

CI UNIVERSITY AUXILIARY SERVICES, INC.

**Financial Statements and Supplementary
Information for the Year Ended June 30, 2019
and Independent Auditors' Report**

VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

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AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CI University Auxiliary Services, Inc.
Camarillo, California

We have audited the accompanying financial statements of CI University Auxiliary Services, Inc. as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of CI University Auxiliary Services, Inc. as of June 30, 2019, and the respective changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT - Continued

Report on Summarized Comparative Information

We previously audited CI University Auxiliary Services, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 13, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, 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 CI University Auxiliary Services, Inc.

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The GASB Schedule of Net Position, GASB Schedule of Revenues, Expenses and Changes in Net Position, and Other Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The GASB Schedule of Net Position, GASB Schedule of Revenues, Expenses and Changes in Net Position, and Other Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the GASB Schedule of Net Position, GASB Schedule of Revenues, Expenses and Changes in Net Position, and Other Information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Calabasas, California
September 19, 2019

**CI UNIVERSITY AUXILIARY SERVICES, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

This section of CI University Auxiliary Services, Inc.’s annual financial report presents our discussion and analysis of the financial performance of CI University Auxiliary Services, Inc. for the fiscal year ended June 30, 2019. 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 CI University Auxiliary Services, Inc.

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 CI University Auxiliary Services, Inc.

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 CI University Auxiliary Services, Inc.

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 CI University Auxiliary Services, Inc.’s financial activities. Included are an analysis of current year activities and balances, and a summary of operations.

CI UNIVERSITY AUXILIARY SERVICES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

CI University Auxiliary Services, Inc.'s summary of net position as of June 30, 2019 and 2018 are as follows:

Condensed Summary of Net Position

	Year ended June 30,			
	2019	2018	\$ Change	% Change
Assets:				
Current assets	\$ 974,299	\$ 1,056,240	\$ (81,941)	-7.8%
Other noncurrent assets	<u>239,364</u>	<u>262,418</u>	<u>(23,054)</u>	<u>-8.8%</u>
Total assets	<u>1,213,663</u>	<u>1,318,658</u>	<u>(104,995)</u>	<u>-8.0%</u>
Liabilities:				
Current liabilities	671,745	909,187	(237,442)	-26.1%
Other noncurrent liabilities	<u>323,409</u>	<u>307,555</u>	<u>15,854</u>	<u>5.1%</u>
Total liabilities	<u>995,154</u>	<u>1,216,742</u>	<u>(221,588)</u>	<u>-18.2%</u>
Net position:				
Unrestricted	<u>218,509</u>	<u>101,916</u>	<u>116,593</u>	<u>114.4%</u>
Total net position	<u>\$ 218,509</u>	<u>\$ 101,916</u>	<u>\$ 116,593</u>	<u>114.4%</u>

Assets

Total assets decreased by \$105K compared to prior year. This change is primarily attributable to a decrease in prepaid expenses of \$66K, capital assets of \$23K, related party receivables of \$71K, and an increase in cash of \$60K.

Liabilities

Total liabilities decreased by \$222K compared to the prior year. This net change is due to a decrease in related party payables of \$278K, and an increase in accrued compensation of \$32K.

Net Position

CI University Auxiliary Services, Inc. total net position increased by \$117K compared to the prior year. Stable and profitable commercial operations increased by \$322K. With student head count to increase and overall campus growth, commercial operations in food services profitability is expected to increase

CI UNIVERSITY AUXILIARY SERVICES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

CI University Auxiliary Services, Inc.'s condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2019 and 2018 is as follows:

