

**CALIFORNIA STATE UNIVERSITY  
CHANNEL ISLANDS  
FINANCING AUTHORITY**

**Financial Statements for the  
Year Ended June 30, 2016  
and Independent Auditors' Report**

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
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## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of California State University Channel Islands Financing Authority as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the organization's basic financial statements as listed in the table of contents.

### ***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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 respective financial position of California State University Channel Islands Financing Authority as of June 30, 2016, 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 previously audited California State University Channel Islands Financing Authority's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 2, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, 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 Financing Authority.

### *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 5 to 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 as a whole. The GASB Schedule of Net Position, GASB Schedule of Revenues, Expenses and Changes in Net Position, 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, 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, and Other Information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Vorwin, Hryn + Co.*

Calabasas, California  
September 15, 2016

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2016**

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, 2016. 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 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 (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

The Financing Authority's summary of net position as of June 30, 2016 and 2015 are as follows:

Condensed Summary of Net Position

	<u>June 30</u>			
	<u>2016</u>	<u>2015</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Assets:</b>				
Current assets	\$ 239,045	\$ 2,155	\$ 236,890	10992.6%
Other noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-%</u>
Total assets	<u>239,045</u>	<u>-</u>	<u>236,890</u>	<u>10992.6%</u>
<b>Liabilities:</b>				
Current liabilities	\$ 239,045	\$ 2,155	\$ 236,890	10992.6%
Other noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-%</u>
Total liabilities	<u>239,045</u>	<u>2,155</u>	<u>236,890</u>	<u>10992.6%</u>
<b>Net position:</b>				
Invested in capital assets, net of related debt	-	-	-	-%
Restricted	-	-	-	-%
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-%</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-%</u>

*Assets*

Total assets increased by \$237K. Cash increase by \$239K and accounts receivable decreased by \$2K due to timing issues in the receipt of special taxes received from the County of Ventura.

*Liabilities*

Total liabilities increased by \$237K compared to prior year, and reflects the transfer of assets due to the California State University Channel Islands Site Authority.

*Net Position*

Total net position remains zero as all revenues, in the form of special taxes received from the County of Ventura, are transferred to the California State University Channel Islands Site Authority.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2016  
(CONTINUED)**

The Financing Authority's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2016 and 2015 is as follows:

	<u>Year ended June 30</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2016</u>	<u>2015</u>		
<b>Operating Revenues:</b>				
Other Operating Revenues	\$ -	\$ -	\$ -	-%
Total operating revenues	-	-	-	-%
<b>Operating Expenses</b>				
Operating income (loss)	1,291	47	1,244	2646.8%
	(1,291)	(47)	1,244	2646.8%
<b>Nonoperating revenues:</b>				
Special Taxes - Revenue	\$ 512,661	\$ 493,613	\$ 19,048	3.9%
	512,661	493,613	19,048	3.9%
<b>Nonoperating expenses:</b>				
Special Taxes - Expenses	(511,370)	(493,566)	(17,804)	3.6%
	(511,370)	(493,566)	17,804	3.6%
Increase (decrease) in net position	-	-	-	-%
Beginning net position	-	-	-	-%
Ending net position	\$ -	\$ -	\$ -	-%

**Operating Revenues and Expenses**

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

*Operating Revenues*

There are no operating revenues to report.

*Operating Expenses*

Total operating expenses increased by \$1K versus prior year due to an increase in fees assessed by the County of Ventura.

**Non-Operating Revenues (Expenses)**

Non-operating revenues (expenses) come from sources that are connected directly to the Financing Authority's business function. Revenues come from special taxes received from the County of Ventura. Expenses are the transfer of these revenues to the California State University Channel Islands Site Authority.

Total non-operating revenue increased by \$19K and is dependent on the amount of supplemental taxes collected by the County of Ventura, and then reapportioned to the Financing Authority.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR 2015)**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 239,045	\$ -
Accounts receivable - property taxes	<u>-</u>	<u>2,155</u>
Total current assets	<u>239,045</u>	<u>2,155</u>
Total assets	239,045	2,155
 <b>LIABILITIES</b>		
Current liabilities		
Due to California State University Channel Islands Site Authority	<u>239,045</u>	<u>2,155</u>
Total current liabilities	<u>239,045</u>	<u>2,155</u>
Total liabilities	<u>239,045</u>	<u>2,155</u>
 <b>NET POSITION</b>		
Net position	<u>-</u>	<u>-</u>
Total net position	<u>\$ -</u>	<u>-</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 239,045</u>	<u>\$ 2,155</u>

See accompanying auditors' report and notes to financial statements.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR 2015)**

