

Associated Students of California State University, Chico

Financial Statements and Supplemental Information

Years Ended June 30, 2019 and 2018



ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Financial Statements and Supplemental Information

Years Ended June 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Associated Students of California State University, Chico

Report on the Financial Statements

We have audited the accompanying financial statements of Associated Students of California State University, Chico (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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. 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 auditor's 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 2019 financial statements referred to above present fairly, in all material respects, the financial position of Associated Students of California State University, Chico as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding a Change in Accounting Principle

As discussed in Note 1 to the financial statements, Associated Students of California State University, Chico adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958); Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Prior Period Financial Statements

The financial statements of Associated Students of California State University, Chico as of June 30, 2018, were audited by other auditors whose report dated September 13, 2018, expressed an unmodified opinion on those statements. 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.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The June 30, 2019 supplemental information included on pages 24 – 40 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole. The June 30, 2018 summarized supplemental information included on pages 24–28 was subjected to the auditing procedures applied in the 2018 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the June 30, 2018 financial statements as a whole.

Aldrich CPAs + Advisors LLP

San Diego, California
September 17, 2019

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statements of Financial Position

June 30, 2019 and 2018

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2019	2018
ASSETS								
Cash and cash equivalents:								
Cash on hand and in banks	\$ 58,000	\$ -	\$ 406	\$ 1,226,286	\$ -	\$ 157,293	\$ 1,441,985	\$ 1,701,785
Cash in investments	<u>3,770,819</u>	<u>-</u>	<u>240,113</u>	<u>7,616,024</u>	<u>-</u>	<u>5,330,671</u>	<u>16,957,627</u>	<u>12,331,097</u>
Total Cash and Cash Equivalents	3,828,819	-	240,519	8,842,310	-	5,487,964	18,399,612	14,032,882
Accounts and other receivables - net	61,076	-	3,229	572,407	29,795	48,002	714,509	828,955
Sponsored programs receivable	-	-	-	-	6,636	-	6,636	-
Interfund receivables (payables)	230,444	-	-	(2,213,091)	(25,668)	2,008,315	-	-
Inventories	-	-	-	132,481	-	-	132,481	114,992
Prepaid expenses	11,191	-	-	30,587	-	29,861	71,639	78,102
Investments	-	-	800,000	800,000	-	-	1,600,000	2,000,000
Buildings and equipment - net of accumulated depreciation	-	75,507	-	664,503	-	1,555,097	2,295,107	2,613,636
Long-term deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total Assets	<u>\$ 4,131,530</u>	<u>\$ 75,507</u>	<u>\$ 1,043,748</u>	<u>\$ 8,829,197</u>	<u>\$ 10,763</u>	<u>\$ 9,149,239</u>	<u>\$ 23,239,984</u>	<u>\$ 19,688,567</u>
LIABILITIES AND NET ASSETS								
Liabilities:								
Accounts payable	\$ 46,285	\$ -	\$ -	\$ 110,886	\$ 10,752	\$ 190,879	\$ 358,802	\$ 350,780
Accrued expenses	186,249	-	-	804,515	11	493,614	1,484,389	1,524,208
Deferred revenue	31,697	-	-	14,163	-	13,397	59,257	279,783
Postretirement benefit obligation	<u>107,356</u>	<u>-</u>	<u>-</u>	<u>172,137</u>	<u>-</u>	<u>200,634</u>	<u>480,127</u>	<u>406,143</u>
Total Liabilities	371,587	-	-	1,101,701	10,763	898,524	2,382,575	2,560,914
Net assets:								
Without donor restrictions	<u>3,759,943</u>	<u>75,507</u>	<u>1,043,748</u>	<u>7,727,496</u>	<u>-</u>	<u>8,250,715</u>	<u>20,857,409</u>	<u>17,127,653</u>
Total Liabilities and Net Assets	<u>\$ 4,131,530</u>	<u>\$ 75,507</u>	<u>\$ 1,043,748</u>	<u>\$ 8,829,197</u>	<u>\$ 10,763</u>	<u>\$ 9,149,239</u>	<u>\$ 23,239,984</u>	<u>\$ 19,688,567</u>

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statements of Activities

Years Ended June 30, 2019 and 2018

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2019	2018
Revenues and Other Support Without Donor Restrictions:								
Wildcat Store, dining services, and other sales	\$ -	\$ -	\$ -	\$ 9,703,956	\$ -	\$ -	\$ 9,703,956	\$ 9,814,847
Student activity fees	2,295,168	-	-	-	-	-	2,295,168	2,301,902
Return of student union surplus fees	-	-	-	-	-	7,823,027	7,823,027	6,132,950
Student and campus programs	60,985	-	-	-	-	264,141	325,126	392,842
Sponsored program receipts	-	-	-	-	796,629	-	796,629	694,082
Contract services	44,000	-	-	-	-	-	44,000	108,000
Interest income	92,296	-	22,820	166,843	-	137,857	419,816	239,350
Gifts	2,160	-	-	-	-	2,595	4,755	6,339
Other income	98,696	-	521	634,804	-	379,583	1,113,604	923,085
Total Revenues and Other Support Without Donor Restrictions	2,593,305	-	23,341	10,505,603	796,629	8,607,203	22,526,081	20,613,397
Expenses:								
Program services:								
Student and campus programs	1,715,400	-	-	-	-	2,106,455	3,821,855	3,862,884
Student and recreation center building operations	-	-	-	-	-	3,677,887	3,677,887	3,826,208
Auxiliary activities	-	-	-	8,613,002	-	-	8,613,002	8,519,468
Sponsored programs	-	-	-	-	796,629	-	796,629	694,082
Other	-	4,024	30,000	-	-	-	34,024	1,436
Supporting services:								
Management and general	353,217	-	-	550,192	-	949,519	1,852,928	1,928,856
Total Program and Supporting Services Expenses	2,068,617	4,024	30,000	9,163,194	796,629	6,733,861	18,796,325	18,832,934
Other Expenses:								
Pension and postretirement benefit cost amortization	66,669	-	-	73,751	-	135,364	275,784	-
Total Expenses	\$ 2,135,286	\$ 4,024	\$ 30,000	\$ 9,236,945	\$ 796,629	\$ 6,869,225	\$ 19,072,109	\$ 18,832,934

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statements of Activities, continued

Years Ended June 30, 2019 and 2018

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2019	2018
Change in Net Assets								
Before Transfers and Other	\$ 458,019	\$ (4,024)	\$ (6,659)	\$ 1,268,658	\$ -	\$ 1,737,978	\$ 3,453,972	\$ 1,780,463
Transfers:								
Plant fund transfer	24,673	(24,673)	-	-	-	-	-	-
Other fund transfers	46,013	-	-	(720,777)	-	674,764	-	-
Other:								
Pension changes other than net periodic benefit cost	86,620	-	-	105,366	-	170,594	362,580	(1,812,898)
Postretirement benefit changes other than net periodic benefit cost	(19,951)	-	-	(31,615)	-	(35,230)	(86,796)	831,729
Change in Net Assets	595,374	(28,697)	(6,659)	621,632	-	2,548,106	3,729,756	799,294
Net Assets Without Donor Restrictions - Beginning of Year	3,164,569	104,204	1,050,407	7,105,864	-	5,702,609	17,127,653	16,328,359
Net Assets Without Donor Restrictions - End of Year	\$ 3,759,943	\$ 75,507	\$ 1,043,748	\$ 7,727,496	\$ -	\$ 8,250,715	\$ 20,857,409	\$ 17,127,653

