant	317,805	-
Student grants and scholarships	245,717	198,867
 Total operating expenses	 <u>2,378,643</u>	 <u>1,662,773</u>
 Operating income (loss)	 (2,222,939)	 (1,575,708)
NONOPERATING REVENUES (EXPENSES)		
Nongovernmental grants, noncapital	68,893	372,000
Gifts, noncapital	1,350,097	1,673,186
In-kind contributions	120,629	86,471
Investment income (loss)	1,185,044	(426,071)
 Net nonoperating revenues and expenses	 <u>2,724,663</u>	 <u>1,705,586</u>
 INCOME BEFORE ADDITIONS	 501,724	 129,878
ADDITIONS TO PERMANENT ENDOWMENTS	<u>636,553</u>	<u>60,361</u>
 INCREASE (DECREASE) IN NET POSITION	 1,138,277	 190,239
NET POSITION - beginning of year	<u>18,230,546</u>	<u>18,040,307</u>
 NET POSITION - end of year	 <u>\$ 19,368,823</u>	 <u>\$ 18,230,546</u>

See accompanying auditors' report and notes to financial statements.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Payments to suppliers	\$ (2,132,639)	\$ (1,454,641)
Payments to students	(208,145)	(183,375)
Gifts to University	-	-
Other receipts (payments)	<u>77,254</u>	<u>61,121</u>
Net Cash Provided (Used) by Operating Activities	(2,263,530)	(1,576,895)
Cash flows from noncapital financing activities:		
Gifts and Grants Received from received for other than Capital Purposes	1,935,421	2,597,649
Pledges	491,995	602,869
Non Cash Activities	<u>120,629</u>	<u>89,823</u>
Net Cash Provided (Used) by noncapital financing activities	2,548,045	3,290,341
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	1,096,540	4,277,268
Purchases of investments	(1,242,395)	(4,585,756)
Investment income received	<u>315,751</u>	<u>(161,722)</u>
Net Cash Provided (Used) by Investing Activities	<u>169,896</u>	<u>(470,210)</u>
Net increase (decrease) in cash and cash equivalents	454,411	1,243,236
Cash and cash equivalents at beginning of year	<u>4,903,353</u>	<u>3,660,117</u>
Cash and cash equivalents at end of year	<u>\$ 5,357,764</u>	<u>\$ 4,903,353</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities		
Operating income	(2,222,939)	(1,575,708)
Adjustments to reconcile net operating income (loss) to net cash provided by (used by) operating activities:		
Provision for bad debt	(5,000)	(117,383)
Accounts receivable	9,378	126,871
Related party receivable, net	(19,727)	94,605
Prepaid expenses	(2,460)	766
Accounts payable	36,974	(29,514)
Liability to beneficiaries	(183)	-
Related party payable	<u>(59,573)</u>	<u>(76,532)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$(2,263,530)</u>	<u>\$(1,576,895)</u>
Supplemental Non-Cash information:		
Non Cash Activities	<u>\$ 120,629</u>	<u>\$ 89,823</u>

See accompanying auditors' report and notes to financial statements.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. ORGANIZATION

California State University, Channel Islands Foundation (Foundation) was created on August 28, 1996, pursuant to the General Nonprofit Corporation Law of the State of California and was organized to promote and assist education, administration and related services of the California State University, Channel Islands. The Foundation operates as an auxiliary organization of the California State University, Channel Islands (University) under an operating agreement with the Trustees of the California State University (the Trustees), which goes through June 30, 2015.

2. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The accompanying financial statements 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.

Election of Applicable FASB Statements

The Foundation has elected to follow 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 Foundation also has the option of following subsequent private-sector guidance subject to the same limitation. The Foundation has elected not to adopt the pronouncements issued by the FASB after November 30, 1989.

Financial Reporting Entity

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

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 Foundation maintains its cash and cash equivalents in bank accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Pledges Receivable

Unconditional promises of private gifts to the Foundation are recorded as pledges receivable and revenue in the year promised at the present value of expected cash flows including consideration of collectability. Conditional promises and intentions to give are recognized as receivables and revenue when the specific condition and/or eligibility and recognition requirements are met. There were no conditional promises to give at June 30, 2013.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

2. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES – Continued

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 Revenue, Expenses, and Changes in Net Position.

The fair value of investments in securities is based on the quoted market price of the underlying securities.

Investment income is reported net of related expenses as increases or decreases in unrestricted net position unless a donor restricts their use.