	<u>2016</u>	<u>2015</u>
General, administrative, and other costs	\$ 1,291	\$ 47
Total operating expenses	<u>1,291</u>	<u>47</u>
Operating loss	(1,291)	(47)
Nonoperating revenues		
Special taxes	<u>512,661</u>	<u>493,613</u>
Income before transfers	511,370	493,566
Transfer to California State University Channel Islands		
Site Authority - special tax - Community Facilities District	<u>(511,370)</u>	<u>(493,566)</u>
Change in net position	-	-
<b>NET POSITION - beginning of year</b>	<u>-</u>	<u>-</u>
<b>NET POSITION - end of year</b>	<u>\$ -</u>	<u>\$ -</u>

See accompanying auditors' report and notes to financial statements.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR 2015)**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash paid to suppliers	\$ (1,291)	\$ (47)
Net cash used in operating activities	<u>(1,291)</u>	<u>(47)</u>
Cash flows from noncapital financing activities:		
Tax receipts	\$ 512,661	\$ 491,458
Special taxes	<u>(511,370)</u>	<u>(493,566)</u>
Net cash provided by (used in) noncapital financing activities	1,291	(2,108)
Cash flows from capital and related financing activities:		
Funding provided to California State University, Channel Islands Site Authority	<u>239,045</u>	<u>(1,420)</u>
Net cash used in capital and related financing activities	239,045	(1,420)
Net increase(decrease) in cash and cash equivalents	239,045	(3,575)
Cash and cash equivalents at beginning of year	<u>-</u>	<u>3,575</u>
Cash and cash equivalents at end of year	<u>\$ 239,045</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (1,291)	\$ (47)
Net cash used in operating activities	<u>\$ (1,291)</u>	<u>\$ (47)</u>

See accompanying auditors' report and notes to financial statements.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**1. ORGANIZATION**

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

The Financing Authority is authorized to issue revenue bonds to be used to finance and refinance the cost of constructing various public improvements on property transferred to the CSU Trustees and will be managed by the Site Authority. The 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 Campus. The East Campus comprises of 162 acres of developable land which is expected to contain 900 residential units and approximately 31,000 square feet of retail commercial uses. The development of the East Campus began in October 2000. To date, 658 residential units and all retail space have been built.

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.

**2. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting and 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.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

*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 our 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.

*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 University, a public university under the California State University system. The Financing Authority has chosen to use the reporting model for special-purpose governments engage only in business type activities.

*Classification of Revenues and Expenses*

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

*Cash and Cash Equivalents*

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

*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 government entity, is not subject to federal or state income taxes.

*Special Taxes*

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

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

*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 lieu 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.

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.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

*Fair Value Measurements*

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

The three levels of inputs used to measure fair value are as follows:

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

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

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

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

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(CONTINUED)**

**3. CASH AND CASH EQUIVALENTS**

The Financing Authority's cash and cash equivalents as of June 30, 2016 is classified in the accompanying financial statements as follows:

Cash and cash equivalents	<u>\$ 239,045</u>
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At June 30, 2016, cash and cash equivalents consisted of deposits held with fiscal agents. The bank balance and the carrying value of this cash was \$239,045.

*Custodial Credit Risk for Deposits*

Custodial credit risk for deposits is the risk that the Financing 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 Financing Authority's deposits are maintained at financial institutions that are fully insured or collateralized as required by state law. The cash balance held at June 30, 2016 was \$239,045.

**4. 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, 2016 was \$239,045 and consists of special tax receipts yet to transfer, which will be used for upcoming capitalized lease payments.

**5. RELATED PARTY TRANSACTIONS**

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

**6. SUBSEQUENT EVENTS**

The Financing Authority has evaluated events subsequent to June 30, 2016, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 15, 2016, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**SUPPLEMENTARY INFORMATION**

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY**  
**GASB SCHEDULE OF NET POSITION**  
**JUNE 30, 2016**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 239,045
Short-term investments	—
Accounts receivable, net	—
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	—
Total current assets	<u>239,045</u>
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	—
Other assets	—
Total noncurrent assets	<u>—</u>
Total assets	<u>239,045</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Others	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	—
Accrued salaries and benefits	—
Accrued compensated absences, current portion	—
Unearned revenue	—
Capitalized lease obligations, current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	239,045
Total current liabilities	<u>239,045</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	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Other postemployment benefits obligations	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	<u>—</u>
Total liabilities	<u>239,045</u>
Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
Total deferred inflows of resources	<u>—</u>
Net Position:	
Net investment in capital assets	—
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	—
Total net position	<u>\$ —</u>

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
 GASB SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2016**

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		—
Total operating revenues		—

Expenses:

Operating expenses:

Instruction	—
Research	—
Public service	—
Academic support	—
Student services	—
Institutional support	1,291
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	—
Total operating expenses	1,291
Operating income (loss)	(1,291)

