

CI UNIVERSITY AUXILIARY SERVICES, INC.

**Financial Statements and Supplementary
Information for the Year Ended June 30, 2020
and Independent Auditors' Report**

VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

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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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 19, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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.

Emphasis of Matter

As described in Note 11 to the financial statements, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic on March 11, 2020 and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to that matter.

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

INDEPENDENT AUDITORS' REPORT - Continued

Report on Supplementary Information

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

Vorwin, Hahn + Co.

Calabasas, California
September 17, 2020

**CI UNIVERSITY AUXILIARY SERVICES, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020. 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, 2020

CI University Auxiliary Services, Inc.'s summary of net position as of June 30, 2020 and 2019 are as follows:

Condensed Summary of Net Position

	Year ended June 30,			
	2020	2019	\$ Change	% Change
Assets:				
Current assets	\$ 1,942,200	\$ 974,299	\$ 967,901	99.3%
Other noncurrent assets	<u>213,071</u>	<u>239,364</u>	<u>(26,293)</u>	<u>-11.0%</u>
Total assets	<u>2,155,271</u>	<u>1,213,663</u>	<u>941,608</u>	<u>77.6%</u>
Liabilities:				
Current liabilities	3,005,642	671,745	2,333,897	347.4%
Other noncurrent liabilities	<u>347,553</u>	<u>323,409</u>	<u>24,144</u>	<u>7.5%</u>
Total liabilities	<u>3,353,195</u>	<u>995,154</u>	<u>2,358,041</u>	<u>237.0%</u>
Net position:				
Unrestricted	<u>(1,197,924)</u>	<u>218,509</u>	<u>(1,416,433)</u>	<u>-648.2</u>
Total net position	<u>\$ (1,197,924)</u>	<u>\$ 218,509</u>	<u>\$ (1,416,433)</u>	<u>-648.2</u>

Assets

Total assets increased by \$942K compared to prior year. This change is primarily attributable to an increase in cash of \$283K, accounts receivable of \$321K, and related party receivables of \$361K.

Liabilities

Total liabilities increased by \$2.3MIL compared to the prior year. This change is primarily due to an increase in related party payables of \$1.8MIL, and also the Paycheck Protection Program loan in the amount of \$699K. The loan assisted small businesses to keep employees on payroll. The loan is forgiven when the retention period is met. CI University Auxiliary Services has met the criteria and will apply for the loan forgiveness.

Net Position

CI University Auxiliary Services, Inc. total net position decreased by \$1.4MIL compared to the prior year. The deficit fund balance was attributable to the COVID-19 pandemic which resulted in the loss of meal plan revenue and retail sales. While the expectation is student residential head count will eventually normalize after a few years a bridge plan has been developed with the implementation of Campus resource to assist with financing needs. With student head count to increase and overall Campus growth, commercial operation in Food Services profitability is expected to increase in the future. As a result of the financing plan, there is not a significant risk of CI University Auxiliary's ability to be a going concern.

CI UNIVERSITY AUXILIARY SERVICES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

CI University Auxiliary Services, Inc.'s condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2020 and 2019 is as follows:

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

	Year ended June 30,			
	2020	2019	\$ Change	% Change
Operating Revenues:				
Management Fees	\$ 689,586	\$ 409,589	\$ 279,997	68.4%
Food Service Sales, Net	3,917,111	5,217,930	(1,300,819)	-24.9%
Misc. Income	<u>378,016</u>	<u>334,908</u>	<u>43,108</u>	<u>12.9%</u>
Total Operating Revenues	4,984,713	5,962,427	(977,714)	-16.4%
Operating Expenses:				
Salaries	4,745,936	4,299,025	446,911	10.4%
Other Operating Expenses	2,360,502	2,270,092	90,410	4.0%
Depreciation Expense	<u>26,293</u>	<u>23,054</u>	<u>3,239</u>	<u>14.0%</u>
Total Operating Expenses	7,132,731	6,592,171	540,560	8.2%
Operating Income (loss)	(2,148,018)	(629,744)	(1,518,274)	241.1%
Nonoperating Revenues (expenses):				
Investment Income (loss)	1,441	1,998	(557)	-27.9%
Payroll Services	1,213,019	1,234,214	(21,195)	-1.7%
Interest Expense	<u>(482,875)</u>	<u>(489,875)</u>	<u>7,000</u>	<u>-1.4%</u>
Net Nonoperating Revenues (Expenses)	731,585	746,337	(14,752)	-2.0%
Increase (Decrease) in Net Position	(1,416,433)	116,593	(1,533,026)	-131.5%
Beginning Net Position	<u>218,509</u>	<u>101,916</u>	<u>116,593</u>	<u>114.4%</u>
Ending Net Position	<u>\$ (1,197,924)</u>	<u>\$ 218,509</u>	<u>\$ (1,416,433)</u>	<u>-648.2%</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, 2020**

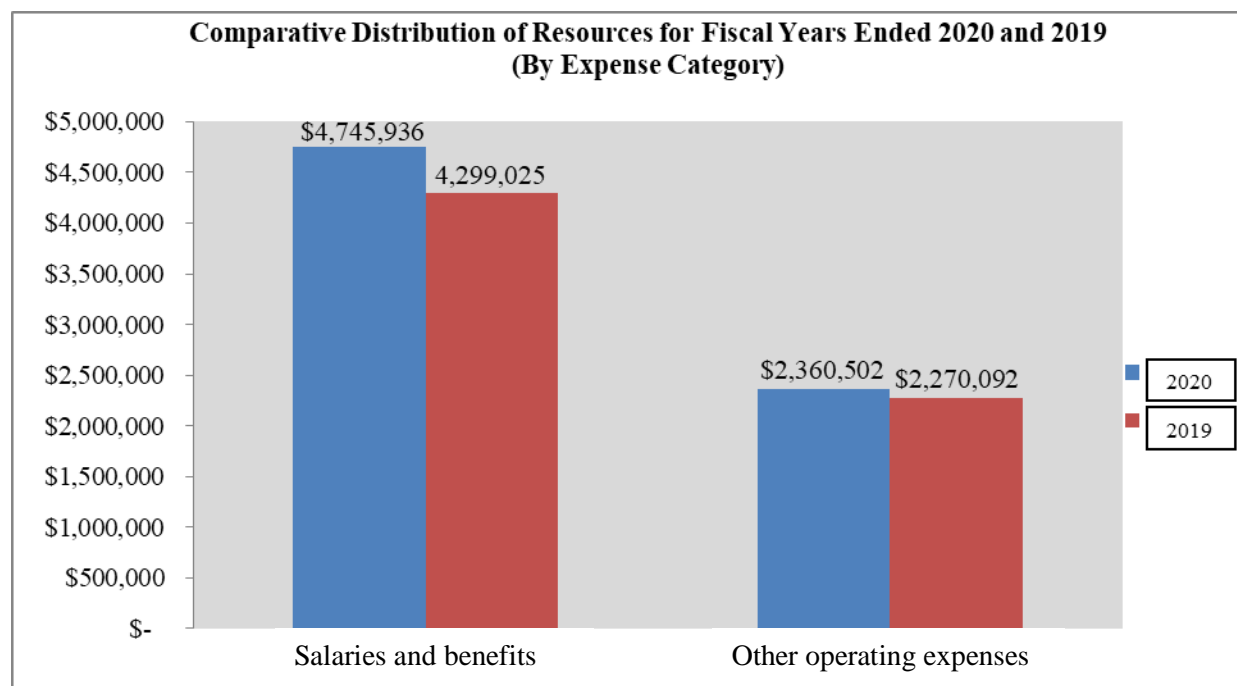
Operating Revenues

Total revenues decreased by \$978K compared to prior year. The decrease is attributable to the loss of meal plan revenue and retail sales due to the COVID-19 pandemic.