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

	Year ended June 30,			
	2019	2018	\$ Change	% Change
Operating Revenues:				
Management Fees	\$ 409,589	\$ 342,178	\$ 67,411	19.7%
Food Service Sales, Net	5,217,930	5,159,321	58,609	1.1%
Misc. Income	<u>334,908</u>	<u>138,539</u>	<u>196,369</u>	<u>141.7%</u>
Total Operating Revenues	5,962,427	5,640,038	322,389	5.7%
Operating Expenses:				
Salaries	4,299,025	4,650,262	(351,237)	-7.6%
Other Operating Expenses	2,270,092	2,322,958	(52,866)	-2.3%
Depreciation Expense	<u>23,054</u>	<u>20,087</u>	<u>2,967</u>	<u>14.8%</u>
Total Operating Expenses	6,592,171	6,993,307	(401,136)	-5.7%
Operating Income (loss)	(629,744)	(1,353,269)	723,525	115.3%
Nonoperating Revenues (expenses):				
Investment Income (loss)	1,998	2,301	(303)	-13.2%
Payroll Services	1,234,214	1,361,121	(126,907)	-9.3%
Interest Expense	<u>(489,875)</u>	<u>(250,989)</u>	<u>(238,886)</u>	<u>95.2%</u>
Net Nonoperating Revenues (Expenses)	746,337	1,112,433	(366,096)	-32.9%
Increase (Decrease) in Net Position	116,593	(240,836)	357,429	148.4%
Beginning Net Position	<u>101,916</u>	<u>342,752</u>	<u>(240,836)</u>	<u>-70.3%</u>
Ending Net Position	<u>\$ 218,509</u>	<u>\$ 101,916</u>	<u>\$ 116,593</u>	<u>114.4%</u>

Operating Revenues and Expenses

Operating revenues and expenses come from sources that are connected directly to CI University Auxiliary Services, Inc.'s business function. Revenues come from the management fees agreement with Site Authority and dining services units, food service sales, and miscellaneous income.

**CI UNIVERSITY AUXILIARY SERVICES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

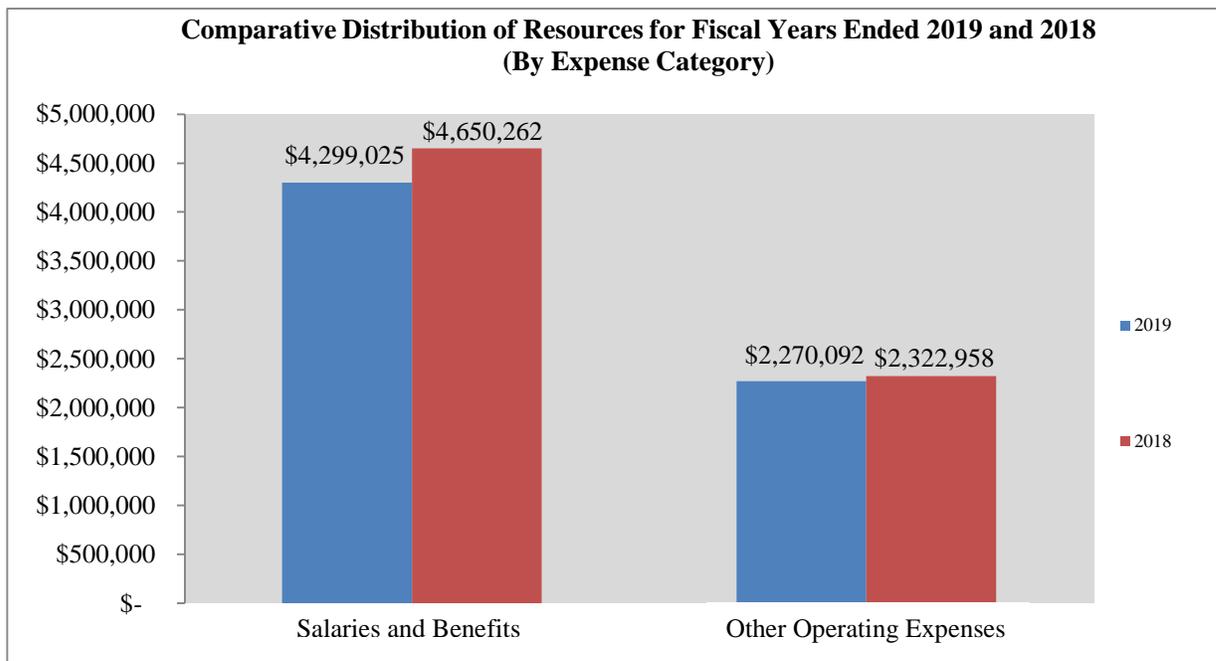
Operating Revenues

Total revenues increased by \$322K compared to prior year. The increase is attributable to management fees of \$67K, food sales \$59K and miscellaneous income \$196K.

