

**CALIFORNIA STATE UNIVERSITY,
CHANNEL ISLANDS FOUNDATION**

**Financial Statements and Supplementary
Information for the Year Ended June 30, 2014
and Independent Auditors' Report**

VASIN, HEYN & COMPANY

**CALIFORNIA STATE UNIVERSITY,
CHANNEL ISLANDS FOUNDATION**

**Financial Statements and Supplementary
Information for the Year Ended June 30, 2014
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 as of and for the year ended June 30, 2014, and the related notes to the 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 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, 2014, 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 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 10, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, 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 as a whole. 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.

Vasiny Heyn + Co.

Calabasas, California
September 10, 2014

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014. 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, 2014**

The Foundation's summary of net position as of June 30, 2014 and 2013 are as follows:

Condensed Summary of Net Position

	<u>June 30</u>			
	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
Assets:				
Current assets	\$ 1,604,148	\$ 1,371,301	\$ 233,847	17.0%
Other noncurrent assets	<u>20,310,346</u>	<u>18,530,630</u>	<u>1,779,716</u>	<u>9.6%</u>
Total assets	<u>21,914,494</u>	<u>19,901,931</u>	<u>2,012,563</u>	<u>10.1%</u>
Liabilities:				
Current liabilities	462,020	214,459	247,561	115.4%
Other noncurrent liabilities	<u>255,028</u>	<u>318,649</u>	<u>(63,621)</u>	<u>(20.0%)</u>
Total liabilities	<u>717,048</u>	<u>533,108</u>	<u>183,940</u>	<u>34.5%</u>
Net position:				
Invested in capital assets, net of related debt	16,551	-	16,551	100.0%
Restricted	19,892,352	18,530,242	1,362,110	9.1%
Unrestricted	<u>1,288,543</u>	<u>838,581</u>	<u>449,962</u>	<u>53.7%</u>
Total net position	<u>\$ 21,197,446</u>	<u>\$ 19,368,823</u>	<u>\$ 1,828,623</u>	<u>9.4%</u>

Assets

Total assets increased by \$2.0M. Current pledges receivable increased by \$55K and cash increased by \$188K due to favorable market conditions. A significant increase occurred in non-current assets; long term investments had a gain on investments of \$1.6M and restricted cash saw an increase in earnings of \$167K.

Liabilities

Total liabilities increased by \$184K compared to prior year. Most notably, deferred revenue increased by \$250K and liability to beneficiaries decreased by \$64K due to market conditions.

Net Position

Total net position increased by \$1.8M compared to prior year. A significant portion of the increase is in non-expendable endowments, expendable-other, and unrestricted. As such, non-expendable endowment activity and expendable-other increased by \$651K and \$1.0M, respectively, due gains in investment earnings.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2014**

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>\$ Change</u>	<u>% Change</u>
	<u>2014</u>	<u>2013</u>		
Non Expendable Endowments	\$ 7,161,079	\$ 6,510,528	\$ 650,551	10.0%
Expendable:				
Scholarships and fellowships	982,628	1,045,572	(62,944)	-6.0%
Research	78,375	82,758	(4,383)	-5.3%
Instruction	3,672,805	3,913,907	(241,102)	-6.2%
Capital Projects	93,255	77,525	15,730	20.3%
Other	<u>7,904,210</u>	<u>6,899,952</u>	<u>1,004,258</u>	<u>14.6%</u>
Total restricted net position	<u>\$19,892,352</u>	<u>\$18,530,242</u>	<u>\$ 1,362,110</u>	<u>9.1%</u>

Designated Resources

The Foundation's unrestricted net position is designated as follows:

	<u>Unrestricted Net Position</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>June 30</u>			
	<u>2014</u>	<u>2013</u>		
Designated:				
Working Capital	\$ 400,000	\$ 738,581	\$ (338,581)	-45.8%
New Business Requirement Reserve	300,825	-	300,825	100.0%
Undesignated:				
Foundation Operating Funds	<u>587,718</u>	<u>100,000</u>	<u>487,718</u>	<u>4.87%</u>
Total Unrestricted Net Position	<u>\$ 1,288,543</u>	<u>\$ 838,581</u>	<u>\$ 449,962</u>	<u>53.7%</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, 2014**