Operating Expenses

Total operating expenses increased by \$541K compared to the prior year. The increase is attributable mostly to salaries and benefits of cost overruns before COVID-19. It includes \$190K due to minimum wage increases, \$183K due to catering labor cost overrun from the increased sales from June 2019 through March 2020, and an increase in fringe benefits of \$116K.

The following chart presents the distribution of resources in support of CI University Auxiliary Services, Inc.'s mission for fiscal years 2020 and 2019:



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 \$21K 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, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 581,179	\$ 297,808
Accounts receivable	332,349	11,600
Related party receivables	934,920	573,881
Prepaid expenses	32,853	-
Inventory	<u>60,899</u>	<u>91,010</u>
Total current assets	1,942,200	974,299
Noncurrent assets		
Capital assets, net	<u>213,071</u>	<u>239,364</u>
Total noncurrent assets	<u>213,071</u>	<u>239,364</u>
Total assets	<u>2,155,271</u>	<u>1,213,663</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	64,729	131,739
Accrued salaries and benefits	54,893	146,223
Accrued compensated absences	17,506	13,727
Deferred revenue	7,201	847
Related party payables	2,148,768	366,226
Loan payable, current portion	13,245	12,983
Paycheck Protection Program loan	<u>699,300</u>	<u>-</u>
Total current liabilities	3,005,642	671,745
Noncurrent liabilities		
Accrued compensated absences	173,192	135,803
Loan payable	<u>174,361</u>	<u>187,606</u>
Total noncurrent liabilities	<u>347,553</u>	<u>323,409</u>
Total liabilities	<u>3,353,195</u>	<u>995,154</u>
NET POSITION		
Net investment in capital assets	25,465	38,775
Unrestricted	<u>(1,223,389)</u>	<u>179,734</u>
Total net position	<u>\$ (1,197,924)</u>	<u>\$ 218,509</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, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
REVENUES		
Operating revenues		
Management fees	\$ 689,586	\$ 409,589
Food service sales, net	3,917,111	5,217,930
Miscellaneous income	<u>378,016</u>	<u>334,908</u>
Total operating revenues	4,984,713	5,962,427
EXPENSES		
Operating expenses		
Salaries and benefits	4,745,936	4,299,025
Other operating expenses	2,360,502	2,270,092
Depreciation expense	<u>26,293</u>	<u>23,054</u>
Total operating expenses	<u>7,132,731</u>	<u>6,592,171</u>
Operating income (loss)	(2,148,018)	(629,744)
NONOPERATING REVENUES (EXPENSES)		
Investment income (loss)	1,441	1,998
Cost recovery from auxiliaries	1,213,019	1,234,214
Interest expense	<u>(482,875)</u>	<u>(489,875)</u>
Net nonoperating revenues (expenses)	<u>731,585</u>	<u>746,337</u>
INCREASE (DECREASE) IN NET POSITION	(1,416,433)	116,593
NET POSITION - beginning of year	<u>218,509</u>	<u>101,916</u>
NET POSITION - end of year	<u>\$ (1,197,924)</u>	<u>\$ 218,509</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, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Management fees	\$ 689,586	\$ 409,589
Commercial services	3,917,111	5,217,930
Payments to suppliers	(2,360,502)	(2,270,092)
Payments to employees	(4,745,936)	(4,299,025)
Other receipts (payments)	<u>1,365,210</u>	<u>267,930</u>
Net Cash Provided (Used) by Operating Activities	(1,134,531)	(673,668)
Cash flows from noncapital financing activities:		
Reimbursements from related parties	1,213,019	1,234,214
Other receipts (payments)	<u>1,441</u>	<u>1,998</u>
Net Cash Provided (Used) by noncapital financing activities	1,214,460	1,236,212
Cash flows from capital and related financing activities:		
Principal paid on loan payable	(12,983)	(12,726)
Interest paid	(482,875)	(489,875)
Proceeds from Paycheck Protection Program loan	<u>699,300</u>	<u>-</u>
Net Cash Provided (Used) by capital and related financing activities	203,442	(502,601)
Net increase (decrease) in cash and cash equivalents	283,371	59,943
Cash and cash equivalents at beginning of year	<u>297,808</u>	<u>237,865</u>
Cash and cash equivalents at end of year	<u>\$ 581,179</u>	<u>\$ 297,808</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities		
Operating income (loss)	(2,148,018)	(629,744)
Adjustments to reconcile net operating income (loss) to net cash provided by (used by) operating activities:		
Depreciation	26,293	23,054
(Increase) decrease in:		
Accounts receivable	(320,749)	(6,882)
Related party receivables	(361,039)	70,981
Prepaid expenses	(32,853)	66,557
Inventory	30,111	11,228
Increase (decrease) in:		
Accounts payable and accrued liabilities	(67,010)	8,252
Accrued salaries and benefits	(91,330)	37,524
Accrued compensated absences	41,168	31,752
Deferred revenue	6,354	(8,121)
Related party payables	<u>1,782,542</u>	<u>(278,269)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,134,531)</u>	<u>\$ (673,668)</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, 2020**

