

Associated Students of California State University, Chico

Financial Statements and Supplemental Information

Years Ended June 30, 2020 and 2019



ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO
Financial Statements and Supplemental Information
Years Ended June 30, 2020 and 2019

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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 statements of financial position as of June 30, 2020, 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 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 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 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, 2020, 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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2020, Associated Students of California State University, Chico adopted Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASC Topic 958)*. Our opinion is not modified with respect to this matter.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Emphasis-of-Matter, continued

COVID-19 Pandemic

As described in Note 1 to the financial statements, 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. Our opinion is unmodified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited the Associated Students of California State University, Chico's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 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.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information 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.

Aldrich CPAs + Advisors LLP

San Diego, California
September 17, 2020

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statements of Financial Position

June 30, 2020 and 2019

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2020	2019
ASSETS								
Cash and cash equivalents:								
Cash on hand and in banks	\$ 317,766	\$ -	\$ 1,643	\$ 1,190,271	\$ -	\$ 210,665	\$ 1,720,345	\$ 1,441,985
Cash in investments	3,804,800	-	675,181	6,476,171	-	8,761,652	19,717,804	16,957,627
Total Cash and Cash Equivalents	4,122,566	-	676,824	7,666,442	-	8,972,317	21,438,149	18,399,612
Accounts and other receivables	97,497	-	3,315	422,394	28,719	32,378	584,303	714,509
Sponsored programs receivable	-	-	-	-	-	-	-	6,636
Interfund receivables (payables)	230,754	-	-	(138,192)	2,653	(95,215)	-	-
Inventories	-	-	-	136,621	-	-	136,621	132,481
Prepaid expenses	10,318	-	-	54,639	-	34,966	99,923	71,639
Investments	-	-	400,000	400,000	-	-	800,000	1,600,000
Buildings and equipment - net of accumulated depreciation	-	72,745	-	614,556	-	1,541,573	2,228,874	2,295,107
Long-term deposits	-	-	-	-	-	20,000	20,000	20,000
Total Assets	\$ 4,461,135	\$ 72,745	\$ 1,080,139	\$ 9,156,460	\$ 31,372	\$ 10,506,019	\$ 25,307,870	\$ 23,239,984
LIABILITIES AND NET ASSETS								
Liabilities:								
Accounts payable	\$ 32,687	\$ -	\$ -	\$ 45,356	\$ 10,860	\$ 89,898	\$ 178,801	\$ 358,802
Accrued expenses	203,822	-	-	687,842	-	536,929	1,428,593	1,484,389
Deferred revenue	4,572	-	-	13,334	20,512	8,589	47,007	59,257
Postretirement benefit obligation	47,235	-	-	75,416	-	88,464	211,115	480,127
Total Liabilities	288,316	-	-	821,948	31,372	723,880	1,865,516	2,382,575
Net assets:								
Without donor restrictions	4,172,819	72,745	1,080,139	8,334,512	-	9,782,139	23,442,354	20,857,409
Total Liabilities and Net Assets	\$ 4,461,135	\$ 72,745	\$ 1,080,139	\$ 9,156,460	\$ 31,372	\$ 10,506,019	\$ 25,307,870	\$ 23,239,984

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statements of Activities

Years Ended June 30, 2020 and 2019

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2020	2019
Revenues and Other Support Without Donor Restrictions:								
Wildcat Store, dining services, and other sales	\$ -	\$ -	\$ -	\$ 9,123,298	\$ -	\$ -	\$ 9,123,298	\$ 10,010,650
Student activity fees	2,263,698	-	-	-	-	-	2,263,698	2,295,168
Return of student union surplus fees	-	-	-	-	-	7,236,580	7,236,580	7,823,027
Student and campus programs	51,849	-	-	-	-	286,119	337,968	495,340
Grants	-	-	-	-	766,487	-	766,487	796,629
Contract services	-	-	-	-	-	-	-	44,000
Interest income	81,435	-	22,850	135,812	-	169,144	409,241	419,816
Realized gains	-	-	13,326	13,338	-	-	26,664	-
Gifts	2,767	-	-	-	-	-	2,767	4,755
Indirect income	42,719	-	-	-	-	-	42,719	44,005
Other income	39,626	-	215	84,908	-	169,786	294,535	592,691
Total Revenues and Other Support Without Donor Restrictions	2,482,094	-	36,391	9,357,356	766,487	7,861,629	20,503,957	22,526,081
Expenses:								
Program services:								
Student and campus programs	1,719,732	-	-	-	-	2,171,430	3,891,162	3,861,855
Student and recreation center building operations	-	-	-	-	-	3,438,855	3,438,855	3,637,887
Auxiliary activities	-	-	-	7,795,291	-	-	7,795,291	8,613,002
Sponsored programs	-	-	-	-	766,487	-	766,487	796,629
Other	-	4,024	-	-	-	-	4,024	34,024
Supporting services:								
Management and general	322,784	-	-	561,124	-	1,054,861	1,938,769	1,852,928
Total Program and Supporting Services Expenses	2,042,516	4,024	-	8,356,415	766,487	6,665,146	17,834,588	18,796,325
Other Expenses:								
Pension and postretirement benefit cost amortization	80,790	-	-	88,539	-	167,029	336,358	275,784
Total Expenses	\$ 2,123,306	\$ 4,024	\$ -	\$ 8,444,954	\$ 766,487	\$ 6,832,175	\$ 18,170,946	\$ 19,072,109

