

**CALIFORNIA STATE UNIVERSITY
CHANNEL ISLANDS
UNIVERSITY GLEN CORPORATION**

**Financial Statements and Supplementary
Information for the Year Ended June 30, 2012
and Independent Auditor's Report**

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS
UNIVERSITY GLEN CORPORATION
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EXECUTIVE SUMMARY

September 20, 2012

To the Board of Directors of
California State University Channel Islands
University Glen Corporation
Camarillo, California

Our independent auditor's report dated September 20, 2012 on the financial statements of University Glen Corporation at June 30, 2012 and for the year ended contains an unqualified opinion. The following summary of selected financial data for 2012 should be read in conjunction with our audit report and the accompanying financial statements:

Revenues	\$ 2,379,547
Expenses	\$ 3,419,445
Changes in net assets	\$ 127,250
Cash	\$ 349,125
Total assets	\$ 750,624
Unrestricted net assets	\$ 357,959
Net assets	\$ 357,959

Yours truly,

Vasin, Heyn + Co.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
California State University Channel Islands
University Glen Corporation
Camarillo, California

We have audited the accompanying statement of net assets of California State University Channel Islands University Glen Corporation as of June 30, 2012, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of University Glen Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the University Glen Corporation's financial statements and, in our report dated September 22, 2011, we expressed an unqualified opinion on those financial statements.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University Glen Corporation as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Management's Discussion and Analysis (MD&A) and supplemental schedules on pages 15 through 29 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of University Glen Corporation's management. Such supplemental schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Vasin, Heyn + Co.

September 20, 2012

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2012**

This section of California State University Channel Islands University Glen Corporation (University Glen Corporation) annual financial report presents our discussion and analysis of the financial performance of University Glen Corporation for the fiscal year ended June 30, 2012. 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 University Glen Corporation.

The financial statements include the statement of net assets; the statement of revenues, expenses, and changes in net assets; 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 University Glen Corporation.

Statement of Net Assets – The statement of net assets 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 assets of University Glen Corporation.

Statement of Revenues, Expenses, and Changes in Net Assets – The statement of revenues, expenses, and changes in net assets 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 University Glen Corporation's financial activities. Included are an analysis of current year activities and balances, and a summary of operations.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2012**

University Glen Corporation's summary of net assets as of June 30, 2012 and 2011 are as follows:

Condensed Summary of Net Assets				
Year ended June 30,				
	2012	2011	\$ Change	% Change
Assets:				
Current assets	\$ 711,871	\$ 495,353	\$ 216,518	43.7%
Other noncurrent assets	<u>38,753</u>	<u>43,221</u>	<u>(4,468)</u>	<u>-10.3%</u>
Total assets	<u>750,624</u>	<u>538,574</u>	<u>212,050</u>	<u>39.4%</u>
Liabilities:				
Current liabilities	269,561	196,285	73,276	37.3%
Other noncurrent liabilities	<u>123,104</u>	<u>111,580</u>	<u>11,524</u>	<u>10.3%</u>
Total liabilities	<u>392,665</u>	<u>307,865</u>	<u>84,800</u>	<u>3.8%</u>
Net assets				
Restricted, expendable	-	-	-	-
Unrestricted	<u>357,959</u>	<u>230,709</u>	<u>127,250</u>	<u>55.2%</u>
Total net assets	<u>\$ 357,959</u>	<u>\$ 230,709</u>	<u>\$ 127,250</u>	<u>55.2%</u>

Assets

Total assets increased by \$212K compared to prior year. This change is attributed to an increase in operating cash (\$87K) and related party receivables (\$125K). Cash increased due to increased food service and catering sales, and related party receivables increased due to payroll and catering services provided to Associated Students, Inc. and the Site Authority.

Liabilities

Total liabilities increased by \$85K compared to the prior year. This change is due to an increase in accrued vacation and benefits payable for Commercial Services employees.