Operating Expenses

Total operating expenses decreased by \$401K compared to prior year. The decrease is primarily attributable to salaries of \$351K and operating expenses of \$53K.

The following chart presents the distribution of resources in support of CI University Auxiliary Services, Inc.'s mission for fiscal years 2019 and 2018:



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.

Nonoperating Revenues (Expenses)

Nonoperating revenues (expenses) come from sources that are not part of CI University Auxiliary Services, Inc.'s primary business functions. Included in this classification are categories such as investment income, payroll services, and transfers to Associated Students, Inc.

Payroll Service income decreased by \$126K compared to prior year. The decrease is the result of a decrease in Associated Students, Inc. employees.

CI UNIVERSITY AUXILIARY SERVICES, INC.
STATEMENT OF NET POSITION
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 297,808	\$ 237,865
Accounts receivable	11,600	4,718
Related party receivables	573,881	644,862
Prepaid expenses	-	66,557
Inventory	<u>91,010</u>	<u>102,238</u>
Total current assets	974,299	1,056,240
Noncurrent assets		
Capital assets, net	<u>239,364</u>	<u>262,418</u>
Total noncurrent assets	<u>239,364</u>	<u>262,418</u>
Total assets	<u>1,213,663</u>	<u>1,318,658</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	131,739	123,487
Accrued salaries and benefits	146,223	108,699
Accrued compensated absences	13,727	10,812
Deferred revenue	847	8,968
Related party payables	366,226	644,495
Loan payable, current portion	<u>12,983</u>	<u>12,726</u>
Total current liabilities	671,745	909,187
Noncurrent liabilities		
Accrued compensated absences	135,803	106,966
Loan payable	<u>187,606</u>	<u>200,589</u>
Total noncurrent liabilities	<u>323,409</u>	<u>307,555</u>
Total liabilities	<u>995,154</u>	<u>1,216,742</u>
NET POSITION		
Net investment in capital assets	38,775	49,103
Unrestricted	<u>179,734</u>	<u>52,813</u>
Total net position	<u>\$ 218,509</u>	<u>\$ 101,916</u>

See accompanying auditors' report and notes to financial statements.

CI UNIVERSITY AUXILIARY SERVICES, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	<u>2019</u>	<u>2018</u>
REVENUES		
Operating revenues		
Management fees	\$ 409,589	\$ 342,178
Food service sales, net	5,217,930	5,159,321
Miscellaneous income	<u>334,908</u>	<u>138,539</u>
Total operating revenues	5,962,427	5,640,038
EXPENSES		
Operating expenses		
Salaries and benefits	4,299,025	4,650,262
Other operating expenses	2,270,092	2,322,958
Depreciation expense	<u>23,054</u>	<u>20,087</u>
Total operating expenses	<u>6,592,171</u>	<u>6,993,307</u>
Operating income (loss)	(629,744)	(1,353,269)
NONOPERATING REVENUES (EXPENSES)		
Investment income (loss)	1,998	2,301
Cost recovery from auxiliaries	1,234,214	1,361,121
Interest expense	<u>(489,875)</u>	<u>(250,989)</u>
Net nonoperating revenues (expenses)	<u>746,337</u>	<u>1,112,433</u>
INCREASE (DECREASE) IN NET POSITION	116,593	(240,836)
NET POSITION - beginning of year	<u>101,916</u>	<u>342,752</u>
NET POSITION - end of year	<u>\$ 218,509</u>	<u>\$ 101,916</u>

See accompanying auditors' report and notes to financial statements.