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statements of Activities, continued

Years Ended June 30, 2020 and 2019

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2020	2019
Change in Net Assets								
Before Transfers and Other	\$ 358,788	\$ (4,024)	\$ 36,391	\$ 912,402	\$ -	\$ 1,029,454	\$ 2,333,011	\$ 3,453,972
Transfers:								
Plant fund transfer	(1,262)	1,262	-	-	-	-	-	-
Other fund transfers	(4,179)	-	-	(398,148)	-	402,327	-	-
Other:								
Pension changes other than net periodic benefit cost	19,758	-	-	29,812	-	23,227	72,797	362,580
Postretirement benefit changes other than net periodic benefit cost	39,771	-	-	62,950	-	76,416	179,137	(86,796)
Change in Net Assets	412,876	(2,762)	36,391	607,016	-	1,531,424	2,584,945	3,729,756
Net Assets Without Donor Restrictions - Beginning of Year	3,759,943	75,507	1,043,748	7,727,496	-	8,250,715	20,857,409	17,127,653
Net Assets Without Donor Restrictions - End of Year	\$ 4,172,819	\$ 72,745	\$ 1,080,139	\$ 8,334,512	\$ -	\$ 9,782,139	\$ 23,442,354	\$ 20,857,409

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services					Supporting Services		Total Expenses
	Student and Campus Programs	Student Union and Recreation Center Building Operations	Auxiliary Activities	Sponsored Programs	Other	Total Program Services	Management and General	
Expenses:								
Salaries and wages	\$ 1,908,858	\$ 1,376,345	\$ 3,153,221	\$ 433,210	\$ -	\$ 6,871,634	\$ 1,052,681	\$ 7,924,315
Cost of sales	-	-	2,444,556	-	-	2,444,556	-	2,444,556
Employee benefits	465,094	457,097	633,899	238,420	-	1,794,510	431,517	2,226,027
Programs	1,061,431	39,818	-	21,737	-	1,122,986	-	1,122,986
Depreciation	17,142	437,845	138,778	-	4,024	597,789	43,301	641,090
Utilities	9,266	437,843	157,555	-	-	604,664	5,468	610,132
Repairs and maintenance	31,194	264,020	211,196	6,359	-	512,769	6,789	519,558
Professional services	68,371	63,103	75,771	-	-	207,245	307,199	514,444
Supplies and small equipment	56,271	189,573	223,122	22,550	-	491,516	18,934	510,450
Contributions to campus mission	-	-	461,097	-	-	461,097	-	461,097
Insurance	54,226	91,116	58,938	-	-	204,280	7,389	211,669
Professional development and travel	82,006	8,247	15,059	1,492	-	106,804	18,022	124,826
Miscellaneous	27,872	10,688	54,502	-	-	93,062	31,277	124,339
Wildcat and credit card charges	-	-	111,273	-	-	111,273	-	111,273
Communications	28,795	39,517	22,699	-	-	91,011	13,837	104,848
Rent	59,549	18,430	23,703	-	-	101,682	-	101,682
Sponsored programs indirect costs	-	-	-	42,719	-	42,719	-	42,719
Advertising and printing	21,087	5,213	9,922	-	-	36,222	2,355	38,577
Total Program and Supporting Services Expense	3,891,162	3,438,855	7,795,291	766,487	4,024	15,895,819	1,938,769	17,834,588
Pension and postretirement benefit cost amortization	142,156	105,663	88,539	-	-	336,358	-	336,358
Total Expenses	\$ 4,033,318	\$ 3,544,518	\$ 7,883,830	\$ 766,487	\$ 4,024	\$ 16,232,177	\$ 1,938,769	\$ 18,170,946