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, 2020

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, 2020 was \$60,899.

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, 2020

2. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Revenue

Deferred revenue represents revenues collected but not earned as of June 30, 2020. 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, 2019, 2018, 2017, 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, 2020

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, 2019 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, 2020

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, 2020 are classified in the accompanying statement of net position as follows:

	<u>Total</u>
Cash and cash equivalents	\$ 581,179
Restricted cash and cash equivalents	<u>-</u>
Total cash and cash equivalents	<u>\$ 581,179</u>

(a) Cash and Cash Equivalents

At June 30, 2020, cash and cash equivalents consisted of demand deposits maintained at the bank. Total cash and cash equivalents of \$581,179 had a corresponding carrying value balance with the bank \$583,641 at June 30, 2020. 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, 2020
(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, 2020:

Related party receivables consist of the following:

	<u>June 30, 2020</u>
Associated Students of CSU Channel Islands, Inc.	\$ 128,656
CSU Channel Islands	724,055
CSU Channel Islands Foundation	30,255
CSU Channel Islands Site Authority	<u>51,954</u>
Total	<u>\$ 934,920</u>

Related party payables consist of the following:

	<u>June 30, 2020</u>
Associated Students of CSU Channel Islands, Inc.	\$ 40,619
CSU Channel Islands	2,098,081
CSU Channel Islands Foundation	4,414
CSU Channel Islands Site Authority	<u>5,654</u>
Total	<u>\$ 2,148,768</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>
2021	\$ 661,200
2022	659,175
2023	<u>660,225</u>
Total	<u>\$ 1,980,600</u>

CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020
(CONTINUED)

5. CAPITAL ASSETS

Capital assets for the year ended June 30, 2020 consists of the following:

	Beginning of Year 7/1/19	Additions	Deletions	End of Year 6/30/20
Equipment	\$ 68,456	\$ -	\$ -	\$ 68,456
Accumulated depreciation	<u>(55,337)</u>	<u>(6,399)</u>	<u>-</u>	<u>(61,736)</u>
	13,119	(6,399)	-	6,720
Leasehold improvements	308,182	-	-	308,182
Accumulated depreciation	<u>(81,937)</u>	<u>(19,894)</u>	<u>-</u>	<u>(101,831)</u>
	<u>226,245</u>	<u>(19,894)</u>	<u>-</u>	<u>206,351</u>
Net Capital Assets	<u>\$ 239,364</u>	<u>\$ (26,293)</u>	<u>\$ -</u>	<u>\$ 213,071</u>

Total depreciation expense for the year ended June 30, 2020 was \$26,293.