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services					Supporting Services		
	Student and Campus Programs	Student Union and Recreation Center Building Operations	Auxiliary Activities	Sponsored Programs	Other	Total Program Services	Management and General	Total Expenses
Expenses:								
Salaries and wages	\$ 1,948,894	\$ 1,582,362	\$ 3,211,557	\$ 438,959	\$ -	\$ 7,181,772	\$ 1,061,212	\$ 8,242,984
Cost of sales	-	-	3,052,309	-	-	3,052,309	-	3,052,309
Employee benefits	408,643	549,637	600,157	192,909	-	1,751,346	351,300	2,102,646
Programs	957,801	95,944	-	57,035	30,000	1,140,780	-	1,140,780
Utilities	9,266	419,127	205,130	-	-	633,523	5,468	638,991
Depreciation	20,350	413,510	134,343	-	4,024	572,227	58,445	630,672
Supplies and small equipment	94,058	212,206	264,568	24,821	-	595,653	17,117	612,770
Contributions to campus mission	-	-	526,157	-	-	526,157	-	526,157
Professional services	67,149	75,723	78,238	-	-	221,110	294,061	515,171
Repairs and maintenance	21,202	157,109	230,696	19,946	-	428,953	6,374	435,327
Insurance	51,549	77,328	53,026	-	-	181,903	7,202	189,105
Professional development and travel	100,042	12,950	25,233	18,954	-	157,179	11,590	168,769
Miscellaneous	34,546	13,059	56,454	-	-	104,059	20,164	124,223
Wildcat and credit card charges	-	-	120,197	-	-	120,197	-	120,197
Communications	28,245	41,947	22,655	-	-	92,847	14,845	107,692
Rent	56,858	18,560	23,655	-	-	99,073	-	99,073
Advertising and printing	23,252	8,425	8,627	-	-	40,304	5,150	45,454
Sponsored programs indirect costs	-	-	-	44,005	-	44,005	-	44,005
Total Program and Supporting Services Expense	3,821,855	3,677,887	8,613,002	796,629	34,024	16,943,397	1,852,928	18,796,325
Pension and postretirement benefit cost amortization	108,632	93,401	73,751	-	-	275,784	-	275,784
Total Expenses	\$ 3,930,487	\$ 3,771,288	\$ 8,686,753	\$ 796,629	\$ 34,024	\$ 17,219,181	\$ 1,852,928	\$ 19,072,109

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Functional Expenses

Year Ended June 30, 2018

	Program Services						Supporting Services	
	Student and Campus Programs	Student Union and Recreation Center Building Operations	Auxiliary Activities	Sponsored Programs	Other	Total Program Services	Management and General	Total Expenses
Expenses:								
Salaries and wages	\$ 2,005,989	\$ 1,410,887	\$ 3,080,144	\$ 331,200	\$ -	\$ 6,828,220	\$ 1,072,487	\$ 7,900,707
Cost of sales	-	-	2,982,752	-	-	2,982,752	-	2,982,752
Employee benefits	491,740	530,923	663,810	125,649	-	1,812,122	405,213	2,217,335
Programs	840,682	96,272	-	125,689	-	1,062,643	-	1,062,643
Repairs and maintenance	23,325	570,881	241,696	9,889	-	845,791	6,626	852,417
Supplies and small equipment	80,444	217,352	285,966	16,064	-	599,826	28,788	628,614
Utilities	10,686	389,830	203,774	-	-	604,290	7,431	611,721
Depreciation	19,538	352,511	137,990	-	1,436	511,475	61,632	573,107
Contributions to campus mission	-	-	545,532	-	-	545,532	-	545,532
Professional services	77,117	91,666	38,464	-	-	207,247	289,530	496,777
Insurance	57,066	76,379	58,239	-	-	191,684	7,811	199,495
Professional development and travel	105,357	13,832	19,360	40,795	-	179,344	16,025	195,369
Miscellaneous	31,472	11,979	75,123	1,642	-	120,216	17,183	137,399
Wildcat and credit card charges	-	-	119,201	-	-	119,201	-	119,201
Communications	29,933	39,178	23,763	1,100	-	93,974	15,731	109,705
Rent	59,324	19,860	23,655	-	-	102,839	-	102,839
Advertising and printing	30,211	4,658	19,999	700	-	55,568	399	55,967
Sponsored programs indirect costs	-	-	-	41,354	-	41,354	-	41,354
Total Expenses	\$ 3,862,884	\$ 3,826,208	\$ 8,519,468	\$ 694,082	\$ 1,436	\$ 16,904,078	\$ 1,928,856	\$ 18,832,934

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statements of Cash Flows

Years Ended June 30, 2019 and 2018

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2019	2018
Cash and Cash Equivalents - Beginning of Year	\$ 3,643,055	\$ -	\$ 40,613	\$ 6,013,084	\$ -	\$ 4,336,130	\$ 14,032,882	\$ 14,672,330
Cash Flows from Operating Activities:								
Changes in net assets without donor restrictions - net of transfers	595,374	(28,697)	(6,659)	621,632	-	2,548,106	3,729,756	799,294
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:								
Depreciation	-	28,028	-	152,616	-	450,028	630,672	573,107
Gain on sale or disposal of equipment	-	-	-	-	-	(600)	(600)	56
(Increase) Decrease in operating assets:								
Receivables - net	172,082	-	6,565	(20,361)	(36,331)	(14,145)	107,810	(455,562)
Interfund receivables (payables)	(588,982)	-	-	2,142,190	81,072	(1,634,280)	-	-
Inventories	-	-	-	(17,489)	-	-	(17,489)	(2,625)
Prepaid expenses	1,070	-	-	5,414	-	(21)	6,463	(7,825)
Increase (Decrease) in operating liabilities:								
Accounts payable	1,029	-	-	(46,482)	10,080	43,395	8,022	39,392
Accrued expenses	(12,864)	-	-	(43,792)	(19)	16,856	(39,819)	(53,632)
Deferred revenue	2,715	-	-	(172,791)	(54,802)	4,352	(220,526)	134,458
Deposits held for others	-	-	-	-	-	-	-	(11,086)
Postretirement benefit obligation	15,340	-	-	26,125	-	32,519	73,984	(793,548)
Net Cash Provided (Used) by Operating Activities	185,764	(669)	(94)	2,647,062	-	1,446,210	4,278,273	222,029
Cash Flows from Investing Activities:								
Sale of investments	-	-	200,000	200,000	-	-	400,000	-
Purchase of equipment	-	669	-	(17,836)	-	(294,976)	(312,143)	(861,977)
Proceeds from sale of equipment	-	-	-	-	-	600	600	500
Net Cash Provided (Used) by Investing Activities	-	669	200,000	182,164	-	(294,376)	88,457	(861,477)
Increase (Decrease) in Cash and Cash Equivalents	185,764	-	199,906	2,829,226	-	1,151,834	4,366,730	(639,448)
Cash and Cash Equivalents - End of Year	\$ 3,828,819	\$ -	\$ 240,519	\$ 8,842,310	\$ -	\$ 5,487,964	\$ 18,399,612	\$ 14,032,882

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Associated Students of California State University, Chico (the Organization), a not-for-profit organization of the students at California State University, Chico (CSU, Chico), operates various auxiliary enterprises, including a student store (Wildcat Store) and campus dining services; receives student union and activity fees to support student-related programs; and acquires assets for the benefit of the student body and the campus community. The Organization also administers sponsored programs for the benefit of the student body and the campus community. The accompanying financial statements combine the accounts and the results of operations of the General Fund, Plant Fund, Board Designated Fund, Auxiliary Activities Fund, Sponsored Programs Fund, and Student Union Operating Fund in accordance with reporting instructions received from the Office of the Chancellor of the California State University.