CI UNIVERSITY AUXILIARY SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Management fees	\$ 409,589	\$ 342,178
Commercial services	5,217,930	5,159,321
Payments to suppliers	(2,270,092)	(2,252,117)
Payments to employees	(4,299,025)	(4,764,274)
Other receipts (payments)	<u>267,930</u>	<u>130,005</u>
Net Cash Provided (Used) by Operating Activities	(673,668)	(1,384,887)
Cash flows from noncapital financing activities:		
Reimbursements from related parties	1,234,214	1,361,121
Other receipts (payments)	<u>1,998</u>	<u>2,301</u>
Net Cash Provided (Used) by noncapital financing activities	1,236,212	1,363,422
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(36,214)
Principal paid on loan payable	(12,726)	(12,475)
Interest paid	<u>(489,875)</u>	<u>(250,989)</u>
Net Cash Provided (Used) by capital and related financing activities	(502,601)	(299,678)
Net increase (decrease) in cash and cash equivalents	59,943	(321,143)
Cash and cash equivalents at beginning of year	<u>237,865</u>	<u>559,008</u>
Cash and cash equivalents at end of year	<u>\$ 297,808</u>	<u>\$ 237,865</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities		
Operating income (loss)	(629,744)	(1,353,269)
Adjustments to reconcile net operating income (loss) to net cash provided by (used by) operating activities:		
Depreciation	23,054	20,087
(Increase) decrease in:		
Accounts receivable	(6,882)	(3,469)
Related party receivables	70,981	(170,602)
Prepaid expenses	66,557	(21,258)
Inventory	11,228	10,433
Increase (decrease) in:		
Accounts payable and accrued liabilities	8,252	79,096
Accrued salaries and benefits	37,524	(14,849)
Accrued compensated absences	31,752	(99,163)
Deferred revenue	(8,121)	2,085
Related party payables	<u>(278,269)</u>	<u>166,022</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (673,668)</u>	<u>\$(1,384,887)</u>

See accompanying auditors' report and notes to financial statements.

**CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

University Auxiliary Services, Inc. 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. CI University Auxiliary Services, Inc. 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 extended through June 30, 2018 and includes two automatic five-year extensions. On July 1, 2016 the corporation's change of name to CI University Auxiliary Services, Inc. was accepted by the California Secretary of State.

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.

Financial Reporting Entity

The financial statements include the accounts of CI University Auxiliary Services, Inc. CI University Auxiliary Services, Inc. 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. CI University Auxiliary Services, Inc. has chosen to use the reporting model for special-purpose governments engaged only in business type activities.

Net Position

CI University Auxiliary Services, Inc.'s net position is classified into the following net asset categories:

Net investment in capital assets – Capital assets, net of accumulated depreciation. CI University Auxiliary Services, Inc. does not have any outstanding principal balances of debt attributable to the acquisition construction, or improvement of those assets.

Unrestricted – All other categories of net position. In addition, unrestricted net position may be designated for use by management of CI University Auxiliary Services, Inc. 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. CI University Auxiliary Services, Inc. has adopted a policy of utilizing temporarily restricted funds, when available, prior to unrestricted funds.

Restricted – expendable – Net position subject to externally imposed conditions that can be fulfilled by the actions of CI University Auxiliary Services, Inc. or by the passage of time.

CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

2. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Classification of Current and Noncurrent Assets and Liabilities

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

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid debt instruments with maturities of three months or less from date of purchase.

Receivables

Receivables consist of related party receivables and employee payroll receivables. CI University Auxiliary Services, Inc. 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.

Prepaid Expenses

Prepaid insurance and other costs are expensed ratably over their respective terms of agreement.

Inventory

Inventories, consisting of food service supplies, are stated at the lower of cost (first-in, first-out) or market. Inventory balance at June 30, 2019 was \$92,299.