6. LONG-TERM LIABILITIES

Long term liability activities for the year ended at June 30, 2020 consisted of the following:

	Beginning Balance as of July 1, 2019	Additions	Reductions	Ending Balance as of June 30, 2020	Current Portion
Long-term liabilities:					
Accrued compensated absences	\$ 149,530	\$ 190,698	\$ (149,530)	\$ 190,698	\$ 17,506
Long-term debt obligations:					
Leasehold improvement loan	<u>200,589</u>	<u>-</u>	<u>(12,983)</u>	<u>187,606</u>	<u>13,245</u>
Total long-term liabilities	<u>\$ 350,119</u>	<u>\$ 190,698</u>	<u>\$ (162,513)</u>	<u>\$ 378,304</u>	<u>\$ 30,751</u>

**CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020 was \$187,606. 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>
2021	\$ 13,245
2022	13,512
2023	13,785
2024	14,063
2025	14,347
Thereafter	<u>118,654</u>
	<u>\$ 187,606</u>

Total interest expense paid on loan payable during the year ended June 30, 2020 was \$3,893.

7. PAYMENT PROTECTION PROGRAM LOAN

During the year ended June 30, 2020 CI University Auxiliary Services, Inc. received a Paycheck Protection Program loan for \$699,300 to address the impact of the COVID-19 pandemic described in Note 11. The Paycheck Protection Program loan contains a loan forgiveness provision, as defined, the criteria of which are expected to be met during the year ending June 30, 2021. Accordingly, the liability reflected in the financial statements of CI University Auxiliary Services, Inc. at June 30, 2020 may be recognized as revenue during the year ending June 30, 2021.

The Paycheck Protection Program loan, which was established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest is forgivable after either eight weeks or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes such as payroll, benefits, rent and utilities, and maintains its payroll levels.

The amount of loan forgiveness may be reduced if the borrower terminates employees without cause or reduces salaries during the covered period. Any reductions in employment or salary will not reduce the amount of loan forgiveness if cured by December 31, 2020. The unforgiven portion of the Paycheck Protection Program loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The note may be prepaid at any time prior to maturity with no prepayment penalties.

While CI University Auxiliary Services, Inc. currently believes that its intended use of the loan proceeds will meet the conditions for forgiveness of the loan, we cannot provide assurance that we will qualify for forgiveness of the loan, in whole or in part.

**CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020
(CONTINUED)**

8. 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, 2020 was \$131,925.

9. 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, 2020:

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	41,054
Payments to University for other than salaries of University personnel	656,221
Payments to Foundation for other than salaries of Foundation personnel	-
Payments to Site Authority for other than salaries of Site Authority personnel	6,091
Payments received from Associated Students, Inc. for services, space, and program	1,010,529
Payments received from University for services, space, and program	1,424,606
Payments received from Foundation for services, space, and program	39,817
Payments received from Site Authority for services, space, and program	20,359
Accounts receivable from University	724,055
Accounts receivable from Associated Students, Inc.	128,656
Accounts receivable from Foundation	30,255
Accounts receivable from Site Authority	51,954
Accounts payable to University	2,098,081
Accounts payable to Associated Students, Inc.	40,619
Accounts payable to Foundation	4,414
Accounts payable to Site Authority	5,654

CI UNIVERSITY AUXILIARY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020
(CONTINUED)

10. 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. This classification consisted of the following:

Functional Classification:	Salaries	Benefits	Fellowships	Supplies & Services	Depreciation	Total
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public service	3,241,064	1,119,391	-	2,043,005	-	6,403,460
Academic support	-	-	-	-	-	-
Student services	-	-	-	-	-	-
Institutional support	263,519	121,962	-	317,497	-	702,978
Operation and maintenance of plant	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-
Depreciation and amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,293</u>	<u>26,293</u>
Total	<u>\$ 3,504,583</u>	<u>\$ 1,241,353</u>	<u>\$ -</u>	<u>\$ 2,360,502</u>	<u>\$ 26,293</u>	<u>\$ 7,132,731</u>

11. CONTINGENCIES

COVID-19

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time.