New Accounting Pronouncement

For the year ended June 30, 2019, the Organization adopted ASU No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions until the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets with donor restrictions, liquidity, and expenses by both their natural and functional classification.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. The Organization did not have any donor restrictions that were perpetual in nature for the years ended June 30, 2019 and 2018.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office and occupancy, which is allocated on a square footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Comparative Financial Information

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 the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Reclassifications

Certain amounts in the June 30, 2018 financial statements have been reclassified to conform to current year classifications. Specifically the natural and functional classifications of expenses on the statement of functional expenses, and the natural classification of revenue on the statements of functional activities and changes in net assets. There was no impact on net assets or the changes in net assets from the reclassifications.

Fund Accounting

The accounts of the Organization are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. The funds are organized into seven categories as follows:

1. *General (Activity Fee) Fund*: This fund is used to account for activity fee funds and all financial resources except those required to be accounted for in another fund.
2. *Plant Fund*: This fund is used to account for acquisition of physical properties and funds expended and invested in physical properties for the General Fund.
3. *Board Designated Fund*: This fund is used to account for all amounts specifically allocated by the Board of Directors to certain programs. These funds have been used for Board of Director approved programs, which primarily benefit students. The Board of Directors designated funds with the intent to allow the funds to grow to a principal balance of \$1 million when the earnings can be used to support student programs and services.
4. *Auxiliary Activities Fund*: This fund is used to account for the operations of ongoing revenue-producing activities. Included in this fund are the operations of the Wildcat Store and dining services.

The Organization has an agreement with Follett Higher Education Group, Inc. (Follett), in which Follett operates the Wildcat Store. The agreement provides for a commission to be paid on gross revenues as defined. The commission is calculated as 16.6% of the first \$8 million in gross revenues, plus 17.6% on gross revenues in excess of \$8 million. In 2015–16 and subsequent years, the guaranteed minimum commission shall be 90% of the commission paid to the Organization in the immediate preceding year. The original agreement term expired on June 30, 2019. The agreement allows for up to three additional two-year terms, under the same terms and conditions set forth in the agreement, unless either party notifies the other of its intent to not renew. The agreement has been extended for the 2019–20 year.

5. *Sponsored Programs Fund*: This fund reflects the activity of sponsored grants and contracts for instruction, research, and community service programs. These programs are funded by external agencies.
6. *Student Union Operating Fund*: This fund accounts for the programs and operations of the Bell Memorial Union and the Wildcat Recreation Center buildings.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

The Organization considers cash and cash equivalents to include cash on hand and commercial checking and savings accounts, time certificates of deposit with initial maturities of 3 months or less, and other short-term deposits in the Local Agency Investment Fund (LAIF). At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limits of \$250,000.

The Organization secured a contract for deposit of monies with Tri Counties Bank whereby deposits up to \$2.5 million will be subject to the security provided to local public agencies.

The Organization has a significant concentration of cash invested in LAIF. The LAIF pool is managed by the State of California Treasurer's Office with oversight provided by the Local Investment Advisory Board (LIAB).

Fair Value Measurements

Fair Value Measurements and Disclosures, defines fair value and establishes a framework for measuring fair value under generally accepted accounting principles.

The Organization defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Organization applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

Accounts Receivable

Accounts receivable primarily consists of related-party receivables and amounts due from grants. Based on the past payment history, the Organization writes off all balances over 12 months. At June 30, 2019 and 2018, no allowance for doubtful account balances was deemed necessary.

Interfund Receivables and Payables

The Organization records direct interfund receivables and payables as they occur.

Inventories

Food and supplies inventories are stated at the lower of cost or net realizable value on a first-in, first-out basis.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, continued

Investments

Investments are carried at fair value in the statements of financial position, and realized and unrealized gains and losses are reflected in the changes in net assets in the statements of activities. Certificates of Deposit are valued at cost plus accrued interest, which approximates fair value.

Building and Equipment

Building and equipment are stated at cost or at fair market value if donated. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Planned major maintenance is accounted for using the direct-expense method. Expenditures for new construction, major renewals and replacements, and equipment costing over \$5,000, are capitalized.

Revenue Recognition

Revenue is recognized on the accrual basis of accounting. Student Union fees are recognized as revenue when they are transferred from CSU, Chico. Sponsored programs' revenue from grants and contracts is recognized as funds are expended.

Grants and Contracts

Grants and contracts are received from federal and state governmental agencies and various other organizations. The Organization receives an administration fee for indirect overhead costs and recognizes this fee as income over the life of the grant or contract as a percentage of total expenditures or salaries and wages as specified in the grant or contract.

Shipping and Handling Costs

Shipping and handling costs are included in cost of sales.

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and Section 23701(d) of the *California Revenue and Taxation Code*. The Organization functionally supports CSU, Chico, and has been classified in accordance with Section 509(a)(3), Type III. The Organization has not entered into any activities that would jeopardize its tax-exempt status. Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. However, expenses associated with the unrelated business income exceed the income or are insignificant. Accordingly, no provision for income taxes is required.

The Organization accounts for income taxes in accordance with FASB ASC 740, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in the Organization's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740, *Income Taxes*, also provides guidance on recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on this analysis, a liability is recorded if uncertain tax benefits have been received. The Organization's practice is to recognize interest and penalties, if any, related to uncertain tax positions in the tax expense. There were no uncertain tax positions identified or related interest and penalties recorded as of June 30, 2019, and the Organization does not expect this to change significantly over the next 12 months.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, continued

Future Accounting Standards

The Financial Accounting Standards Board (FASB) has issued three substantial Accounting Standards Updates (ASU) which will become effective in future years.

The amendments in ASU 2014-09 *Revenue from Contracts with Customers* and subsequent updates require that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Adoption of the new standard is to be applied on a full retrospective basis or modified retrospective basis. The Organization is in the process of assessing how this new ASU and subsequent updates will affect the Organization's reporting of revenues. This assessment includes determining the effect of the new standard on the Organization's financial statements, accounting systems, business processes, and internal controls. Based on its assessment to date, the Organization does not currently expect adoption to have a material effect on its revenues. Adoption of ASU 2014-09 will also require enhanced financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In June 2018, ASU 2018-08 Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made was issued to provide guidance on the accounting and reporting of grants and contributions. This guidance will assist nonprofit organizations in evaluating if a transaction is an exchange transaction or a contribution. Clarification was also added to determine if a contribution is conditional or unconditional and how each of these should be recorded. This update is effective for transactions in which the entity serves as the resource recipient for fiscal years beginning after December 15, 2018. The Organization is evaluating the effect that the provisions of ASU 2018-08 will have on its financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02 *Leases*. The primary change in GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the balance sheet a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. On July 17, 2019, FASB voted to propose delaying the effective date by one year. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Organization is evaluating the effect that the provisions of ASU 2016-02 will have on its financial statements and related disclosures.