Capital Assets

Capital assets are stated at historical cost and/or fair market value. The minimum dollar amount for capitalizing and depreciating an asset is \$5,000. Depreciation is provided on the straight-line method over estimated useful lives of three to twenty years which aligns with The California State University GAAP Reporting Manual, Chapter 13, Capital Asset Guide, as follows:

Equipment	5 years
Furniture	5 years
Leasehold improvements	The lesser of 10 years or remaining term of lease

Capital assets are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

2. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Revenue

Deferred revenue represents revenues collected but not earned as of June 30, 2019. This is primarily composed of revenue for meal plans accrued in advance of the semester. If a program is conducted over a fiscal year end, deferred revenue is recorded for all revenue related to programs predominately conducted in the next fiscal year.

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

CI University Auxiliary Services, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. 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).

CI University Auxiliary Services, Inc. has evaluated its tax positions and the certainty as to whether those tax positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to CI University Auxiliary Services, Inc.'s continued qualification as a tax-exempt organization and whether there is unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions will more likely than not be sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

CI University Auxiliary Services, Inc.'s Forms 990, *Return of Organization Exempt from Income Tax*, for each of the tax years ended June 30, 2018, 2017, 2016, 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.

CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

2. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES -Continued

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CI University Auxiliary Services, Inc.'s financial statements for the year ended June 30, 2018 from which the summarized information was derived.

Fair Value Measurements

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

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

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

**CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

2. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES -Continued

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

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

When available, CI University Auxiliary Services, Inc. measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

3. CASH AND CASH EQUIVALENTS

CI University Auxiliary Services, Inc.'s cash and cash equivalents as of June 30, 2019 are classified in the accompanying statement of net position as follows:

	<u>Total</u>
Cash and cash equivalents	\$ 297,808
Restricted cash and cash equivalents	<u>-</u>
Total cash and cash equivalents	<u>\$ 297,808</u>

(a) Cash and Cash Equivalents

At June 30, 2019, cash and cash equivalents consisted of demand deposits maintained at the bank. Total cash and cash equivalents of \$297,808 had a corresponding carrying value balance with the bank \$394,005 at June 30, 2019. The difference is related to outstanding checks and deposits in transit.

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that CI University Auxiliary Services, Inc. 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 CI University Auxiliary Services, Inc.'s deposits are maintained at financial institutions that are fully insured or collateralized as required by state law.

**CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

4. RELATED PARTY TRANSACTIONS

CI University Auxiliary Services, Inc. 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, 2019:

Related party receivables consist of the following:

	<u>June 30, 2019</u>
Associated Students of CSU Channel Islands, Inc.	\$ 43,272
CSU Channel Islands	496,276
CSU Channel Islands Foundation	2,032
CSU Channel Islands Site Authority	<u>32,301</u>
Total	<u>\$ 573,881</u>

Related party payables consist of the following:

	<u>June 30, 2019</u>
Associated Students of CSU Channel Islands, Inc.	\$ 6,711
CSU Channel Islands	<u>359,515</u>
Total	<u>\$ 366,226</u>

As part of the revenue bonds issued to the California State University, Channel Islands (CSUCI) on September 9, 2015 for construction of Student Housing phase III and the dining commons expansion, CI University Auxiliary Services, amended their operating agreement with CSUCI to reflect an increase in annual lease payments. This increase includes the original lease payment to use the campus building and the additional payment to cover the portion of the revenue bonds issued to CSUCI that are attributed to the dining expansion. The total amount of the bond is \$10,405,000 and reimbursement will be reflected for the term of the operating lease.

The operating agreement extends through June 30, 2023. Below are the annual minimum reimbursement payments required:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$ 662,725
2021	661,200
2022	659,175
2023	<u>660,225</u>
Total	<u>\$ 2,643,325</u>

CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

5. CAPITAL ASSETS

Capital assets for the year ended June 30, 2019 consists of the following:

	Beginning of Year 7/1/18	Additions	Deletions	End of Year 6/30/19
Equipment	\$ 68,456	\$ -	\$ -	\$ 68,456
Accumulated depreciation	<u>(48,028)</u>	<u>(7,309)</u>	<u>-</u>	<u>(55,337)</u>
	20,428	(7,309)	-	13,119
Leasehold improvements	308,182	-	-	308,182
Accumulated depreciation	<u>(66,192)</u>	<u>(15,745)</u>	<u>-</u>	<u>(81,937)</u>
	<u>241,990</u>	<u>(15,745)</u>	<u>-</u>	<u>226,245</u>
Net Capital Assets	<u>\$ 262,418</u>	<u>\$ (23,054)</u>	<u>\$ -</u>	<u>\$ 239,364</u>

Total depreciation expense for the year ended June 30, 2019 was \$23,054.