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)	1,291
Net nonoperating revenues (expenses)	1,291
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  
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<b>1</b>	<b>Restricted cash and cash equivalents at June 30, 2016:</b>	
	Portion of restricted cash and cash equivalents related to endowments	\$ —
	All other restricted cash and cash equivalents	—
		<hr/>
	Total restricted cash and cash equivalents	\$ —
		<hr/> <hr/>



**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
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(CONTINUED)**

**2.2 Investments held by the University under contractual agreements at June 30, 2016:**  
Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2016 :

— — — — — — — —

**2.3 Restricted current investments at June 30, 2016 related to:**

	Amount
Add description	—
	—

**Total restricted current investments at June 30, 2016**

\$ —

**2.4 Restricted noncurrent investments at June 30, 2016 related to:**

	Amount
Endowment investment	—
Add description	—
	—

**Total restricted noncurrent investments at June 30, 2016**

\$ —

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
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**2.5 Fair value hierarchy in investments at June 30, 2016:**

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	—	—	—	—	—
Corporate bonds	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Mutual funds	—	—	—	—	—
Money Market funds	—	—	—	—	—
Repurchase agreements	—	—	—	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—
Municipal bonds	—	—	—	—	—
U.S. agency securities	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—
Equity securities	—	—	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	—	—	—	—	—
Hedge funds	—	—	—	—	—
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—
Commodities	—	—	—	—	—
Derivatives	—	—	—	—	—
Other alternative investment types	—	—	—	—	—
Other external investment pools (excluding SWIFT)					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Other major investments:					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
<b>Total investments</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY**  
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**(CONTINUED)**

**3.1 Composition of capital assets at June 30, 2016:**

	Balance June 30, 2015	Prior period Adjustments	Reclassifications	Balance June 30, 2015 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2016
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:								
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
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—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
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—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
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—	—							

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
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(CONTINUED)**

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

	Balance June 30, 2015	Prior period adjustments	Reclassifications	Balance June 30, 2015 (restated)	Additions	Reductions	Balance June 30, 2016	Current portion	Long-term portion
Accrued compensated absences	\$ —	—	—	—	—	—	—	—	—
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	—	—	—	—	—	—	—	—	—
Others: (list by type)									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ —	—	—	—	—	—	—	—	—

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
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(CONTINUED)**

5 Future minimum lease payments - capitalized lease obligations:

	Capitalized lease obligations related to SRB			All other capitalized lease obligations			Total capitalized lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2017	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022 - 2026	—	—	—	—	—	—	—	—	—
2027 - 2031	—	—	—	—	—	—	—	—	—
2032 - 2036	—	—	—	—	—	—	—	—	—
2037 - 2041	—	—	—	—	—	—	—	—	—
2042 - 2046	—	—	—	—	—	—	—	—	—
2047 - 2051	—	—	—	—	—	—	—	—	—
2052 - 2056	—	—	—	—	—	—	—	—	—
2057 - 2061	—	—	—	—	—	—	—	—	—
2062 - 2066	—	—	—	—	—	—	—	—	—
<b>Total minimum lease payments</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Less amounts representing interest									—
Present value of future minimum lease payments									—
Unamortized net premium (discount)									—
<b>Total capitalized lease obligations</b>									<b>—</b>
Less: current portion									—
<b>Capitalized lease obligation, net of current portion</b>									<b>\$ —</b>

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
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**6 Long-term debt obligation schedule**

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2017	\$ —	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022 - 2026	—	—	—	—	—	—	—	—	—
2027 - 2031	—	—	—	—	—	—	—	—	—
2032 - 2036	—	—	—	—	—	—	—	—	—
2037 - 2041	—	—	—	—	—	—	—	—	—
2042 - 2046	—	—	—	—	—	—	—	—	—
2047 - 2051	—	—	—	—	—	—	—	—	—
2052 - 2056	—	—	—	—	—	—	—	—	—
2057 - 2061	—	—	—	—	—	—	—	—	—
2062 - 2066	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum payments									—
Unamortized net premium (discount)									—
Total long-term debt obligations									—
Less: current portion									—
<b>Long-term debt obligations, net of current portion</b>									<b>\$ —</b>



**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
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**8 Transactions with related entities**

	<b>Amount</b>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ —
Payments to University for other than salaries of University personnel	—
Payments received from University for services, space, and programs	—
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	—
Accounts (payable to) University (enter as negative number)	—
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	—
Other amounts receivable from University	—

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
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**9 Other postemployment benefits obligation (OPEB)**

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

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
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**10 Pollution remediation liabilities under GASB Statement No. 49:**

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

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS FINANCING AUTHORITY  
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(CONTINUED)**

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

	<u>Net Position Class</u>	<u>Amount Dr. (Cr.)</u>
Net position as of June 30, 2015, as previously reported		\$ —
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, 2015, as restated		<u>\$ —</u>

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

	<u>Debit</u>	<u>Credit</u>
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)	—	—