Subsequent Events

Management has evaluated subsequent events through September 17, 2019, the date on which the report was available to be issued.

Note 2 – Fair Value Measurements

The following is a schedule of investments at fair value, by level within the fair value hierarchy at June 30, 2019.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
LAIF	\$ -	\$ -	\$ -	\$ 16,957,627	\$ 16,957,627
Certificates of deposit	-	1,600,000	-	-	1,600,000
	<u>\$ -</u>	<u>\$ 1,600,000</u>	<u>\$ -</u>	<u>\$ 16,957,627</u>	<u>\$ 18,557,627</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 2 – Fair Value Measurements, continued

The following is a schedule of investments at fair value, by level within the fair value hierarchy at June 30, 2018.

	Level 1	Level 2	Level 3	NAV	Total
LAIF	\$ -	\$ -	\$ -	\$ 12,331,097	\$ 12,331,097
Certificates of deposit	-	2,000,000	-	-	2,000,000
	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 12,331,097</u>	<u>\$ 14,331,097</u>

Note 3 – Inventories

Inventories consisted of the following at June 30:

	2019	2018
Food and supplies	<u>\$ 132,481</u>	<u>\$ 114,992</u>

Note 4 – Buildings and Equipment

Depreciation expense charged to operations for the years ended June 30, 2019 and 2018, amounted to \$630,672 and \$573,107, respectively.

	2019	2018
Building improvements	\$ 2,671,787	\$ 2,605,695
Equipment and furnishings	4,651,543	4,448,295
Vehicles	<u>318,346</u>	<u>318,346</u>
Subtotals	7,641,676	7,372,336
Less: Accumulated depreciation	<u>5,346,569</u>	<u>4,758,700</u>
Buildings and Equipment - Net	<u>\$ 2,295,107</u>	<u>\$ 2,613,636</u>

Note 5 – Postretirement Benefit Obligation

The Organization sponsors a defined benefit postretirement plan that covers both salaried and non-salaried career employees. The postretirement plan provides an extension of medical and dental benefits provided after an employee retires. The postretirement plan is contributory with retiree contributions adjusted annually. To be eligible for the postretirement plan, the employees have a vesting period to 10 years of credited service and attainment of age 60 with the Organization.

The accumulated postretirement benefit obligation is a standardized measure of the present value of postretirement benefits estimated to be payable in the future as a result of employee service to date. The postretirement benefit obligation at June 30, 2019, was computed based on an actuarial valuation performed as of July 1, 2017, with estimates for costs and amortization through June 30, 2019, including consideration of the 2011 postretirement plan amendment.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 5 – Postretirement Benefit Obligation, continued

As of the June 30, 2011 plan amendment, the postretirement plan provides a monthly fixed participant benefit of \$200. Retirees previously enrolled in the postretirement plan will continue to receive benefits of \$200 or \$400 for a participant or a participant and spouse, respectively. The postretirement plan will be funded on the pay-as-you-go basis.

The following table sets forth the changes in the postretirement benefit obligation and the funded status of the postretirement plan:

	2019	2018
Change in Postretirement Benefit Obligation:		
Postretirement Benefit Obligation - Beginning of Year	\$ 406,143	\$ 1,199,691
Service cost	37,201	37,201
Interest cost	48,988	48,988
Actuarial gain and other adjustments	-	(869,944)
Benefits paid	<u>(12,205)</u>	<u>(9,793)</u>
Postretirement Benefit Obligation - End of Year	<u>\$ 480,127</u>	<u>\$ 406,143</u>
Funded Status:		
Postretirement Benefit Obligation - End of Year	<u>\$ 480,127</u>	<u>\$ 406,143</u>
Unamortized prior service cost	125,840	167,787
Unrecognized net actuarial gain (loss)	<u>653,999</u>	<u>(171,096)</u>
Items Not Yet Recognized as a Component of Net Periodic Benefit Cost	779,839	(3,309)
Accrued Benefit Cost	<u>\$ 1,259,966</u>	<u>\$ 402,834</u>
Funded Status - End of Year	<u>\$ (480,127)</u>	<u>\$ (406,143)</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 5 – Postretirement Benefit Obligation, continued

The components of net periodic benefit cost are as follows:

	2019	2018
Net Periodic Benefit Cost:		
Service cost	\$ 37,201	\$ 37,201
Interest cost	48,988	48,988
Amortization of prior service costs	(41,947)	(41,947)
Amortization of net actuarial (gain) loss	(44,849)	3,732
Net Periodic Benefit Cost	<u>\$ (607)</u>	<u>\$ 47,974</u>

The expected amortization to be recognized next year is as follows:

Amounts included in net assets that are expected to be recognized as net periodic benefit cost during the fiscal year ended June 30, 2020:

Amortization of prior service cost	\$ (41,947)
Amortization of net actuarial gain	<u>(44,849)</u>

Total Amortization Expected to be Included in Net Periodic Benefit Cost - June 30, 2020

\$ (86,796)

The expected benefits to be paid over the next ten years are as follows:

Years Ending June 30:	
2020	\$ 18,590
2021	21,751
2022	18,948
2023	13,070
2024 - 2028	89,120
Thereafter	-
Total	<u>\$ 161,479</u>

The weighted average assumptions used to determine the postretirement benefit obligation are as follows:

	2019	
	Pre-65	Post-65
Discount rate	3.88%	3.88%
Health care cost trend rate assumed for next year	8.10%	4.90%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.25%	4.25%

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 6 – Net Asset Reserves

The Board of Directors of the Organization, under guidelines established by the Chancellor's Office, developed reserve policies for net assets. Future increases in net assets will also be reserved by these policies. Net asset reserves are as follows as of June 30, 2019:

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Student Union Operating Fund	Total
Investments in plant and equipment	\$ -	\$ 75,507	\$ -	\$ 664,503	\$ 1,555,097	\$ 2,295,107
Reserve for facilities upgrade	-	-	-	1,200,000	-	1,200,000
Operating reserve	362,910	-	-	250,000	1,769,757	2,382,667
Contingency reserve	217,703	-	-	35,000	100,000	352,703
Capital replacement reserve	29,573	-	-	75,000	250,000	354,573
Reserve for allocated funds	-	-	1,043,748	-	-	1,043,748
Future operations reserve	-	-	-	2,500,000	-	2,500,000
Sustainability fund reserve	-	-	-	-	430,722	430,722
Total Net Asset Reserves	610,186	75,507	1,043,748	4,724,503	4,105,576	10,559,520
Available for general purposes	3,149,757	-	-	3,002,993	4,145,139	10,297,889
Total Net Assets without donor restrictions	\$ <u>3,759,943</u>	\$ <u>75,507</u>	\$ <u>1,043,748</u>	\$ <u>7,727,496</u>	\$ <u>8,250,715</u>	\$ <u>20,857,409</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 6 – Net Asset Reserves, continued