6. LONG-TERM LIABILITIES

Long term liability activities for the year ended at June 30, 2019 consisted of the following:

	Beginning Balance as of July 1, 2018	Additions	Reductions	Ending Balance as of June 30, 2019	Current Portion
Long-term liabilities:					
Accrued compensated absences	\$ 117,778	\$ 149,530	\$ (117,778)	\$ 149,530	\$ 13,727
Long-term debt obligations:					
Leasehold improvement loan	<u>213,315</u>	<u>-</u>	<u>(12,726)</u>	<u>200,589</u>	<u>12,983</u>
Total long-term liabilities	<u>\$ 331,093</u>	<u>\$ 149,530</u>	<u>\$ (130,504)</u>	<u>\$ 350,119</u>	<u>\$ 26,710</u>

CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

6. LONG-TERM LIABILITIES – Continued

In March 2013 CI University Auxiliary Services, Inc. entered into a promissory note with Associated Students, Inc. for approximately half of the construction of Pizza 3.14 in the Town Center. The loan amount of \$278,000 bears interest at 2% with full payment to be completed by January 2033. The loan calls for monthly payments of \$1,406. The loan payable balance owed at June 30, 2019 was \$200,589. The related party loan payable is stated at fair value for purposes of the report.

Maturity for the leasehold improvements loan payable is as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$ 12,983
2021	13,245
2022	13,512
2023	13,785
2024	14,063
Thereafter	<u>133,001</u>
	<u>\$ 200,589</u>

Total interest expense paid on loan payable during the year ended June 30, 2019 was \$3,893.

7. RETIREMENT PLAN

CI University Auxiliary Services, Inc. sponsors a 403(b) salary deferral plan whereby employees may contribute up to an amount as allowed under Internal Revenue Service regulations. The Plan covers all salaried, full-time, and benefitted employees beginning on the date of hire. CI University Auxiliary Services, Inc. provides 10% of an employee's eligible compensation to the 403(b) plan. Total contribution expense for the year ended June 30, 2019 was \$108,434.

**CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

8. TRANSACTIONS WITH RELATED PARTIES

As discussed in Note 1, CI University Auxiliary Services, Inc. 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, 2019:

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	101,470
Payments to University for other than salaries of University personnel	1,607,733
Payments to Foundation for other than salaries of Foundation personnel	-
Payments to Site Authority for other than salaries of Site Authority personnel	1,059,420
Payments received from Associated Students, Inc. for services, space, and program	1,079,718
Payments received from University for services, space, and program	91,523
Payments received from Foundation for services, space, and program	296,816
Payments received from Site Authority for services, space, and program	-
Accounts receivable from University	496,276
Accounts receivable from Associated Students, Inc.	43,272
Accounts receivable from Foundation	2,032
Accounts receivable from Site Authority	32,301
Accounts payable to Associated Students, Inc.	6,711
Accounts payable to University	359,515

CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

9. CLASSIFICATION OF OPERATING EXPENSES

CI University Auxiliary Services, Inc. has elected not 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, 2019, operating expenses by natural classification consisted of the following:

Functional Classification:	Salaries	Benefits	Fellowships	Supplies & Services	Depreciation	Total
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public service	2,192,085	797,058	-	1,946,033	-	4,935,176
Academic support	-	-	-	-	-	-
Student services	-	-	-	-	-	-
Institutional support	977,530	332,352	-	324,059	-	1,633,941
Operation and maintenance of plant	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	23,054	23,054
Total	<u>\$ 3,169,615</u>	<u>\$ 1,129,410</u>	<u>\$ -</u>	<u>\$ 2,270,092</u>	<u>\$ 23,054</u>	<u>\$ 6,592,171</u>