The Foundation's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2014 and 2013 is as follows:

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

	<u>Year ended June 30</u>			
	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Revenues:				
Other Operating Revenues	\$ 153,983	\$ 155,704	\$ (1,721)	-1.1%
Total operating revenues	153,983	155,704	(1,721)	-1.1%
Operating Expenses	<u>(1,924,242)</u>	<u>(2,378,643)</u>	<u>(454,401)</u>	<u>-19.1%</u>
Operating income (loss)	(1,770,259)	(2,222,939)	(452,680)	-20.4%
Nonoperating revenues (expenses):				
Nongovernmental grants, noncapital	85,556	68,893	16,663	24.2%
Gifts non Capital	1,328,985	1,350,097	(21,112)	-1.6%
Gifts in-Kind	79,486	120,629	(41,143)	-34.1%
Investment income, net	<u>1,897,653</u>	<u>1,185,044</u>	<u>712,609</u>	<u>60.1%</u>
Total nonoperating revenues (expenses)	<u>3,391,680</u>	<u>2,724,663</u>	<u>667,017</u>	<u>24.5%</u>
Income (loss) before other additions	1,621,421	501,724	1,119,697	223.2%
Additions to permanent endowment	<u>207,202</u>	<u>636,553</u>	<u>(429,351)</u>	<u>-67.4%</u>
Increase (decrease) in net position	1,828,623	1,138,277	690,346	60.6%
Beginning net position	<u>19,368,823</u>	<u>18,230,546</u>	<u>1,138,277</u>	<u>6.2%</u>
Ending net position	<u>\$ 21,197,446</u>	<u>\$ 19,368,823</u>	<u>\$ 1,828,623</u>	<u>9.4%</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

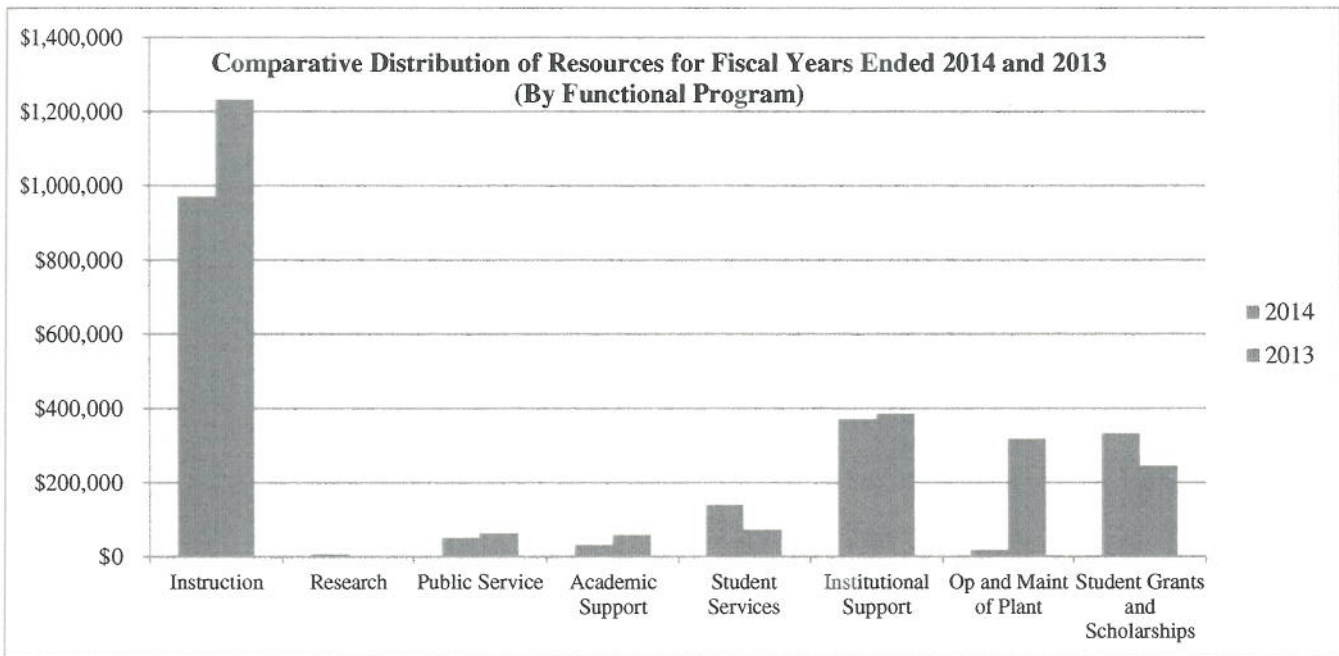
Total operating revenues are relatively flat to prior year, showing a decrease of 1.1%.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2014**