Net reserves are as follows as of June 30, 2018:

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Student Union Operating Fund	Total
Investments in plant and equipment	\$ -	\$ 104,204	\$ -	\$ 799,283	\$ 1,710,149	\$ 2,613,636
Reserve for facilities upgrade	-	-	-	1,200,000	-	1,200,000
Operating reserve	360,067	-	-	125,000	1,627,119	2,112,186
Contingency reserve	215,997	-	-	35,000	97,627	348,624
Capital replacement reserve	32,915	-	-	75,000	250,000	357,915
Reserve for allocated funds	-	-	1,050,407	-	-	1,050,407
Future operations reserve	-	-	-	2,500,000	-	2,500,000
Sustainability fund reserve	-	-	-	-	420,602	420,602
Total Net Asset Reserves	608,979	104,204	1,050,407	4,734,283	4,105,497	10,603,370
Available for general purposes	2,555,590	-	-	2,371,581	1,597,112	6,524,283
Total Net Assets without donor restrictions	\$ 3,164,569	\$ 104,204	\$ 1,050,407	\$ 7,105,864	\$ 5,702,609	\$ 17,127,653

Investments in plant and equipment

The investments in plant and equipment reserve is a non-liquid reserve that represents the cost of buildings and equipment held by the Organization, less accumulated depreciation and related debt.

Reserve for facilities upgrade

The reserve for facilities upgrade sets aside resources to perform future facility upgrades. The facilities upgrade reserve represents a fixed value as determined by the Board of Directors.

Operating reserve

The operating reserve sets aside resources to maintain the daily operations of the Organization during predictable periods of reduced cash flow. The operating reserve is determined as a percentage of the prior fiscal year's expenditures.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 6 – Net Asset Reserves, continued

Contingency reserve

The contingency reserve sets aside resources for unexpected or non-recurring expenses and increases to student programming. The contingency reserve is determined as a percentage of the prior fiscal year's expenditures, up to a maximum fixed value as determined by the Board of Directors.

Capital replacement reserve

The capital replacement reserve sets aside resources to purchase future buildings and equipment needed for the operations of the Organization. The capital replacement reserve is determined as a percentage of the prior fiscal year's expenditures, up to a maximum fixed value as determined by the Board of Directors.

Reserve for allocated funds

The reserve for allocated funds represents resources specifically allocated by the Board of Directors to certain programs that primarily benefit students. The amount in the Board Designated fund, in excess of the \$1,000,000 minimum restricted principal balance, may be allocated to approved programs and projects.

Future operations reserve

The future operations reserve sets aside resources to establish a self-operated student store, should the need arise. The future operations reserve represents a fixed value as determined by the Board of Directors.

Sustainability fund reserve

The sustainability fund reserve sets aside resources to fund the Organization's future sustainability efforts. The sustainability fund reserve is determined based on the cumulative unallocated or unspent sustainability funding from prior years.

Note 7 – Student Union Fees

Construction of the Bell Memorial Union (BMU) was authorized by a student vote in 1964, and the original building was completed in 1969. Legal title to the building is retained by the California State University Trustees (the Trustees). Of the \$1,500,000 in original building construction costs, \$1,100,000 was financed with the original debt fully repaid in 2006.

In spring 1996, a referendum was approved by the students at CSU, Chico, to increase the Student Union fee for funding to expand and remodel the BMU. Additionally, the Organization's Board of Directors approved a project to provide space in the remodeled Student Union for the Wildcat Store. Construction of the projects began in December 1998, with final completion in July 2001, for a total of \$33,433,639 in building construction and financing costs. Of the total costs, \$23,370,000 was financed by the issuance of revenue bonds. In August 2007, the revenue bonds were refinanced with system-wide revenue bonds in the amount of \$18,525,000, which bear interest at an average coupon rate of 5.0%. The system-wide revenue bonds are payable in annual principal and interest installments of approximately \$1,421,000 until the entire debt is repaid in 2029. This refinancing decentralized the Student Union fees so they can be used for operations in the year collected. The decentralized bonds do not require reserves. The system-wide revenue bonds are not a liability of the state of California, but are a special obligation of the Trustees payable from, and secured by, the mandatory Student Body Center fee.

In spring 2005, a referendum was approved by the students at CSU, Chico, to increase the Student Union fee by \$175 per semester beginning when the Wildcat Recreation Center (the WREC) opened. This fee was approved to provide debt service for the construction costs and operating expenses for the WREC. Construction began in July 2007, with completion in August 2009. Construction costs for the WREC were approximately \$68,665,000. Funds for construction were provided by the sale of system-wide revenue bonds in the amount of \$66,425,000, interest earned during construction and capitalized interest earnings of \$562,000, net bond premium of \$930,000, and student fees of \$748,000. These bonds are not a liability of the state of California, but are a special obligation of the Trustees payable from, and secured by, the mandatory Student Body Center fee.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 7 – Student Union Fees, continued

The students at CSU, Chico, voted to require that students pay Student Union fees to service the above described debt, through the mandatory Student Body Center fee, and to operate the Student Union and the WREC. Student Union fees totaled \$13,719,566 and \$13,675,120 for the years ended June 30, 2019 and 2018, respectively. CSU, Chico, collects Student Union fees and transfers to the Trustees the amount necessary to fund the annual debt service requirement. The remaining student fees are available for transfer to the Organization after the reserve requirements of the Chancellor's Office Executive Order No. 994 have been met and any outstanding liabilities to CSU, Chico, have been paid. The Auxiliary Activities Fund reimburses the Student Union for the space it occupies in proportion to the Trustees' annual debt service.

CSU, Chico held reserves as follows at June 30, 2019 and 2018:

	2019	2018
Revenue fund reserve	\$ 20,435,926	\$ 20,263,392
Repair and replacement reserve	3,317,278	2,872,263
Capital improvements reserve	2,500,000	2,500,000
Total Reserves Held by CSU, Chico	\$ 26,253,204	\$ 25,635,655

Note 8 – Retirement Plans

Plan Description

The Organization contributes to multiple-employer public employee retirement system defined benefit pension plans administered by CalPERS. The Organization has two CalPERS plans, one for those hired prior to 2013 (Classic) and one for those hired in 2013 or later (PEPRA). The plans provide retirement, disability benefits, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a publicly available *Comprehensive Annual Financial Report (CAFR)* that includes financial statements and required supplementary information. Copies of the CAFR may be obtained from CalPERS, 400 Q Street, Sacramento, California, 95811, and from www.calpers.ca.gov.