Net Assets

Total net assets increased by \$127K compared to the prior year. This change is a result of increased management fees payable, increased food service and catering sales, and decreased salaries.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2012**

University Glen Corporation's condensed summary of revenues, expenses, and changes in net assets for the years ended June 30, 2012 and 2011 is as follows:

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

	Year ended June 30,		\$ Change	% Change
	2012	2011		
Operating Revenues:				
Management Fees	\$ 649,328	\$ 562,130	\$ 87,198	15.5%
Grants	-	-	-	-
Food Service Sales, Net	1,725,507	1,444,190	281,317	19.5%
Misc. Income	<u>4,712</u>	<u>18,127</u>	<u>(13,415)</u>	<u>-74%</u>
Total Operating Revenues	2,379,547	2,024,447	355,100	<u>17.5%</u>
Operating Expenses				
Salaries and Benefits	2,569,795	2,012,129	557,666	27.7%
Other Operating Expenses	<u>849,650</u>	<u>1,213,906</u>	<u>(364,256)</u>	<u>(30)%</u>
Total Operating Expenses	3,419,445	3,226,035	193,410	6%
Operating Income (loss)	(1,039,898)	(1,201,588)	161,690	-13.5%
Nonoperating Revenues (expenses):				
Investment Income (loss)	1,441	2,653	(1,212)	-45.7%
Payroll Services	1,167,074	1,239,725	(72,651)	-5.9%
Interest Expense	<u>(1,367)</u>	<u>-</u>	<u>(1,367)</u>	<u>-100%</u>
Nonoperating Revenues (expenses), net	1,167,148	1,242,378	(75,230)	-6.1%
Increase (decrease) in net assets	127,250	40,790	86,460	212%
Beginning Net Assets	<u>230,709</u>	<u>189,919</u>	<u>40,790</u>	<u>21.5%</u>
Ending Net Assets	<u>\$ 357,959</u>	<u>\$ 230,709</u>	<u>\$ 127,250</u>	<u>55.2%</u>

Operating Revenues and Expenses

Operating revenues and expenses come from sources that are connected directly to University Glen Corporation's business function. Revenues come from the management fees agreement with Site Authority, food service sales, and miscellaneous income.

Operating Revenues

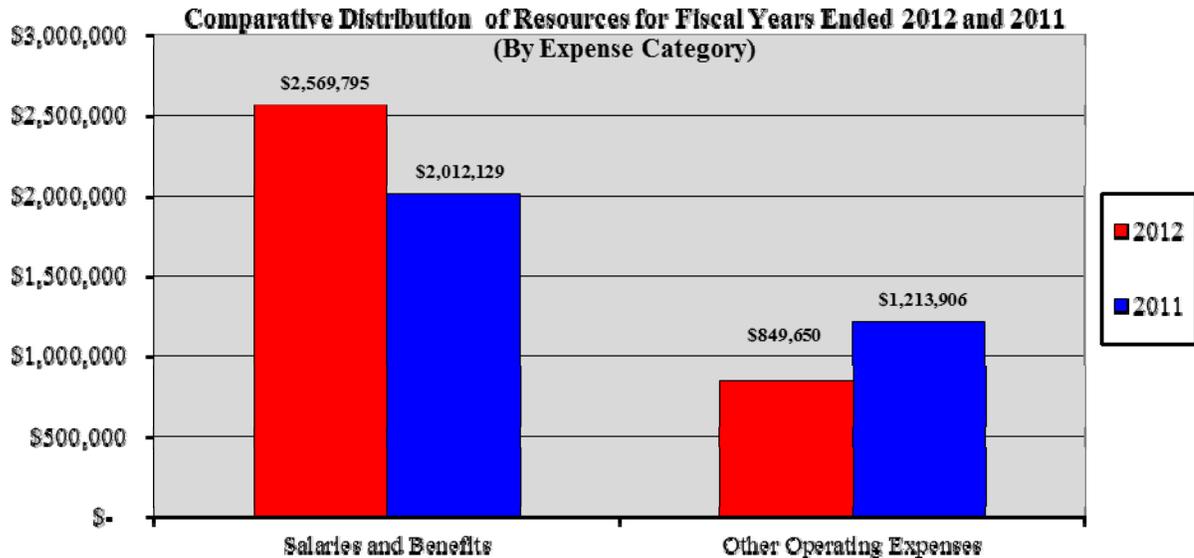
Total revenues increased by \$355K compared to prior year due to increased food service and catering sales, and higher management fees.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2012**

Operating Expenses

Total operating expenses increased by \$193K compared to prior year. The increase is attributed to normal operating costs associated with commercial service operations, and its subsequent increase in food costs, and miscellaneous supplies and equipment. For the fiscal year ended June 30, 2012, reclassifications were made to accurately reflect the addition of benefits to the salaries line item.

The following chart presents the distribution of resources in support of University Glen Corporation's mission for fiscal years 2012 and 2011:



Expenses include categories such as salaries, and supplies and other services. 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.