Operating Expenses

Total operating expenses decreased by \$454K versus prior year and are attributable to decreases in instructional expenses of \$260K and operations and maintenance of plant by \$299K, and an increase in student grants and scholarships of \$87K.

The following chart presents the distribution of resources in support of the Foundation's mission for fiscal years 2014 and 2013:



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 \$667K and is due to a gain in investment earnings.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
STATEMENT OF NET POSITION
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets		
Cash	\$ 988,281	\$ 800,524
Short-term investments	98,506	97,809
Accounts receivable	55,417	53,259
Related party receivables	6,131	20,529
Pledges receivable, net	444,513	389,180
Prepaid expenses	<u>11,300</u>	<u>10,000</u>
Total current assets	1,604,148	1,371,301
Non-current assets		
Restricted cash and cash equivalents	4,724,322	4,557,240
Long-term investments	14,270,783	12,637,617
Pledges receivable, net	1,298,690	1,335,773
Capital assets, net	<u>16,551</u>	<u>-</u>
Total non-current assets	<u>20,310,346</u>	<u>18,530,630</u>
 Total assets	 <u>21,914,494</u>	 <u>19,901,931</u>
LIABILITIES		
Current liabilities		
Accounts payable	70,994	55,059
Deferred revenue	250,000	-
Related party payable	<u>141,026</u>	<u>159,400</u>
Total current liabilities	462,020	214,459
Noncurrent liabilities		
Liability to beneficiaries	<u>255,028</u>	<u>318,649</u>
Total noncurrent liabilities	<u>255,028</u>	<u>318,649</u>
 Total liabilities	 <u>717,048</u>	 <u>533,108</u>
NET POSITION		
Invested in capital assets, net of related debt	16,551	-
Restricted for:		
Nonexpendable - endowments	7,161,079	6,510,528
Expendable:		
Instruction	3,672,805	3,913,907
Scholarships and fellowships	982,628	1,045,572
Research	78,375	82,758
Capital projects	93,255	77,525
Other	7,904,210	6,899,952
Unrestricted	<u>1,288,543</u>	<u>838,581</u>
 Total net position	 <u>\$ 21,197,446</u>	 <u>\$ 19,368,823</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, 2014
(WITH COMPARATIVE TOTALS FOR 2013)**