The risks of participating in multiple-employer plans is different from single-employer plans in the following aspects:

- Assets contributed to multiple-employer plans by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plans may be borne by the remaining participating employers.
- If the Organization chooses to stop participating in the multiple-employer plans, it may be required to pay those plans an amount based on the underfunded status of the plans, referred to as a withdrawal liability.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 8 – Retirement Plans, continued

The following schedule reflects information for the CalPERS plans, in accordance with the most recently available CAFR for the fiscal year ended June 30, 2018:

	Classic	PEPRA
Plan identification number	2178631467	2178631467
Rate plan number	8323	26216
Accumulated benefit obligation	\$ 13,209,440	\$ 1,007,826
Total plan assets	\$ 13,010,732	\$ 978,280
Unfunded accrued liability	\$ 198,708	\$ 29,546
Funded status	98.5%	97.1%
Organization's contributions represent less than 5% of total contributions to the plan	Yes	Yes
Funding improvement plan or rehabilitation plan	N/A	N/A
Surcharge imposed	No	No

Funding Policy

Annually, CalPERS determines the required employer contribution rates for each participating agency. The required employer contribution rates for the Classic plan were 9.199% and 9.287% for years ended June 30, 2019 and 2018, respectively. To participate in the CalPERS plan, Classic plan employees are required to contribute 7.000% of their earnings to which the Board of Directors agreed to contribute 2.000% of the employees' required contribution, bringing the total employer contribution rate to 11.199%. The required employer contribution rates for the PEPRA plan were 6.842% and 6.533% for years ended June 30, 2019 and 2018, respectively. PEPRA plan employees are required to contribute 6.250% of their earnings to participate in the CalPERS plan. Expenses recognized for the CalPERS plans amounted to \$397,301 and \$699,923 for the years ended June 30, 2019 and 2018, respectively. The expense recognized for the year ended June 30, 2018, includes an unfunded liability payment of \$259,756 and \$2,136 for the Classic and PEPRA plans, respectively.

During 2018, the Board of Directors approved a payment to CalPERS for the Classic and PEPRA plans remaining unfunded accrued liability (UAL), as provided by CalPERS. The payment of \$1,812,898 is reflected in the Statements of Functional Activities and Changes in Net Assets as Pension Changes Other Than Net Periodic Benefit Cost.

Profit Sharing Plans

The Organization also sponsors two 401(k) profit sharing plans with one plan servicing exempt employees and one plan servicing non-exempt employees. The plans cover substantially all employees who attained the age of 21 and completed a minimum of 1,000 hours of service per year. Employees may direct contributions from earnings into the 401(k) profit sharing plans. Employer contributions into the plans are at the discretion of the Board of Directors; there were no contributions in 2019 and 2018. During the 2017 year, the Organization's Board of Directors passed a Board Resolution to terminate both of the 401(k) profit sharing plans effective June 30, 2019. Administrative expenses recognized for the 401(k) profit sharing plans amounted to \$26,923 and \$30,204 for the years ended June 30, 2019 and 2018, respectively.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 9 – Related-Party Transactions

Campus Food Service Agreement

Under contract with CSU, Chico, the Organization provides residential dining services, in the state-owned residence halls, for the students of the six campus residence halls. The contract for the 2017–18 fiscal year was negotiated and signed by both parties on October 5, 2017. The contract for the 2018–19 fiscal year was negotiated and signed by both parties on August 28, 2018, and provides for reimbursement of all operational costs plus a fixed fee of \$500,000.

Operating Lease and Facility Use Agreements

The Organization operates as an auxiliary organization to CSU, Chico, under an operating lease agreement negotiated every ten years. An operating lease agreement, ending December 31, 2026, was negotiated and signed by both parties on December 30, 2015, whereby \$300,000 plus 2.25% of Wildcat Store and dining services cash operations net sales are payable at the end of each fiscal year. As required by the operating lease agreement, CSU, Chico, directs the operating lease payments to Chico State Enterprises.

The Organization uses certain CSU, Chico, facilities under lease agreements requiring rental payments or space trade. These facilities include the BMU (nominal), residence dining, certain warehouse space, and Creekside Coffee. CSU, Chico, provides facilities for the Child Development Laboratory at no cost.

Information Technology Services

For the years ended June 30, 2019 and 2018, the Organization, by contract, provided information technology services to the Chico State Enterprises.

The following is a schedule of transactions with related parties:

	2019	2018
Transactions with CSU, Chico:		
Payments to University for other than salaries of University personnel	\$ 1,719,645	\$ 1,569,625
Payments received from University for services, space, and programs	\$ 16,190,590	\$ 14,465,217
Gifts-in-kind to the University from recognized Auxiliary Organization	\$ -	\$ 17,799
Gifts (cash or assets) to the University from recognized Auxiliary Organization	\$ 51,627	\$ 425,794
Accounts payable to University	\$ (127,906)	\$ (69,481)
Accounts receivable from University	\$ 335,310	\$ 402,986
Other amounts receivable from University	\$ 36,811	\$ 215,462
Transactions with the Chico State Enterprises:		
Revenue for information technology services	\$ 44,000	\$ 108,000
Accounts receivable from Chico State Enterprises	\$ 39,925	\$ 10,969
Accounts payable to Chico State Enterprises	\$ (536,972)	\$ (590,532)
Transactions with the University Foundation CSU, Chico:		
Accounts receivable from the University Foundation CSU, Chico	\$ 386	\$ -
Accounts payable to University Foundation CSU, Chico	\$ (1,727)	\$ -

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to the Financial Statements

Years Ended June 30, 2019 and 2018

Note 10 – Availability and Liquidity of Assets

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 18,399,612	\$ 14,032,882
Accounts receivable	714,509	828,955
Sponsored programs receivable	6,636	-
Investments	<u>1,600,000</u>	<u>2,000,000</u>
Total financial assets	20,720,757	16,861,837
Less amounts not available to be used within one year:		
Brokered certificates of deposit-long-term	1,200,000	1,600,000
Board Designated Reserve Funds (Note 6)	<u>8,264,413</u>	<u>7,989,734</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,256,344</u>	<u>\$ 7,272,103</u>

The Organization's financial assets are included in the qualitative analysis above. Those assets available to meet cash needs for general expenditures within one year of the statement of financial position date are not subject to donor or other contractual restrictions that would make them unavailable. The amounts considered not available to be used within one year for general expenditures are long-term brokered certificates of deposit and certain board designated reserve funds. The board designated reserve funds could be made available, if necessary, and are fully described in Note 6.

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedules of Activities of the Auxiliary Activities Fund