10. SUBSEQUENT EVENTS

CI University Auxiliary Services, Inc. has evaluated events subsequent to June 30, 2019, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 19, 2019, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

CI UNIVERSITY AUXILIARY SERVICES, INC.
GASB SCHEDULE OF NET POSITION
JUNE 30, 2019

Assets:	
Current assets:	
Cash and cash equivalents	\$ 297,808
Short-term investments	—
Accounts receivable, net	585,481
Capital lease receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	91,010
	<hr/>
Total current assets	974,299
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Capital lease 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	239,364
Other assets	—
	<hr/>
Total noncurrent assets	239,364
	<hr/>
Total assets	1,213,663
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Others	—
	<hr/>
Total deferred outflows of resources	—
Liabilities:	
Current liabilities:	
Accounts payable	131,739
Accrued salaries and benefits	146,223
Accrued compensated absences, current portion	13,727
Unearned revenues	847
Capital lease obligations, current portion	—
Long-term debt obligations, current portion	12,983
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	366,226
	<hr/>
Total current liabilities	671,745
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	135,803
Unearned revenues	—
Grants refundable	—
Capital lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	187,606
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—
	<hr/>
Total noncurrent liabilities	323,409
	<hr/>
Total liabilities	995,154
Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
	<hr/>
Total deferred inflows of resources	—
Net Position:	
Net investment in capital assets	38,775
Restricted for:	—
Nonexpendable – endowments	—
Expendable:	—
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	179,734
	<hr/>
Total net position	\$ 218,509

CI UNIVERSITY AUXILIARY SERVICES, INC.
GASB SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

Revenues:	
Operating revenues:	
Student tuition and fees, gross	\$ —
Scholarship allowances (enter as negative)	—
Grants and contracts, noncapital:	
Federal	—
State	—
Local	—
Nongovernmental	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises, gross	—
Scholarship allowances (enter as negative)	—
Other operating revenues	5,962,427
Total operating revenues	<u>5,962,427</u>
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	4,935,176
Academic support	—
Student services	—
Institutional support	1,633,941
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	23,054
Total operating expenses	<u>6,592,171</u>
Operating income (loss)	<u>(629,744)</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	1,998
Endowment income (loss), net	—
Interest expense	—
Other nonoperating revenues (expenses) - excl. interagency transfers	(489,875)
Other nonoperating revenues (expenses) - interagency transfers	1,234,214
Net nonoperating revenues (expenses)	<u>746,337</u>
Income (loss) before other revenues (expenses)	116,593
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	116,593
Net position:	
Net position at beginning of year, as previously reported	101,916
Restatements	—
Net position at beginning of year, as restated	<u>101,916</u>
Net position at end of year	<u>\$ 218,509</u>

**CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

Noncurrent restricted cash and cash equivalents

Current cash and cash equivalents

Total

	-
	-
\$	-

CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

2.1 Composition of investments:

	Current	Noncurrent	Total
Money market funds			-
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities			-
Municipal bonds			-
Corporate bonds			-
Asset backed securities			-
Mortgage backed securities			-
Commercial paper			-
Mutual funds			-
Exchange traded funds			-
Equity securities			-
Alternative investments:			
Private equity (including limited partnerships)			-
Hedge funds			-
Managed futures			-
Real estate investments (including REITs)			-
Commodities			-
Derivatives			-
Other alternative investment types			-
Other external investment pools (excluding SWIFT)			-
Other investments			-
State of California Local Agency Investment Fund (LAIF)			-
State of California Surplus Money Investment Fund (SMIF)			-
Total investments	-	-	-
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ -	-	-

CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

2.2 Fair value hierarchy in investments:

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

2.3 Investments held by the University under contractual agreements:

Instruction: Amounts should agree with University's investments held on behalf of Discretely Presented Component Units.