Net Position

The Foundation's net position is classified into the following net asset categories:

Restricted – non expendable endowments – Net position resulted from contributions restricted by the donor for investment in perpetuity. The investment incomes generated by the endowments are to be used for scholarships for University students and programs described by the respective donors.

Restricted – expendable – Net position subject to externally imposed conditions that can be fulfilled by the actions of the Foundation or by the passage of time.

Unrestricted – All other categories of net position. In addition, unrestricted net position may be designated for use by management of the Foundation or have legislative or bond indenture requirements associated with their use. These requirements limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be designated to support future operations in these areas.

The Foundation has adopted a policy of generally utilizing restricted-expendable funds, prior to unrestricted funds when an expense is incurred for purposes for which both are related.

Revenues

The Foundation derives its operating revenues primarily from sales and services of goods through fundraising activities; raffle tickets, bizarre and art sales.

Classification of Revenues

The Foundation 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 from other activities that are connected directly to the Foundation's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as non-operating revenues and expenses or in accordance with GASB Statement No. 35.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES – Continued

Allocation of Costs

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of revenues, expenses and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation for the California State University, Channel Islands is a Not-for-Profit tax-exempt corporation under Internal Revenue Code Section 501(c)(3) and is classified as other than a private foundation. Income taxes are not significant to the financial statements. The Foundation's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2011, 2010, 2009, are subject to examination by the IRS, generally for 3 years after they were filed.

Gifts-In-Kind

Gifts-in-kind consist of donations of nonmonetary supply items and are recorded at their fair market value at the date of the gift. Total gifts-in-kind consisted of materials and supplies and are reflected as In-kind contributions with a balance of \$120,629 in the accompanying statement of revenues, expenses, and changes in net position.

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. A description of the significant accounting policies employed in the preparation of these financial statements follows.

Subsequent Events

The Foundation has evaluated events subsequent to June 30, 2013, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 10, 2013, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

3. CASH AND CASH EQUIVALENTS

The Foundation's cash and cash equivalents as of June 30, 2013 are classified in the accompanying statement of net position as follows:

Cash and cash equivalents	\$ 800,524
Restricted cash and cash equivalents	<u>4,557,240</u>
Total cash and cash equivalents	<u>\$ 5,357,764</u>

(a) *Cash and Cash Equivalents*

At June 30, 2013, cash and cash equivalents consisted of demand deposits maintained at the bank. Total cash and cash equivalents of \$5,357,764 had a corresponding carrying value balance with the bank of \$5,372,556 at June 30, 2013. The difference is related to outstanding checks in the amount of \$13,829 and deposits in transit of \$963.

(b) *Custodial Credit Risk for Deposits*

Custodial credit risk for deposits is the risk that the Foundation 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 in that the Foundation's deposits are maintained at financial institutions that are fully insured or collateralized as required by state law.

4. ACCOUNTS RECEIVABLE

Accounts Receivable at June 30, 2013 consisted of the following:

	<u>Current</u>	<u>Non Current</u>	<u>Total</u>
Accounts Receivable - Other	\$ 53,259	\$ -	\$ 53,259
Less allowance for Doubtful Accounts	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 53,259</u>	<u>\$ -</u>	<u>\$ 53,259</u>

The Foundation 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 FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

5. RELATED PARTY TRANSACTIONS

The Foundation has entered into certain transactions with the Campus and recognized auxiliary organizations of the Campus relating primarily to payroll reimbursement and commercial food services. The accompanying financial statements include all such transactions for the year ended June 30, 2013:

Related party receivables consist of the following:

	<u>June 30, 2013</u>
California State University, Channel Islands	<u>\$ 20,259</u>
	<u>\$ 20,259</u>

Related party payables consist of the following:

	<u>June 30, 2013</u>
Associated Students of CSU Channel Islands, Inc.	\$ 120
California State University, Channel Islands	158,350
CSU Channel Islands University Glen	<u>930</u>
	<u>\$ 159,400</u>

6. PLEDGES RECEIVABLE

Pledges receivable are measured using market prices and are stated at fair value. Pledges receivable at June 30, 2013 are as follows:

Less than one year	\$ 455,351
One to five years	<u>1,489,000</u>
Total pledges receivable	1,944,351
Less discount to present value	<u>(219,398)</u>
Net, pledges receivable	<u>\$ 1,724,953</u>

The unamortized discount is based on a risk free rate and additional market risk factor in total 4.4%. In management's opinion, all pledges receivables were collectible at June 30, 2013 and therefore no allowance has been established.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)

7. RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments as of June 30, 2013 consist of the following:

Cash restricted for endowments	\$ 193,020
Fixed income intermediate term investments	4,645,815
Equity Funds	<u>7,333,343</u>
	<u>\$ 12,172,178</u>

Investment Policy

The Foundation's investment policy (the Policy) sets forth the guidelines for the investment of all endowments funds of the Foundation. As a general rule, the Policy conforms to the Prudent Investor guidelines Investor guidelines widely used in the investment management industry, the guidelines of Uniform Management of Association for CFA Institute (formerly AIMR), the professional standards established by the Uniform Prudent Management of Institutional Funds Act and the general fiduciary standards described in the Uniform Investment Act.

The long-term investment objective of the policy is to preserve the endowment funds' capital, protect the purchasing power of the endowment funds and provide cash flows to assist in the funding of the Foundation's spending goals. With this in mind, the portfolio shall be invested to provide safety through diversification in a portfolio of common, stocks, bonds, cash equivalents and other investments, all of which may reflect varying rates of returns. The return objective will be to outperform the Higher Education Price Index (HEPI) plus 5%.

Interest rate risk

Interest rate risk is the risk that the changes in market interest rates will adversely affect the fair value of an investment. In accordance with the Policy, the Foundation manages the risk of market value fluctuations due to overall changes in general levels of interest rates by limiting its average maturity of investments within the portfolios.

Credit Risk:

Fixed income securities are subject to credit risk, which is the risk that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors, such as financial weakness, bankruptcy, litigation and/or adverse political developments. A bond's credit quality is an assessment of the issuer's ability to pay interest on a bond and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond rating agencies such as Moody's Investors Service or Standard & Poor's. The lower the rating, the greater the chance that the bond issuer will default or fail to meet its payment obligations. Generally, the lower the bond's credit rating, the higher the yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. Government or those explicitly guaranteed by the U.S. government, are not considered to have risk.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

7. INVESTMENTS - Continued

The credit risk profile for fixed income securities at June 30, is as follows:

<u>Fixed Income, Intermediate Term Investments</u>	<u>2013</u>	<u>S&P Credit Rating</u>
U.S. intermediate term bonds	\$ 1,041,309	AA-
U.S. intermediate term bonds	848,325	AA-
U.S. intermediate term bonds	<u>177,375</u>	A+
	<u>2,067,009</u>	
Non-U.S. intermediate term bond	<u>\$ 628,877</u>	A+
	<u>628,777</u>	
Total fixed income securities	<u>\$ 2,695,886</u>	

Concentration Credit Risk

The Policy of the Foundation contains certain limitations on the amount that can be invested in any one issuer and is listed in the table above. The Foundation did not have any investments in any other issuer (other than U.S Treasury securities, mutual funds and external investment pools) that represents 5 percent or more of the Foundation's total investments as of the year ended June 30, 2013.

Custodial Credit Risk

Custodial credit risk for investment deposits is the risk that the Foundation will not be able to recover its deposits in the event of a failure of a depository institution. In the ordinary course of the Foundation's operations, deposit balances in checking accounts can exceed the Federal Deposit Insurance Corporation insured limits. In accordance with the Foundation'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 Foundation 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 Foundation's name.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

8. LONG TERM LIABILITIES ACTIVITY

Long term liability activity for the year ended at June 30, 2013 consisted of the following:

	Beginning Balance	Additions	Reductions	Total
Liability to Beneficiary	<u>\$ 269,178</u>	<u>\$ 49,654</u>	<u>\$ (183)</u>	<u>\$ 318,649</u>

Liability to Beneficiary consists of a Charitable Remainder Trust net of discount to present value which provides for payments to the beneficiary as defined with the remainder reverting to the Foundation at maturity.

9. CLASSIFICATION OF OPERATING EXPENSES

The University has elected to report operating expenses by functional classification in the statements of revenues, expenses, and changes in net position, but to provide the natural classification of those expenses as an additional disclosure. For the year ended June 30, 2013, operating expenses by natural classification consisted of the following:

	Salaries	Benefits	Fellowships	Other Services	Depreciation	Total
Instruction	\$ -	\$ -	\$ -	\$ 1,231,358	\$ -	\$ 1,231,358
Research	-	-	-	2,528	-	2,528
Public service	-	-	-	63,491	-	63,491
Academic support	-	-	-	59,072	-	59,072
Student services	-	-	-	73,114	-	73,114
Institutional support	-	-	-	385,558	-	385,558
Operation and maintenance of plant	-	-	-	317,805	-	317,805
Student grants and scholarships	-	-	245,717	-	-	245,717
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,717</u>	<u>\$ 2,132,926</u>	<u>\$ -</u>	<u>\$ 2,378,643</u>

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)

10. TRANSACTIONS WITH RELATED PARTIES

As discussed in Note 1, the Foundation operates under an agreement with the Trustees as an auxiliary organization of the University. Accordingly, essentially all revenues, and realization of certain position, are dependent upon the continuation of this agreement.