Years Ended June 30, 2019 and 2018

	Wildcat Store	Dining Services			Combined Total	
		Cash Operations	Residence Dining Halls	Total	2019	2018
Sales	\$ -	\$ 3,903,232	\$ 4,926,370	\$ 8,829,602	\$ 8,829,602	\$ 8,843,342
Cost of sales	-	1,582,838	1,469,471	3,052,309	3,052,309	2,982,752
Sales commissions	874,354	-	-	-	874,354	971,505
Gross Profit	874,354	2,320,394	3,456,899	5,777,293	6,651,647	6,832,095
Operating Expenses:						
Salaries and wages	-	1,327,381	1,884,176	3,211,557	3,211,557	3,080,144
Employee benefits	-	178,126	422,031	600,157	600,157	663,810
Contributions to campus mission	330,334	195,823	-	195,823	526,157	545,532
Accounting, Human Resources and Administration services	55,447	189,792	222,734	412,526	467,973	479,689
Supplies and small equipment	-	144,538	120,030	264,568	264,568	285,966
Repairs and maintenance	6,097	182,056	42,543	224,599	230,696	241,696
Utilities	52,069	153,061	-	153,061	205,130	203,774
Depreciation	16,753	135,863	-	135,863	152,616	155,880
Wildcat and credit card charges	196	114,754	5,247	120,001	120,197	119,201
Professional services	-	49,301	28,937	78,238	78,238	38,464
Information Technology services	-	29,406	34,540	63,946	63,946	35,175
Insurance	12,585	21,787	18,654	40,441	53,026	58,239
Miscellaneous	795	34,062	7,563	41,625	42,420	58,421
Professional development and travel	-	10,960	14,273	25,233	25,233	19,360
Rent	-	23,655	-	23,655	23,655	23,655
Communications	7,706	12,086	2,863	14,949	22,655	23,763
Advertising and printing	-	3,812	4,815	8,627	8,627	19,999
Total Operating Expenses	481,982	2,806,463	2,808,406	5,614,869	6,096,851	6,052,768
Income (Loss) From Operations	392,372	(486,069)	648,493	162,424	554,796	779,327
Interest and other income	380,528	421,119	-	421,119	801,647	517,246
Other expenses	-	(11,744)	(2,290)	(14,034)	(14,034)	(16,702)
Other fund transfers	(635,598)	(125,564)	40,385	(85,179)	(720,777)	(633,083)
Pension and postretirement benefit cost-amortization	-	(73,751)	-	(73,751)	(73,751)	-
Pension and postretirement benefit cost-other	-	73,751	-	73,751	73,751	(223,962)
Change in Net Assets Without Donor Restrictions	\$ 137,302	\$ (202,258)	\$ 686,588	\$ 484,330	\$ 621,632	\$ 422,826

See independent auditors' report.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**Schedules of Activity Fee Program Operations**

Years Ended June 30, 2019 and 2018

	2019	2018
Revenue:		
Activity fees	\$ 2,295,168	\$ 2,301,902
Other income	98,696	151,272
Interest income	92,296	58,088
Student and campus programs	60,985	70,313
Contract services	44,000	108,000
Gifts	2,160	6,339
Total Revenue	2,593,305	2,695,914
Expenses:		
Programs expense	799,071	711,014
Salaries and wages	560,121	686,564
Accounting, Human Resources and Administration services	241,592	306,735
Employee benefits	144,430	213,098
Information Technology services	55,666	77,089
Contract services	44,000	108,000
Professional development and travel	37,610	37,831
Insurance	29,221	32,810
Professional services	27,644	36,320
Rent	27,534	30,000
Depreciation	24,004	24,758
Other	20,937	20,063
Supplies and small equipment	17,343	16,270
Communications	13,163	14,997
Utilities	9,266	10,686
Advertising and printing	9,192	12,021
Repairs and maintenance	7,823	10,961
Total Expenses	2,068,617	2,349,217
Excess Revenues From Operations	524,688	346,697
Other fund transfers	70,686	21,890
Pension and postretirement benefit cost-amortization	(66,669)	-
Pension and postretirement benefit cost-other	66,669	(241,786)
Increase in Net Assets Without Donor Restrictions	\$ 595,374	\$ 126,801

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**Schedules of Student Union Operating Fund Operations**

Years Ended June 30, 2019 and 2018

	2019	2018
Revenue:		
Return of Surplus Revenue Funds	\$ 7,823,027	\$ 6,132,950
Other income	379,583	331,825
Recreation programming	264,141	312,490
Interest income	137,857	73,165
Gifts	2,595	-
Total Revenue	8,607,203	6,850,430
Expenses:		
Salaries and wages	2,971,135	2,730,312
Employee benefits	813,850	809,565
Accounting, Human Resources and Administration services	737,749	695,217
Depreciation	450,028	391,033
Utilities	419,127	389,830
Supplies and small equipment	288,921	281,526
Program expenses	254,674	225,940
Information Technology services	183,557	165,319
Repairs and maintenance	170,488	583,245
Professional services	115,228	132,463
Insurance	99,656	100,635
Professional development and travel	75,382	81,358
Communications	57,029	54,114
Rent	47,884	49,184
Other	26,668	23,388
Advertising and printing	22,485	22,848
Total Expenses	6,733,861	6,735,977
Excess Revenues From Operations	1,873,342	114,453
Other fund transfers	674,764	601,288
Pension and postretirement benefit cost-amortization	(135,364)	-
Pension and postretirement benefit cost-other	135,364	(515,421)
Increase in Net Assets Without Donor Restrictions	\$ 2,548,106	\$ 200,320

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**Schedules of Source of Funding and Expenses for Sponsored Programs**

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Source of Funding (Direct):		
Federal funds	\$ 283,098	\$ 139,291
State of California	457,501	504,093
Nongovernmental	3,537	3,513
Parent fees	<u>8,488</u>	<u>5,831</u>
Total Direct Sources	<u>752,624</u>	<u>652,728</u>
Source of Indirect Cost Reimbursements:		
Federal government	9,803	9,862
State of California and local governments	<u>34,202</u>	<u>31,492</u>
Total Indirect Cost Reimbursements	<u>44,005</u>	<u>41,354</u>
Total Funding	<u>796,629</u>	<u>694,082</u>
Direct Expenses:		
Personnel services:		
Salaries and wages	413,295	331,200
Employee benefits	181,631	125,649
Operating expenses	<u>157,698</u>	<u>195,879</u>
Total Direct Expenses	<u>752,624</u>	<u>652,728</u>
Indirect Expenses:		
Personnel services:		
Salaries and wages	25,664	19,734
Employee benefits	11,278	7,485
Operating expenses	<u>7,063</u>	<u>14,135</u>
Total Indirect Expenses	<u>44,005</u>	<u>41,354</u>
Total Expenses	<u>\$ 796,629</u>	<u>\$ 694,082</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**Schedules of Investments and Savings**June 30, 2019 and 2018

The following is a schedule of investments and savings for the year ended June 30, 2019:

	<u>Cost</u>	<u>Market Value</u>	<u>Date of Purchase</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Short-Term Investment Pools:					
Local Agency Investment Fund - State Pool	\$ 16,957,627	\$ 16,957,627	Various	On demand	2.43%
Investments:					
Certificates of Deposit	\$ 1,600,000	\$ 1,600,000	Various	Various	2.227%

**Interest rates vary. Stated rate is approximate average for the year.*

The following is a schedule of investments and savings for the year ended June 30, 2018:

	<u>Cost</u>	<u>Market Value</u>	<u>Date of Purchase</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Short-Term Investment Pools:					
Local Agency Investment Fund - State Pool	\$ 12,331,097	\$ 12,331,097	Various	On demand	1.43%
Investments:					
Certificates of Deposit	\$ 2,000,000	\$ 2,000,000	Various	Various	1.898%

**Interest rates vary. Stated rate is approximate average for the year.*

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Net Position

June 30, 2019

(for inclusion in the California State University)