Discontinued Operations

During the year ended June 30, 2020, management began implementation of plans to discontinue operations of the Town Center facility and negotiation of a financial assistance plan with the CSUCI Campus. The related costs and revenues of these upcoming activities are not currently susceptible to reasonable estimation.

12. SUBSEQUENT EVENTS

CI University Auxiliary Services, Inc. has evaluated events subsequent to June 30, 2020, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 17, 2020, 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, 2020

Assets:	
Current assets:	
Cash and cash equivalents	581,179
Short-term investments	-
Accounts receivable, net	1,267,269
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	93,752
Total current assets	1,942,200
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	213,071
Other assets	-
Total noncurrent assets	213,071
Total assets	2,155,271
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
Total deferred outflows of resources	-
Liabilities:	
Current liabilities:	
Accounts payable	2,213,497
Accrued salaries and benefits	54,893
Accrued compensated absences, current portion	17,506
Unearned revenues	7,201
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	13,245
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	699,300
Total current liabilities	3,005,642
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	173,192
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	174,361
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	347,553
Total liabilities	3,353,195
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	-
Net position:	
Net investment in capital assets	25,465
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	(1,223,389)
Total net position	(1,197,924)

CI UNIVERSITY AUXILIARY SERVICES, INC.
GASB SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

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	4,984,713
	<hr/>
Total operating revenues	4,984,713
	<hr/>
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	6,403,460
Academic support	-
Student services	-
Institutional support	702,978
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	-
Depreciation and amortization	26,293
	<hr/>
Total operating expenses	7,132,731
	<hr/>
Operating income (loss)	(2,148,018)
	<hr/>
Nonoperating revenues (expenses):	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	1,441
Endowment income (loss), net	-
Interest expense	(482,875)
Other nonoperating revenues (expenses) - excl. interagency transfers	1,213,019
	<hr/>
Net nonoperating revenues (expenses)	731,585
	<hr/>
Income (loss) before other revenues (expenses)	(1,416,433)
	<hr/>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
	<hr/>
Increase (decrease) in net position	(1,416,433)
	<hr/>
Net position:	
Net position at beginning of year, as previously reported	218,509
Restatements	-
	<hr/>
Net position at beginning of year, as restated	218,509
	<hr/>
Net position at end of year	(1,197,924)
	<hr/>

**CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

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

	-
	581,179
\$	581,179

CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020
(CONTINUED)

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Fair Value
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			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)			-
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
			-
			-
			-
			-
Total Other investments	-	-	-
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, 2020
(CONTINUED)

2.2 Fair value hierarchy in investments:

Investment Type	Fair Value	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	-				
Other external investment pools	-				
CSU Consolidated Investment Pool (formerly SWIFT)	-				
State of California Local Agency Investment Fund (LAIF)	-				
State of California Surplus Money Investment Fund (SMIF)	-				
Other investments:					
	-				
	-				
	-				
	-				
	-				
Total Other investments	\$ -				
Total investments	-				
		-	-	-	-

-Agree with Note 2.1-

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 Investment Pool (formerly SWIFT):			\$ -

CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020
(CONTINUED)

3.1 Composition of capital assets:

	Balance June 30, 2019	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2019 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2020
Non-depreciable/Non-amortizable 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	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	\$ -	-	-	-	\$ -
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	308,182	-	-	-	308,182	-	-	-	308,182
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	68,456	-	-	-	68,456	-	-	-	68,456
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	376,638	-	-	-	376,638	-	-	-	376,638
Total capital assets	\$ 376,638	-	-	-	\$ 376,638	-	-	-	\$ 376,638
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(81,937)	-	-	-	(81,937)	(19,894)	-	-	(101,831)
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	(55,337)	-	-	-	(55,337)	(6,399)	-	-	(61,736)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	(137,274)	-	-	-	(137,274)	(26,293)	-	-	(163,567)
Total accumulated depreciation/amortization	(137,274)	-	-	-	(137,274)	(26,293)	-	-	(163,567)
Total capital assets, net	\$ 239,364	-	-	-	\$ 239,364	(26,293)	-	-	213,071