	<u>2014</u>	<u>2013</u>
REVENUES		
Operating revenues		
Other operating income	\$ 153,983	\$ 155,704
 Total operating revenues	 153,983	 155,704
EXPENSES		
Operating expenses		
Instruction	971,202	1,231,358
Research	6,969	2,528
Public service	50,921	63,491
Academic support	31,851	59,072
Student services	139,787	73,114
Institutional support	371,886	385,558
Operation and maintenance of plant	18,647	317,805
Student grants and scholarships	<u>332,979</u>	<u>245,717</u>
 Total operating expenses	 <u>1,924,242</u>	 <u>2,378,643</u>
 Operating income (loss)	 (1,770,259)	 (2,222,939)
NONOPERATING REVENUES (EXPENSES)		
Nongovernmental grants, noncapital	85,556	68,893
Gifts, noncapital	1,328,985	1,350,097
In-kind contributions	79,486	120,629
Investment income (loss)	<u>1,897,653</u>	<u>1,185,044</u>
 Net nonoperating revenues and expenses	 <u>3,391,680</u>	 <u>2,724,663</u>
 INCOME BEFORE ADDITIONS	 1,621,421	 501,724
 ADDITIONS TO PERMANENT ENDOWMENTS	 <u>207,202</u>	 <u>636,553</u>
 INCREASE (DECREASE) IN NET POSITION	 1,828,623	 1,138,277
 NET POSITION - beginning of year	 <u>19,368,823</u>	 <u>18,230,546</u>
 NET POSITION - end of year	 <u>\$ 21,197,446</u>	 <u>\$ 19,368,823</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, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Payments to suppliers	\$(1,679,091)	\$(2,132,639)
Payments to students	(286,212)	(208,145)
Other receipts (payments)	<u>139,924</u>	<u>77,254</u>
Net Cash Provided (Used) by Operating Activities	(1,825,379)	(2,263,530)
Cash flows from noncapital financing activities:		
Gifts and Grants Received from received for other than Capital Purposes	1,747,657	1,935,421
Pledges	52,333	491,995
Non Cash Activities	<u>79,486</u>	<u>120,629</u>
Net Cash Provided (Used) by noncapital financing activities	1,879,476	2,548,045
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	369,136	1,096,540
Purchases of investments	(554,280)	(1,242,395)
Investment income received	<u>485,886</u>	<u>315,751</u>
Net Cash Provided (Used) by Investing Activities	300,742	169,896
Net increase (decrease) in cash and cash equivalents	354,839	454,411
Cash and cash equivalents at beginning of year	<u>5,357,764</u>	<u>4,903,353</u>
Cash and cash equivalents at end of year	<u>\$ 5,712,603</u>	<u>\$ 5,357,764</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities		
Operating income	(1,770,259)	(2,222,939)
Adjustments to reconcile net operating income (loss) to net cash provided by (used by) operating activities:		
Provision for bad debt	-	(5,000)
Accounts receivable	(2,158)	9,378
Related party receivable, net	14,398	(19,727)
Prepaid expenses	(1,300)	(2,460)
Accounts payable	15,935	36,974
Liability to beneficiaries	(63,621)	(183)
Related party payable	<u>(18,374)</u>	<u>(59,573)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$(1,825,379)</u>	<u>\$(2,263,530)</u>
Supplemental Non-Cash information:		
Non Cash Activities	<u>\$ 79,486</u>	<u>\$ 120,629</u>
Donated Investments	<u>\$ 4,805</u>	<u>\$ -</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, 2014**

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, 2014.

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014**

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 2012, 2011, 2010, 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 \$79,486 in the accompanying statement of revenues, expenses, and changes in net position.

Policy on Reserves

The establishment of adequate reserve policies for the Foundation is required to meet the California State University financial standards established in Education Code, Section 89904(b). Section 89904(b) states that auxiliaries shall implement financial standards that will assure fiscal viability by the establishment of reserve funds for current operation, capital replacement and new business ventures.

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, 2014, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 10, 2014, 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, 2014
(CONTINUED)**

3. CASH AND CASH EQUIVALENTS

The Foundation's cash and cash equivalents as of June 30, 2014 are classified in the accompanying statement of net position as follows:

Cash and cash equivalents	\$ 988,281
Restricted cash and cash equivalents	<u>4,724,322</u>
Total cash and cash equivalents	<u>\$ 5,712,603</u>

(a) Cash and Cash Equivalents

At June 30, 2014, cash and cash equivalents consisted of demand deposits maintained at the bank. Total cash and cash equivalents of \$5,712,603 had a corresponding carrying value balance with the bank of \$5,718,818 at June 30, 2014. The difference is related primarily to outstanding checks in the amount of \$12,272 and deposits in transit of \$6,359.