Assets:		
Current assets:		
Cash and cash equivalents	\$	1,441,985
Short-term investments		16,957,627
Accounts receivable, net		721,145
Capital lease receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		204,120
Total current assets		<u>19,324,877</u>
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		1,600,000
Capital assets, net		2,295,107
Other assets		20,000
Total noncurrent assets		<u>3,915,107</u>
Total assets		<u>23,239,984</u>
Deferred outflows of resources:		
Unamortized loss on debt refunding		-
Net pension liability		1,450,318
Net OPEB liability		-
Others		-
Total deferred outflows of resources		<u>1,450,318</u>
Liabilities:		
Current liabilities:		
Accounts payable		358,802
Accrued salaries and benefits		551,613
Accrued compensated absences, current portion		249,897
Unearned revenues		59,257
Capital lease obligations, current portion		-
Long-term debt obligations, current portion		-
Claims liability for losses and loss adjustment expenses, current portion		-
Depository accounts		-
Other liabilities		532,463
Total current liabilities		<u>1,752,032</u>
Noncurrent liabilities:		
Accrued compensated absences, net of current portion		150,416
Unearned revenues		-
Grants refundable		-
Capital lease obligations, net of current portion		-
Long-term debt obligations, net of current portion		-
Claims liability for losses and loss adjustment expenses, net of current portion		-
Depository accounts		-
Net other postemployment benefits liability		480,127
Net pension liability		-
Other liabilities		-
Total noncurrent liabilities		<u>630,543</u>
Total liabilities		<u>2,382,575</u>
Deferred inflows of resources:		
Service concession arrangements		-
Net pension liability		-
Net OPEB liability		744,933
Unamortized gain on debt refunding		-
Nonexchange transactions		-
Others		-
Total deferred inflows of resources		<u>744,933</u>
Net Position:		
Net investment in capital assets		2,295,107
Restricted for:		-
Nonexpendable -- endowments		-
Expendable:		-
Scholarships and fellowships		-
Research		-
Loans		-
Capital projects		-
Debt service		-
Others		-
Unrestricted		19,267,687
Total net position	\$	<u>21,562,794</u>

See independent auditors' report.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**Schedule of Revenues, Expenses, and Changes in Net Position**

June 30, 2019

(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees, gross	\$	10,118,195
Scholarship allowances (enter as negative)		-
Grants and contracts, noncapital:		
Federal		292,901
State		491,703
Local		-
Nongovernmental		3,537
Sales and services of educational activities		-
Sales and services of auxiliary enterprises, gross		10,338,760
Scholarship allowances (enter as negative)		-
Other operating revenues		856,414
Total operating revenues		<u>22,101,510</u>

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	4,410,311
Institutional support	1,824,483
Operation and maintenance of plant	3,399,741
Student grants and scholarships	254,492
Auxiliary enterprise expenses	8,552,410
Depreciation and amortization	630,672
Total operating expenses	<u>19,072,109</u>
Operating income (loss)	<u>3,029,401</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	4,755
Investment income (loss), net	419,816
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	-
Other nonoperating revenues (expenses) - interagency transfers	-
Net nonoperating revenues (expenses)	<u>424,571</u>
Income (loss) before other revenues (expenses)	<u>3,453,972</u>

State appropriations, capital

Grants and gifts, capital

Additions (reductions) to permanent endowments

Increase (decrease) in net position	3,453,972
-------------------------------------	-----------

Net position:

Net position at beginning of year, as previously reported	18,108,822
Restatements	
Net position at beginning of year, as restated	<u>18,108,822</u>
Net position at end of year	<u>\$ 21,562,794</u>

See independent auditors' report.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2019

(for inclusion in the California State University)

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	1,441,985
Total	\$ 1,441,985

2.1 Composition of investments:

	Current	Noncurrent	Total
Money market funds	-	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	1,600,000	1,600,000
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)	16,957,627	-	16,957,627
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Total investments	16,957,627	1,600,000	18,557,627
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ 16,957,627	1,600,000	18,557,627

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2019

(for inclusion in the California State University)

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	1,600,000	-	1,600,000	-	-
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)	16,957,627	-	-	-	16,957,627
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Total investments	\$ 18,557,627	-	1,600,000	-	16,957,627

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2019

(for inclusion in the California State University)

Investments held by the University under contractual

2.3 agreements:

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

Investments held by the University under contractual agreements (e.g CSU Consolidated SWIFT Inv pool):

Current	Noncurrent	Total
-	-	\$ -

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2019

(for inclusion in the California State University)

3.1 Composition of capital assets:

	Balance June 30, 2018	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2018 (Restated)	Additions	Retirements	Transfer of completed CWIP	Balance June 30, 2019
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:									
None	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	2,605,695	-	-	-	2,605,695	66,092	-	-	2,671,787
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	4,766,641	-	-	-	4,766,641	246,051	(42,803)	-	4,969,889
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
None	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	7,372,336	-	-	-	7,372,336	312,143	(42,803)	-	7,641,676
Total capital assets	7,372,336	-	-	-	7,372,336	312,143	(42,803)	-	7,641,676

See independent auditors' report.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2019

(for inclusion in the California State University)

3.1 Composition of capital assets, continued:

Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)	Balance June 30, 2018	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2018 (Restated)	Additions	Retirements	Transfer of completed CWIP	Balance June 30, 2019
Buildings and building improvements	(1,509,626)	-	-	-	(1,509,626)	(159,216)	-	-	(1,668,842)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(3,249,074)	-	-	-	(3,249,074)	(471,456)	42,803	-	(3,677,727)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
None	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(4,758,700)	-	-	-	(4,758,700)	(630,672)	42,803	-	(5,346,569)
Total capital assets, net	\$ 2,613,636	-	-	-	2,613,636	(318,529)	-	-	2,295,107

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 630,672
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 630,672

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2019

(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2018	Prior Period Adjustments/ Reclassifications	Balance June 30, 2018 (Restated)	Additions	Reductions	Balance June 30, 2019	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 399,453	-	399,453	116,151	(115,291)	400,313	249,897	150,416
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:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:								
None	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 399,453	-	399,453	116,151	(115,291)	400,313	249,897	150,416

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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:									
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									<u>\$ -</u>

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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	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									\$ -

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	1,719,645
Payments received from University for services, space, and programs	16,190,590
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	51,627
Accounts (payable to) University (enter as negative number)	(127,906)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	335,310
Other amounts receivable from University (enter as positive number)	36,811

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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	None	-
Transaction #2	None	-

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	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	2,387,853	430,975	261,339	(24,093)	-	1,354,237	-	4,410,311
Institutional support	1,061,212	247,033	100,725	3,542	-	411,971	-	1,824,483
Operation and maintenance of plant	1,582,362	494,722	207,978	(17,699)	-	1,132,378	-	3,399,741
Student grants and scholarships	-	-	-	-	254,492	-	-	254,492
Auxiliary enterprise expenses	3,211,557	508,631	189,839	(24,562)	-	4,666,945	-	8,552,410
Depreciation and amortization	-	-	-	-	-	-	630,672	630,672
Total operating expenses	\$ 8,242,984	1,681,361	759,881	(62,812)	254,492	7,565,531	630,672	19,072,109

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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	1,450,318
Deferred outflows - net OPEB liability	-
Deferred outflows - others:	
None	-

Total deferred outflows - others	-
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Total deferred outflows of resources	\$ 1,450,318
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2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	-
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	744,933
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	-
Deferred inflows - others:	-
None	-

Total deferred inflows - others	-
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Total deferred inflows of resources	\$ 744,933
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