Non-operating Revenues (Expenses)

Non-operating revenues (expenses) come from sources that are not part of University Glen Corporation's primary business functions. Included in this classification are categories such as investment income, payroll services, and transfers to Site Authority.

Payroll Service income decreased by \$73K compared to prior year. The decrease is the result of staffing departures and a reduction in operating hours.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
STATEMENT OF NET ASSETS
JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR 2011)

	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets		
Cash	\$ 349,125	\$ 235,844
Accounts receivable	44,122	1,160
Related party receivables	281,789	231,333
Inventory	<u>36,835</u>	<u>27,016</u>
Total current assets	711,871	495,353
Non-current assets		
Capital assets, net	<u>38,753</u>	<u>43,221</u>
Total non-current assets	<u>38,753</u>	<u>43,221</u>
Total assets	<u>750,624</u>	<u>538,574</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	100,852	46,139
Accrued salaries and benefits	73,240	87,038
Accrued compensated absences	10,101	-
Deferred revenue	5,340	1,680
Loan payable	7,154	6,886
Related party payables	<u>72,874</u>	<u>54,542</u>
Total current liabilities	269,561	196,285
Noncurrent liabilities		
Accrued compensated absences	99,931	81,253
Loan payable	<u>23,173</u>	<u>30,327</u>
Total noncurrent liabilities	<u>123,104</u>	<u>111,580</u>
Total liabilities	<u>392,665</u>	<u>307,865</u>
NET ASSETS		
Unrestricted	<u>357,959</u>	<u>230,709</u>
Total net assets	<u>\$ 357,959</u>	<u>\$ 230,709</u>

See accompanying auditor's report and
notes to financial statements.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR 2011)

	<u>2012</u>	<u>2011</u>
REVENUES		
Operating revenues		
Management fees	\$ 649,328	\$ 562,130
Food service sales, net	1,725,507	1,444,190
Miscellaneous income	<u>4,712</u>	<u>18,127</u>
Total operating revenues	2,379,547	2,024,447
EXPENSES		
Operating expenses		
Salaries	2,569,795	2,012,129
Other operating expenses	<u>849,650</u>	<u>1,213,906</u>
Total operating expenses	<u>3,419,445</u>	<u>3,226,035</u>
Operating income (loss)	(1,039,898)	(1,201,588)
NONOPERATING REVENUES (EXPENSES)		
Investment income (loss)	1,441	2,653
Cost recovery from auxiliaries	1,167,074	1,239,725
Interest expense	<u>(1,367)</u>	<u>-</u>
Net nonoperating revenues and expenses	<u>1,167,148</u>	<u>1,242,378</u>
INCREASE (DECREASE) IN NET ASSETS	127,250	40,790
NET ASSETS - beginning of year	<u>230,709</u>	<u>189,919</u>
NET ASSETS - end of year	<u>\$ 357,959</u>	<u>\$ 230,709</u>

See accompanying auditor's report and
notes to financial statements.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR 2011)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Management fees	\$ 649,328	\$ 565,633
Commercial services	1,615,507	2,055,873
Payments to suppliers	(1,632,984)	(1,894,768)
Payments to students	(1,370,808)	(2,012,129)
Other receipts (payments)	<u>(314,909)</u>	<u>8,227</u>
Net Cash Provided (Used) by Operating Activities	(1,053,866)	(1,277,164)
Cash flows from noncapital financing activities:		
Reimbursements from related parties	1,171,493	1,255,952
Other receipts (payments)	<u>1,441</u>	<u>10,750</u>
Net Cash Provided (Used) by noncapital financing activities	1,172,934	1,266,702
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(37,213)
Principal paid on loan payable	(7,154)	-
Interest paid	<u>1,367</u>	<u>-</u>
Net Cash Provided (Used) by capital and related financing activities	(5,787)	(37,213)
Net increase (decrease) in cash and cash equivalents	113,281	(47,675)
Cash and cash equivalents at beginning of year	<u>235,844</u>	<u>283,519</u>
Cash and cash equivalents at end of year	<u>\$ 349,125</u>	<u>\$ 235,844</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities		
Operating income (loss)	(1,039,898)	(1,201,588)
Adjustments to reconcile net operating income (loss) to net cash provided by (used by) operating activities:		
Depreciation	4,468	1,367
(Increase) decrease in:		
Accounts receivable	(42,962)	(1,160)
Related party receivables	(50,457)	282,472
Inventory	(9,819)	(27,016)
Increase (decrease) in:		
Accounts payable	54,714	(19,050)
Accrued salaries and benefits	(13,798)	76,290
Accrued compensated absences	28,779	(3,846)
Deferred revenue	3,660	1,680
Loan payable	(6,885)	6,886
Related party payables	<u>18,332</u>	<u>(393,199)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,053,866)</u>	<u>\$ (1,277,164)</u>

See accompanying auditor's report and notes to financial statements.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

California State University Channel Islands University Glen Corporation (University Glen Corporation) was created on March 18, 2002, 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. University Glen Corporation 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 extends through June 30, 2012 and includes two automatic five-year extensions.