(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, 2014 consisted of the following:

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
Accounts Receivable - Other	\$ 55,417	\$ -	\$ 55,417
Less allowance for Doubtful Accounts	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 55,417</u>	<u>\$ -</u>	<u>\$ 55,417</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, 2014
(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, 2014:

Related party receivables consist of the following:

	<u>June 30, 2014</u>
California State University, Channel Islands	\$ 6,131
	<u>\$ 6,131</u>

Related party payables consist of the following:

	<u>June 30, 2014</u>
Associated Students of CSU Channel Islands, Inc.	\$ 190
California State University, Channel Islands	139,550
CSU Channel Islands University Glen	<u>1,286</u>
	<u>\$ 141,026</u>

6. PLEDGES RECEIVABLE

Pledges receivable are measured using market prices and are stated at fair value. Pledges receivable at June 30, 2014 are as follows:

Less than one year	\$ 511,105
One to five years	<u>1,452,852</u>
Total pledges receivable	1,963,957
Less discount to present value	<u>(220,754)</u>
Net, pledges receivable	<u>\$ 1,743,203</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, 2014 and therefore no allowance has been established.

7. PROPERTY AND EQUIPMENT

Property and equipment for the year ended June 30, 2014 consists of the following:

Equipment	\$ 18,390
	<u>18,390</u>
Accumulated depreciation	<u>(1,839)</u>
Net Property and Equipment	<u>\$ 16,551</u>

Depreciation expense for the year ended June 30, 2014 \$1,839.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

8. RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments as of June 30, 2014 consist of the following:

Cash restricted for endowments	\$ 83,776
Fixed income intermediate term investments	4,810,838
Equity Funds	<u>8,767,822</u>
	<u>\$ 13,662,436</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, 2014**

8. INVESTMENTS - Continued

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

Fixed Income Securities	2014	Average Credit Rating
U.S. intermediate term bonds	\$ 864,881	AAA
U.S. intermediate term bonds	1,107,983	AAA
U.S. intermediate term bonds	<u>63,846</u>	BBB
	2,036,710	
 Global intermediate term bonds	 \$ 866,122	 BBB
	866,122	
 U.S. short term bonds	 \$ 877,926	 A-
U.S. short term bonds	1,016,865	A-
U.S. short term bonds	13,214	A-
U.S. short term bonds	<u>98,506</u>	A-
	2,006,511	
Total fixed income securities	<u>\$ 4,909,343</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, 2014.

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, 2014
(CONTINUED)**

9. LONG TERM LIABILITIES ACTIVITY

Long term liability activity for the year ended at June 30, 2014 consisted of the following:

	Beginning Balance	Additions	Reductions	Total
Liability to Beneficiary	<u>\$ 318,649</u>	<u>\$ 87,354</u>	<u>\$ (150,975)</u>	<u>\$ 255,028</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.

10. 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, 2014, operating expenses by natural classification consisted of the following:

	Salaries	Benefits	Fellowships	Other Services	Depreciation	Total
Instruction	\$ -	\$ -	\$ -	\$ 971,202	\$ -	\$ 971,202
Research	-	-	-	6,969	-	6,969
Public service	-	-	-	50,921	-	50,921
Academic support	-	-	-	31,851	-	31,851
Student services	-	-	-	139,787	-	139,787
Institutional support	-	-	-	370,047	1,839	371,886
Operation and maintenance of plant	-	-	-	18,647	-	18,647
Student grants and scholarships	-	-	332,979	-	-	332,979
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,979</u>	<u>\$ 1,589,424</u>	<u>\$ 1,839</u>	<u>\$ 1,924,242</u>

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

11. 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, 2014:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 575,572
Payments to University for other than salaries of University personnel	680,771
Accounts (payable to) University	(139,550)
Capital Gifts to University	6,530
Accounts receivable from University	6,131

SUPPLEMENTARY INFORMATION

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
GASB SCHEDULE OF NET POSITION
JUNE 30, 2014