The accompanying financial statements also include the following transactions with the Site Authority and other related parties as of and for the year ended June 30, 2013:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 691,213
Payments to University for other than salaries of University personnel	1,014,606
Accounts (payable to) University	(158,350)
Capital Gifts to University	3,822
Accounts receivable from University	20,529

SUPPLEMENTARY INFORMATION

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
GASB SCHEDULE OF NET POSITION
JUNE 30, 2013

Assets:	
Current assets:	
Cash and cash equivalents	\$ 800,524
Short-term investments	97,809
Accounts receivable, net	73,788
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	389,180
Prepaid expenses and other assets	10,000
Total current assets	<u>1,371,301</u>
Noncurrent assets:	
Restricted cash and cash equivalents	4,557,240
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	1,335,773
Endowment investments	6,510,528
Other long-term investments	6,127,089
Capital assets, net	—
Other assets	—
Total noncurrent assets	<u>18,530,630</u>
Total assets	<u>19,901,931</u>
Deferred outflows of resources:	
Unamortized loss on refunding(s)	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	55,059
Accrued salaries and benefits payable	—
Accrued compensated absences— current portion	—
Unearned revenue	—
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	159,400
Total current liabilities	<u>214,459</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
Unearned revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Self-insurance claims liabilities, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	—
Other liabilities	318,649
Total noncurrent liabilities	<u>318,649</u>
Total liabilities	<u>533,108</u>
Deferred inflows of resources:	
Deferred service concession arrangement receipts	—
Total deferred inflows of resources	<u>—</u>
Net Position:	
Net investment in capital assets	—
Restricted for:	
Nonexpendable – endowments	6,510,528
Expendable:	
Scholarships and fellowships	1,045,572
Research	82,758
Loans	—
Capital projects	77,525
Debt service	—
Other	10,813,859
Unrestricted	838,581
Total net position	<u>\$ 19,368,823</u>

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

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$_____)	\$	—
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)		—
Other operating revenues		155,704
		<hr/>
Total operating revenues		155,704
		<hr/>

Expenses:

Operating expenses:

Instruction	1,231,357
Research	2,528
Public service	63,491
Academic support	59,072
Student services	73,114
Institutional support	385,559
Operation and maintenance of plant	317,805
Student grants and scholarships	245,717
Auxiliary enterprise expenses	—
Depreciation and amortization	—
	<hr/>
Total operating expenses	2,378,643
	<hr/>
Operating income (loss)	(2,222,939)
	<hr/>

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	68,893
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	1,470,726
Investment income (loss), net	1,185,044
Endowment income (loss), net	—
Interest Expenses	—
Other nonoperating revenues (expenses)	—
	<hr/>
Net nonoperating revenues (expenses)	2,724,663
	<hr/>
Income (loss) before other additions	501,724

State appropriations, capital

Grants and gifts, capital	—
Additions (reductions) to permanent endowments	636,553
	<hr/>
Increase (decrease) in net position	1,138,277

Net position:

Net position at beginning of year, as previously reported	18,230,546
Restatements	—
Net position at beginning of year, as restated	<hr/>
	18,230,546
	<hr/>
Net position at end of year	\$ 19,368,823
	<hr/>

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
EXPENSES BY NATURAL CLASSIFICATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>2013</u>	<u>2012</u>
EXPENSES		
Accounting fees and other CSUCI services	\$ 85,000	\$ 85,000
Advertising and promotion	5,248	12,410
Awards and recognition items	10,499	12,999
Bad debt expense	5,000	117,383
Bank and credit card fees	6,478	5,766
Books and subscriptions	8,202	964
Business meals and hospitality	95,081	101,676
Conferences and meetings	3,327	2,544
Education and training	3,810	4,072
Equipment	36,291	18,778
Grants made	21,265	23,218
Honoraria	10,125	1,950
Insurance	1,937	2,558
Investment fees	38,867	52,096
Membership dues and fees	3,387	12,745
Office expense	3,473	10,277
OPC chargebacks	9,512	4,051
Outside services	849,690	496,791
Postage	10,462	7,584
Printing	50,230	36,189
Professional fees	110,623	33,774
Rent	13,931	10,974
Repairs and maintenance	18	252
Scholarships	263,646	243,375
Software	6,551	331
Supplies	701,342	343,394
Telephone	694	527
Travel	<u>23,954</u>	<u>21,095</u>
 Total expenses	 <u>\$2,378,643</u>	 <u>\$1,662,773</u>