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.

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.

Income Taxes

University Glen Corporation is a Not-for-Profit tax-exempt corporation under Internal Revenue Code Section 501(c)(3). Accordingly, income taxes are not significant to the financial statements. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi). University Glen Corporation's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2010, 2009, 2008, are subject to examination by the IRS, generally for 3 years after they were filed.

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.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES -Continued

Subsequent Events

University Glen Corporation has evaluated events subsequent to June 30, 2012, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 20, 2012, 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.

2. CASH AND CASH EQUIVALENTS

University Glen Corporation's cash and cash equivalents as of June 30, 2012 are classified in the accompanying statement of net assets as follows:

	<u>Total</u>
Cash and cash equivalents	\$ 349,125
Restricted cash and cash equivalents	<u> -</u>
Total cash and cash equivalents	<u>\$ 349,125</u>

(a) *Cash and Cash Equivalents*

At June 30, 2012, cash and cash equivalents consisted of demand deposits maintained at the bank. Total cash and cash equivalents of \$349,125 had a corresponding carrying value balance with the bank \$366,801 at June 30, 2012. The differences related primarily to deposits in transit and outstanding checks. The difference related primarily to outstanding checks (\$18K).

(b) *Custodial Credit Risk for Deposits*

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

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

3. RELATED PARTY TRANSACTIONS

University Glen Corporation has entered into certain transactions with the Campus and recognized auxiliary organizations of the Campus relating to commercial food services and payroll services reimbursement. The accompanying financial statements include all such transactions for the year ended June 30, 2012:

Related party receivables consist of the following:

	<u>June 30, 2012</u>
Associated Students of CSU Channel Islands, Inc.	\$ 33,102
CSU Channel Islands	89,229
CSU Channel Islands Foundation	1,670
CSU Channel Islands Site Authority	<u>157,788</u>
	<u>\$ 281,789</u>

Related party payables consist of the following:

	<u>June 30, 2012</u>
CSU Channel Islands	\$ 69,184
CSU Channel Islands Site Authority	<u>3,690</u>
	<u>\$ 72,874</u>

4. LONG TERM LIABILITIES ACTIVITY

Long term liability activity for the year ended at June 30, 2012 consisted of the following:

	<u>Total</u>	
	<u>Current</u>	<u>Noncurrent</u>
Compensated Absences	\$ 10,101	\$ 99,931
Vehicle Loan Payable	<u>7,154</u>	<u>23,173</u>
Total	<u>\$ 17,255</u>	<u>\$ 123,104</u>

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

5. CLASSIFICATION OF OPERATING EXPENSES

University Glen Corporation has elected not to report operating expenses by functional classification in the statements of revenues, expenses, and changes in net assets, but to provide the natural classification of those expenses as an additional disclosure. For the year ended June 30, 2012, operating expenses by natural classification consisted of the following:

	<u>Salaries</u>	<u>Benefits</u>	<u>Fellowships</u>	<u>Supplies & Services</u>	<u>Depreciation</u>	<u>Total</u>
Functional Classification:						
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public service	989,981	194,025	-	528,906	4,468	1,717,380
Academic support	-	-	-	-	-	-
Student services	-	-	-	-	-	-
Institutional support	976,660	409,129	-	260,326	-	1,646,115
Operation and maintenance of plant	-	-	-	55,950	-	55,950
Student grants and scholarships	-	-	-	-	-	-
Total	<u>\$1,966,641</u>	<u>\$ 603,154</u>	<u>\$ -</u>	<u>\$ 845,182</u>	<u>\$ 4,468</u>	<u>\$ 3,419,445</u>

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

6. TRANSACTIONS WITH RELATED PARTIES

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

The accompanying financial statements also include the following transactions with the Associated Students, Inc., Foundation, and Site Authority as of and for the year ended June 30, 2012:

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ -
Payments to Associated Students, Inc. for other than salaries of Associated Students, Inc. personnel	10,790
Payments to Foundation for other than salaries of Foundation personnel	1,858
Payments to Site Authority for other than salaries of Site Authority personnel	74,867
Payments to University for other than salaries of University personnel	576,502
Payments received from Associated Students, Inc. for services, space, and program	369,678
Payments received from Foundation for services, space, and program	33,344
Payments received from Site Authority for services, space, and program	1,332,922
Payments received from University for services, space, and program	1,442,544
Accounts receivable from Associated Students, Inc.	33,102
Accounts receivable from Site Authority	157,788
Accounts receivable from Foundation	1,670
Accounts receivable from University	89,229

SUPPLEMENTARY INFORMATION

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
GASB SCHEDULE OF NET ASSETS
JUNE 30, 2012

Assets:

Current assets:	
Cash and cash equivalents	\$ 349,125
Short-term investments	—
Accounts receivable, net	325,911
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	36,835
Total current assets	711,871
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	38,753
Other assets	—
Total noncurrent assets	38,753
Total assets	750,624

Liabilities:

Current liabilities:	
Accounts payable	100,852
Accrued salaries and benefits payable	73,240
Accrued compensated absences— current portion	10,101
Deferred revenue	5,340
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	7,154
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	72,874
Total current liabilities	269,561
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	99,931
Deferred revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	23,173
Self-insurance claims liabilities, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	—
Other liabilities	—
Total noncurrent liabilities	123,104
Total liabilities	392,665

Net assets:

Invested in capital assets, net of related debt	8,426
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	349,533
Total net assets	\$ 357,959

See accompanying auditor's report and
notes to financial statements.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
GASB SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

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	2,379,547
Total operating revenues	<u>2,379,547</u>
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	1,712,912
Academic support	—
Student services	—
Institutional support	1,646,115
Operation and maintenance of plant	55,950
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	4,468
Total operating expenses	<u>3,419,445</u>
Operating income (loss)	<u>(1,039,898)</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	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	1,441
Endowment income (loss), net	—
Interest Expenses	(1,367)
Other nonoperating revenues (expenses)	1,167,074
Net nonoperating revenues (expenses)	<u>1,167,148</u>
Income (loss) before other additions	127,250
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net assets	<u>127,250</u>
Net assets:	
Net assets at beginning of year, as previously reported	230,709
Restatements	—
Net assets at beginning of year, as restated	<u>230,709</u>
Net assets at end of year	<u>\$ 357,959</u>

See accompanying auditor's report and
notes to financial statements.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

1	Restricted cash and cash equivalents at June 30, 2012:	
	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/>

See accompanying auditor's report and
notes to financial statements.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

2.2 Investments held by the University under contractual agreements at June 30, 2012:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2012 :

2.3 Restricted current investments at June 30, 2012 related to:

	Amount
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2012	\$ —

2.4 Restricted noncurrent investments at June 30, 2012 related to:

	Amount
Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2012	\$ —

See accompanying auditor's report and notes to financial statements.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

3.1 Composition of capital assets at June 30, 2012:

	Balance June 30, 2011	Prior period Adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2012
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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CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

Less accumulated depreciation/amortization:							
Buildings and building improvements	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-
Personal property:							
Equipment	(1,461)	-	-	(1,461)	(4,468)	-	(5,929)
Library books and materials	-	-	-	-	-	-	-
Intangible assets:							
Software and websites	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Other intangible assets:							
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total intangible assets							
Total accumulated depreciation/amortization	<u>(1,461)</u>	<u>-</u>	<u>-</u>	<u>(1,461)</u>	<u>(4,468)</u>	<u>-</u>	<u>(5,929)</u>
Total capital assets, net	<u>\$ 43,221</u>	<u>-</u>	<u>-</u>	<u>43,221</u>	<u>(4,468)</u>	<u>-</u>	<u>38,753</u>

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2012:

Depreciation and amortization expense related to capital assets	\$ 4,468
Amortization expense related to other assets	<u>—</u>
Total depreciation and amortization	<u>\$ 4,468</u>

See accompanying auditor's report and
notes to financial statements.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