Assets:	
Current assets:	
Cash and cash equivalents	\$ 988,281
Short-term investments	98,506
Accounts receivable, net	61,548
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	444,513
Prepaid expenses and other assets	11,300
Total current assets	<u>1,604,148</u>
Noncurrent assets:	
Restricted cash and cash equivalents	4,724,322
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	1,298,690
Endowment investments	7,077,303
Other long-term investments	7,193,480
Capital assets, net	16,551
Other assets	—
Total noncurrent assets	<u>20,310,346</u>
Total assets	<u>21,914,494</u>
Deferred outflows of resources:	
Unamortized loss on refunding(s)	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	70,994
Accrued salaries and benefits payable	—
Accrued compensated absences— current portion	—
Unearned revenue	—
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Claims Liability for losses and LAE - current portion	—
Depository accounts	—
Other liabilities	141,026
Total current liabilities	<u>212,020</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 LAE, net of current portion	—
Depository accounts	250,000
Other postemployment benefits obligation	—
Other liabilities	255,028
Total noncurrent liabilities	<u>505,028</u>
Total liabilities	<u>717,048</u>
Deferred inflows of resources:	
Deferred inflows from SCAs, grants, and others	—
Total deferred inflows of resources	<u>—</u>
Net Position:	
Net investment in capital assets	16,551
Restricted for:	
Nonexpendable – endowments	7,161,079
Expendable:	
Scholarships and fellowships	982,628
Research	78,375
Loans	93,255
Capital projects	—
Debt service	—
Other	11,577,015
Unrestricted	1,288,543
Total net position	<u>\$ 21,197,446</u>

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
GASB SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

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			153,983
			<u>153,983</u>
Total operating revenues			<u>153,983</u>

Expenses:

Operating expenses:			
Instruction			971,202
Research			6,969
Public service			50,921
Academic support			31,851
Student services			139,787
Institutional support			370,047
Operation and maintenance of plant			18,647
Student grants and scholarships			332,979
Auxiliary enterprise expenses			—
Depreciation and amortization			1,839
			<u>1,924,242</u>
Total operating expenses			<u>1,924,242</u>
Operating income (loss)			<u>(1,770,259)</u>

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			85,556
Other federal nonoperating grants, noncapital			—
Gifts, noncapital			1,408,471
Investment income (loss), net			1,897,653
Endowment income (loss), net			—
Interest Expenses			—
Other nonoperating revenues (expenses)			—
			<u>3,391,680</u>
Net nonoperating revenues (expenses)			<u>3,391,680</u>
Income (loss) before other additions			1,621,421
State appropriations, capital			—
Grants and gifts, capital			—
Additions (reductions) to permanent endowments			207,202
			<u>1,828,623</u>
Increase (decrease) in net position			<u>1,828,623</u>
Net position:			19,368,823
Net position at beginning of year, as previously reported			—
Restatements			19,368,823
Net position at beginning of year, as restated			<u>19,368,823</u>
Net position at end of year		\$	<u>21,197,446</u>

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
EXPENSES BY NATURAL CLASSIFICATION
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>2014</u>	<u>2013</u>
EXPENSES		
Accounting fees and other CSUCI services	\$ 85,008	\$ 85,000
Advertising and promotion	4,880	5,248
Awards and recognition items	19,265	10,499
Bad debt expense	-	5,000
Bank and credit card fees	7,661	6,478
Books and subscriptions	2,786	8,202
Business meals and hospitality	108,510	95,081
Conferences and meetings	1,979	3,327
Depreciation	1,839	-
Education and training	5,818	3,810
Equipment	2,939	36,291
Grants made	17,675	21,265
Honoraria	500	10,125
Insurance	1,881	1,937
Investment fees	54,483	38,867
Membership dues and fees	6,423	3,387
Office expense	5,864	3,473
OPC chargebacks	4,770	9,512
Outside services	589,410	849,690
Postage	7,053	10,462
Printing	38,496	50,230
Professional fees	178,708	110,623
Rent	14,927	13,931
Repairs and maintenance	-	18
Scholarships	316,212	263,646
Software	7,144	6,551
Supplies	405,923	701,342
Telephone	459	694
Travel	<u>33,629</u>	<u>23,954</u>
 Total expenses	 <u>\$ 1,924,242</u>	 <u>\$ 2,378,643</u>