-Net to zero-

-Total Transfers Net to zero-

-Agree with SNP-

-Transfers of Intangible Assets net to zero-

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 26,293	
Amortization expense related to other assets	-	
Total depreciation and amortization	\$ 26,293	-Agree with Note 9-

CI UNIVERSITY AUXILIARY SERVICES, INC.
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4 Long-term liabilities:

	Balance June 30, 2019	Prior Period Adjustments/Reclassifications	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 149,530		149,530	190,698	(149,530)	\$ 190,698	\$ 17,506	\$ 173,192
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations:								
Gross balance	-		-			-	-	-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations	\$ -	-	-	-	-	-	-	-
						-Agree with Note 5-	-Agree with Note 5-	
4. Long-term debt obligations:								
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	200,589		200,589		(12,983)	187,606	13,245	174,361
	-		-			-		-
	-		-			-		-
Total others	200,589	-	200,589	-	(12,983)	187,606	13,245	174,361
Sub-total long-term debt	\$ 200,589	-	200,589	-	(12,983)	\$ 187,606	13,245	174,361
4.5 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	200,589	-	200,589	-	(12,983)	187,606	13,245	174,361
						-Agree with Note 6-	-Agree with Note 6-	
Total long-term liabilities	\$ 350,119	-	350,119	190,698	(162,513)	\$ 378,304	30,751	\$ 347,553

CI UNIVERSITY AUXILIARY SERVICES, INC.
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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:									
2021			-			-	-	-	-
2022			-			-	-	-	-
2023			-			-	-	-	-
2024			-			-	-	-	-
2025			-			-	-	-	-
2026 - 2030			-			-	-	-	-
2031 - 2035			-			-	-	-	-
2036 - 2040			-			-	-	-	-
2041 - 2045			-			-	-	-	-
2046 - 2050			-			-	-	-	-
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									<u><u>-</u></u>

CI UNIVERSITY AUXILIARY SERVICES, INC.
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(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	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2021	-	-	-	13,245	3,631	16,876	13,245	3,631	16,876
2022	-	-	-	13,512	3,364	16,876	13,512	3,364	16,876
2023	-	-	-	13,785	3,091	16,876	13,785	3,091	16,876
2024	-	-	-	14,063	2,813	16,876	14,063	2,813	16,876
2025	-	-	-	14,347	2,529	16,876	14,347	2,529	16,876
2026 - 2030	-	-	-	118,654	10,772	129,426	118,654	10,772	129,426
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	-	-	187,606	26,200	213,806	187,606	26,200	213,806
Less: amounts representing interest									(26,200)
Present value of future minimum payments									187,606
Unamortized net premium/(discount)									-
Total long-term debt obligations									187,606
Less: current portion									(13,245)
Long-term debt obligations, net of current portion									174,361

**CI UNIVERSITY AUXILIARY SERVICES, INC.
OTHER INFORMATION
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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	656,221
Payments received from University for services, space, and programs	1,424,606
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)	(2,098,081)
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	724,055
Other amounts receivable from University (enter as positive number)	

**CI UNIVERSITY AUXILIARY SERVICES, INC.
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(CONTINUED)**

8 Restatements

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

		Debit/(Credit)
Restatement #1	None	
		-
Restatement #2	None	
		-

CI UNIVERSITY AUXILIARY SERVICES, INC.
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FOR THE YEAR ENDED JUNE 30, 2020
(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	3,241,064	1,119,391	-	-	-	2,043,005	-	6,403,460
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-
Institutional support	263,519	121,962	-	-	-	317,497	-	702,978
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	26,293	26,293
Total operating expenses	\$ 3,504,583	1,241,353	-	-	-	2,360,502	26,293	7,132,731

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OTHER INFORMATION
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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:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	
Total deferred outflows - others	-
Total deferred outflows of resources	\$ -

-Agree with SNP-

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:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	
Total deferred inflows - others	-
Total deferred inflows of resources	\$ -