4 Long-term liabilities activity schedule:

	Balance June 30, 2011	Prior period adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Balance June 30, 2012	Current portion	Long-term portion
Accrued compensated absences	\$ 81,253	—	—	81,253	28,779	-	110,032	10,101	99,931
Capitalized lease obligations:									
Gross balance	—	—	—	—	-	-	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	-	-	—	—	—
Total capitalized lease obligations	—	—	—	—	-	-	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	-	-	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	-	-	—	—	—
Commercial Paper	—	—	—	—	-	-	—	—	—
Other:									
Vehicle loan	37,213	—	—	37,213	-	(6,886)	30,327	7,154	23,173
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Total long-term debt obligations	37,213	—	—	37,213	-	(6,886)	30,327	7,154	23,173
Unamortized bond premium / (discount)	—	—	—	—	-	-	—	—	—
Unamortized loss on refunding	—	—	—	—	—	-	—	—	—
Total long-term debt obligations, net	37,213	—	—	37,213	—	(6,886)	30,327	7,154	23,173
Total long-term liabilities	\$ 118,466	—	—	118,466	28,779	(6,886)	140,359	17,255	123,104

See accompanying auditor's report and
notes to financial statements.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

5 Future minimum lease payments - capital lease obligations:

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
Year ending June 30:			
2013	-	-	—
2014	-	-	—
2015	-	-	—
2016	-	-	—
2017	-	-	—
2018 - 2022	-	-	—
2023 - 2027	-	-	—
2028 - 2032	-	-	—
2033 - 2037	-	-	—
2038 - 2042	-	-	—
2043 - 2047	-	-	—
2048 - 2052	-	-	—
2053 - 2057	-	-	—
2058 - 2062	-	-	—
	<hr/>	<hr/>	<hr/>
Total minimum lease payments			—
Less amounts representing interest			<hr/>
Present value of future minimum lease payments			—
Less: current portion			<hr/>
Capitalized lease obligation, net of current portion			\$ <hr/> <hr/>

See accompanying auditor's report and
notes to financial statements.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
	Year ending June 30:								
2013	\$ -	-	-	7,154	1,099	8,253	7,154	1,099	8,253
2014	-	-	-	7,432	821	8,253	7,432	821	8,253
2015	-	-	-	7,721	532	8,253	7,721	532	8,253
2016	-	-	-	8,020	232	8,252	8,020	232	8,252
2017	-	-	-	-	-	-	-	-	-
2018 - 2022	-	-	-	-	-	-	-	-	-
2023 - 2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-	-	-	-
2058 - 2062	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	30,327	2,684	33,011	30,327	2,684	33,011

See accompanying auditor's report and notes to financial statements.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

7 Calculation of net assets

	<u>Auxiliary Organizations</u>		<u>Total</u>
	<u>GASB</u>	<u>FASB</u>	<u>Auxiliaries</u>
7.1 Calculation of net assets - Invested in capital assets, net of related debt			
Capital assets, net of accumulated depreciation	\$ 38,753	—	38,753
Capitalized lease obligations - current portion	—	—	—
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations - current portion	(7,154)	—	(7,154)
Long-term debt obligations, net of current portion	(23,173)	—	(23,173)
Portion of outstanding debt that is unspent at year-end	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net assets - invested in capital assets, net of related debt	<u>\$ 8,426</u>	<u>—</u>	<u>8,426</u>
7.2 Calculation of net assets - Restricted for nonexpendable - endowments			
Portion of restricted cash and cash equivalents related to endowments	\$ —	—	—
Endowment investments	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net assets - Restricted for nonexpendable - endowments per SNA	<u>\$ —</u>	<u>—</u>	<u>—</u>

See accompanying auditor's report and
notes to financial statements.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

8 Transactions with Related Entities

	Amount
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	576,502
Payments received from University for services, space, and programs	1,442,544
Gifts-in-kind to the University from Auxiliary Organizations	—
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	—
Accounts (payable to) University (enter as negative number)	(69,184)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	89,229
Other amounts receivable from University	—

See accompanying auditor's report and
notes to financial statements.

**CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

9 Other Postemployment Benefits Obligation (OPEB)

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

See accompanying auditor's report and
notes to financial statements.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

10 Pollution remediation liabilities under GASB Statement No. 49:

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

See accompanying auditor's report and
notes to financial statements.

CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS UNIVERSITY GLEN CORPORATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

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

	Net Asset Class	Amount Dr. (Cr.)
Net assets as of June 30, 2011, as previously reported	\$	230,709
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 assets as of June 30, 2011, as restated	\$	230,709

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

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

See accompanying auditor's report and
notes to financial statements.