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

1	Restricted cash and cash equivalents at June 30, 2013:		
	Portion of restricted cash and cash equivalents related to endowments	\$	193,020
	All other restricted cash and cash equivalents		<u>4,364,220</u>
	Total restricted cash and cash equivalents	\$	<u>4,557,240</u>

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

2.1 Composition of investments at June 30, 2013:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-	-	-
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF)	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	7,837,213	7,837,213	7,837,213
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	97,809	97,809	-	4,800,404	4,800,404	4,898,213
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:							
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Partnership interests (includes private pass-through)	-	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Other major investments:							
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**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

2.2 Investments held by the University under contractual agreements at June 30, 2013:

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

2.3 Restricted current investments at June 30, 2013 related to:

	Amount
Mutual Funds	\$ 97,809
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2013	\$ 97,809

2.4 Restricted noncurrent investments at June 30, 2013 related to:

	Amount
Endowment investment	\$ 6,510,528
Equities	1,326,685
Mutual Funds	4,800,404
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2013	\$ 12,637,617

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)

3.1 Composition of capital assets at June 30, 2013:

	Balance June 30, 2012	Prior period Adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2013
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	-	-	-	-	-	-	-	-
Total capital assets	-	-	-	-	-	-	-	-

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)

4 Long-term liabilities activity schedule:

	Balance June 30, 2012	Prior period adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Balance June 30, 2013	Current portion	Long-term portion
Accrued compensated absences	\$ —	—	—	—	-	-	—	—	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	-	-	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	-	-	—	—	—
Total capitalized lease obligations	—	—	—	—	-	-	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	-	-	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	-	-	—	—	—
Commercial Paper	—	—	—	—	-	-	—	—	—
Note Payable related to SRB	—	—	—	—	-	-	—	—	—
Other:									
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Total long-term debt obligations	—	—	—	—	-	-	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	-	-	—	—	—
Unamortized loss on refunding	—	—	—	—	-	-	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ —	—	—	—	—	—	—	—	—

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

5 Future minimum lease payments - capital lease obligations:

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

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
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FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
	Year ending June 30:								
2014	\$ -	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019 - 2023	-	-	-	-	-	-	-	-	-
2024 - 2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

7 Calculation of net position

	<u>Auxiliary Organizations</u>		<u>Total</u>
	<u>GASB</u>	<u>FASB</u>	<u>Auxiliaries</u>
7.1 Calculation of net position - Net investment in capital assets			
Capital assets, net of accumulated depreciation	\$ —	—	—
Capitalized lease obligations - current portion	—	—	—
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations - current portion	—	—	—
Long-term debt obligations, net of current portion	—	—	—
Portion of outstanding debt that is unspent at year-end	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net position - net investment in capital asset	<u>\$ —</u>	<u>—</u>	<u>—</u>
7.2 Calculation of net position - Restricted for nonexpendable - endowments			
Portion of restricted cash and cash equivalents related to endowments	\$ 193,020	—	193,020
Endowment investments	6,317,508	—	6,317,508
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net position - Restricted for nonexpendable - endowments per SNP	<u>\$ 6,510,528</u>	<u>—</u>	<u>6,510,528</u>

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
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FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)**

8 Transactions with Related Entities

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 691,213
Payments to University for other than salaries of University personnel	1,014,606
Payments received from University for services, space, and programs	—
Gifts-in-kind to the University from Auxiliary Organizations	60,031
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	60,598
Accounts (payable to) University (enter as negative number)	(158,350)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	20,529
Other amounts receivable from University	—

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
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(CONTINUED)**

9 Other Postemployment Benefits Obligation (OPEB)

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

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
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(CONTINUED)**

10 Pollution remediation liabilities under GASB Statement No. 49:

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

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
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(CONTINUED)

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

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 2012, as previously reported	\$	18,230,546
Prior period adjustments:		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net position as of June 30, 2012, as restated	\$	18,230,546

Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjustment:

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