	Current	Noncurrent	Total
Investments held by the University under contractual agreements (e.g CSU Consolidated SWIFT Inv pool):			\$ -

CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

4 Long-term liabilities:

	Balance June 30, 2018	Prior Period Adjustments/Reclass ifications	Balance June 30, 2018 (Restated)	Additions	Reductions	Balance June 30, 2019	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 117,778		117,778	149,530	-117,778	149,530	13,727	135,803
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations:								
Gross balance	-		-			-	-	-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations	-		-			-	-	-
4. Long-term debt obligations:						-Agree with below-	-Agree with below-	
4.1 Auxiliary revenue bonds (non-SRB related)	-		-			-	-	-
4.2 Commercial paper	-		-			-	-	-
4.3 Notes payable (SRB related)	-		-			-	-	-
4.4 Others:								
Loan payable to ASI for leasehold improvements	213,315		213,315		-12,726	200,589	12,983	187,606
Total others	213,315		213,315	-	(12,726)	200,589	12,983	187,606
Sub-total long-term debt	213,315		213,315	-	(12,726)	200,589	12,983	187,606
4.5 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	213,315		213,315	-	(12,726)	200,589	12,983	187,606
Total long-term liabilities	\$ 331,093		331,093	149,530	(130,504)	350,119	26,710	323,409

CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

5 Capital lease obligations schedule:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2020			-			-	-	-	-
2021			-			-	-	-	-
2022			-			-	-	-	-
2023			-			-	-	-	-
2024			-			-	-	-	-
2025 - 2029			-			-	-	-	-
2030 - 2034			-			-	-	-	-
2035 - 2039			-			-	-	-	-
2040 - 2044			-			-	-	-	-
2045 - 2049			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum lease payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium/(discount)									-
Total capital lease obligations									-
Less: current portion									-
Capital lease obligations, net of current portion									\$ -

CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2020			-	12983	3893	16,876	12,983	3,893	16,876
2021			-	13245	3631	16,876	13,245	3,631	16,876
2022			-	13512	3364	16,876	13,512	3,364	16,876
2023			-	13785	3091	16,876	13,785	3,091	16,876
2024			-	147064	14665	161,729	147,064	14,665	161,729
2025 - 2029			-			-	-	-	-
2030 - 2034			-			-	-	-	-
2035 - 2039			-			-	-	-	-
2040 - 2044			-			-	-	-	-
2045 - 2049			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum payments	\$ -	-	-	200,589	28,644	229,233	200,589	28,644	229,233
Less: amounts representing interest									(28,644)
Present value of future minimum payments									<u>200,589</u>
Unamortized net premium/(discount)									-
Total long-term debt obligations									<u>200,589</u>
Less: current portion									(12,983)
Long-term debt obligations, net of current portion									<u><u>\$ 187,606</u></u>

**CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

7 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	1607733
Payments received from University for services, space, and programs	1079718
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	
Accounts (payable to) University (enter as negative number)	-359515
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	496276
Other amounts receivable from University (enter as positive number)	

**CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

8 Restatements/Prior period adjustments:

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement/PPA:

		Debit/(Credit)
Transaction #1	Enter transaction description	
Transaction #2	Enter transaction description	

CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction					-		-	-
Research					-		-	-
Public service	2192085	797058			-	1946033	-	4,935,176
Academic support					-		-	-
Student services					-		-	-
Institutional support	977530	332352			-	324059	-	1,633,941
Operation and maintenance of plant					-		-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses					-		-	-
Depreciation and amortization					-		23054	23,054
Total operating expenses	\$ 3,169,615	1,129,410	-	-	-	2,270,092	23,054	6,592,171

CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	
Deferred outflows - net pension liability	
Deferred outflows - net OPEB liability	
Deferred outflows - others:	
Total deferred outflows - others	-
Total deferred outflows of resources	\$ -

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	
Deferred inflows - net pension liability	
Deferred inflows - net OPEB liability	
Deferred inflows - unamortized gain on debt refunding(s)	
Deferred inflows - nonexchange transactions	
Deferred inflows - others:	
Total deferred inflows - others	-
Total deferred inflows of resources	\$ -