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014**

1	Restricted cash and cash equivalents at June 30, 2014:	
	Portion of restricted cash and cash equivalents related to endowments	\$ 83,776
	All other restricted cash and cash equivalents	<u>4,640,546</u>
	Total restricted cash and cash equivalents	<u>\$ 4,724,322</u>

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014

2.1 Composition of investments at June 30, 2014:

	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	-	-	-	-	9,304,405	9,304,405	9,304,405
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GINMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	98,506	98,506	-	-	98,506	98,506
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:	-	-	-	-	-	-	-
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agen 14 pass-through	-	-	-	-	-	-	-
Partnership interests (includes private pass-through)	-	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Other major investments:	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	-	98,506	98,506	-	14,270,783	14,270,783	14,369,289
Less endowment investments (enter as negative number)	-	-	-	-	(7,077,303)	(7,077,303)	(7,077,303)
Total investments	-	98,506	98,506	-	7,193,480	7,193,480	7,291,986

**CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

2.2	Investments held by the University under contractual agreements at June 30, 2014; Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2014:	\$ <u>98,506</u>
2.3	Restricted current investments at June 30, 2014 related to: Add description Add description Add description Add description Add description Add description	\$ <u>98,506</u>
	Total restricted current investments at June 30, 2014	\$ <u>98,506</u>
2.4	Restricted noncurrent investments at June 30, 2014 related to: Endowment investment Equities Mutual Funds Add description Add description Add description Add description Add description	\$ <u>7,077,303</u> 2,227,102 4,966,378
	Total restricted noncurrent investments at June 30, 2014	\$ <u>14,270,783</u>

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

Less accumulated depreciation/amortization:					
Buildings and building improvements	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-
Infrastructure	-	-	-	-	-
Leasehold improvements	-	-	-	-	-
Personal property:					
Equipment	-	-	-	-	(1,839)
Library books and materials	-	-	-	-	-
Intangible assets:					
Software and websites	-	-	-	-	-
Rights and easements	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Other intangible assets:					
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Total intangible assets	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	(1,839)	(1,839)
Total capital assets, net	\$ -	\$ -	\$ -	\$ 16,551	\$ 16,551

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2014:

Depreciation and amortization expense related to capital assets	\$ 1,839
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 1,839

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

4 Long-term liabilities activity schedule:

	Balance June 30, 2013	Prior period adjustments	Reclassifications	Balance June 30, 2013 (restated)	Additions	Reductions	Balance June 30, 2014	Current portion	Long-term portion
Acrued compensated absences	—	—	—	—	—	—	—	—	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unauthorized 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	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	—	—	—	—	—	—	—	—	—

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020 - 2024	-	-	-
2025 - 2029	-	-	-
2030 - 2034	-	-	-
2035 - 2039	-	-	-
2040 - 2044	-	-	-
2045 - 2049	-	-	-
2050 - 2054	-	-	-
2055 - 2059	-	-	-
2060 - 2064	-	-	-
	-	-	-
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
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

6 Long-term debt obligation schedule

Year ending June 30:	Revenue Bonds		All other long-term debt obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ -	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020 - 2024	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-
2055 - 2059	-	-	-	-	-	-
2060 - 2064	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
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(CONTINUED)

	Amount
8 Transactions with Related Entities	
Payments to University for salaries of University personnel working on contracts, grants, and other programs	
Payments to University for other than salaries of University personnel	\$ 575,572
Payments received from University for services, space, and programs	680,771
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	25,207
Accounts (payable to) University (enter as negative number)	58,584
Other amounts (payable to) University (enter as negative number)	(139,550)
Accounts receivable from University	—
Other amounts receivable from University	6,131
	—

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	—
Increase (decrease) in net OPEB obligation (NOO)	—
NOO - beginning of year	—
NOO - end of year	\$ —

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS FOUNDATION
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(CONTINUED)

10 Pollution remediation liabilities under GASB Statement No. 49:

Description	Amount
Add description	\$ —
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 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, 2013, as previously reported	
Prior period adjustments:	\$ 19,368,823
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, 2013, as restated	<u>\$ 19,368,823</u>

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

Net position class:	Debit	Credit
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)	—	—