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		Total Expenses
	Student and Campus Programs	Student Union and Recreation Center Building Operations	Auxiliary Activities	Sponsored Programs	Other	Total Program Services	Management and General	
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	997,801	55,944	-	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	3,861,855	3,637,887	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	\$ 3,970,487	\$ 3,731,288	\$ 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

Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2020	2019
Cash and Cash Equivalents - Beginning of Year	\$ 3,828,819	\$ -	\$ 240,519	\$ 8,842,310	\$ -	\$ 5,487,964	\$ 18,399,612	\$ 14,032,882
Cash Flows from Operating Activities:								
Changes in net assets without donor restrictions - net of transfers	412,876	(2,762)	36,391	607,016	-	1,531,424	2,584,945	3,729,756
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:								
Depreciation	-	25,461	-	150,744	-	464,885	641,090	630,672
Gain on sale or disposal of equipment	-	-	-	(250)	-	-	(250)	(600)
(Increase) Decrease in operating assets:								
Receivables - net	(36,421)	-	(86)	150,013	7,712	15,624	136,842	107,810
Interfund receivables (payables)	(310)	-	-	(2,074,899)	(28,321)	2,103,530	-	-
Inventories	-	-	-	(4,140)	-	-	(4,140)	(17,489)
Prepaid expenses	873	-	-	(24,052)	-	(5,105)	(28,284)	6,463
Increase (Decrease) in operating liabilities:								
Accounts payable	(13,598)	-	-	(65,530)	108	(100,981)	(180,001)	8,022
Accrued expenses	17,573	-	-	(116,673)	(11)	43,315	(55,796)	(39,819)
Deferred revenue	(27,125)	-	-	(829)	20,512	(4,808)	(12,250)	(220,526)
Postretirement benefit obligation	(60,121)	-	-	(96,721)	-	(112,170)	(269,012)	73,984
Net Cash Provided (Used) by Operating Activities	293,747	22,699	36,305	(1,475,321)	-	3,935,714	2,813,144	4,278,273
Cash Flows Provided by Investing Activities:								
Sale of investments	-	-	400,000	400,000	-	-	800,000	400,000
Purchase of equipment	-	(22,699)	-	(100,797)	-	(451,361)	(574,857)	(312,143)
Proceeds from sale of equipment	-	-	-	250	-	-	250	600
Net Cash Provided (Used) by Investing Activities	-	(22,699)	400,000	299,453	-	(451,361)	225,393	88,457
Increase (Decrease) in Cash and Cash Equivalents	293,747	-	436,305	(1,175,868)	-	3,484,353	3,038,537	4,366,730
Cash and Cash Equivalents - End of Year	\$ 4,122,566	\$ -	\$ 676,824	\$ 7,666,442	\$ -	\$ 8,972,317	\$ 21,438,149	\$ 18,399,612

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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 Pronouncements

In March 2017, the Financial Accounting Standards Board (FASB) issued ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (ASC Topic 715)*. This standard update was issued primarily to improve the presentation of net periodic pension cost and net periodic postretirement benefit cost. The amendments in this Update require that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the statement of activities separately from the service cost component and outside a subtotal of change in net assets from operating activities, if one is presented.

Management analyzed the provisions of ASC Topic 715, and has concluded that no changes are necessary to conform with the new standard and the standard has not had a significant impact on the financial statements.

Management presents service cost related to the postretirement plan as a portion of the employee benefits and all other components as pension and postretirement benefit cost amortization as shown in the statements of functional expenses for the years ended June 30, 2020 and 2019.

Management has analyzed the provisions of the FASB's ASC Topic 715, and given that the Organization participates in a cost-sharing, multiple employer pension plan, the service cost per participating organization is not provided and therefore cannot be disclosed. Management has included all contributions to the pension plan in employee benefits and all other pension related costs are included in pension and postretirement benefit cost amortization as shown in the statement of functional expenses for the years ended June 30, 2020 and 2019.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASC Topic 958)*. This standard update, along with related subsequently issued updates, clarifies and improves the scope and the accounting guidance for contributions received and contributions made under US GAAP. During the year ended June 30, 2020, the Organization adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASC Topic 958)*.

Management analyzed the provisions of ASC Topic 958 and has concluded that no changes are necessary to conform with the new standard, the standard has not had a significant impact on the financial statements, and has implemented the new standard on a modified prospective basis.

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.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

Financial Statement Presentation, continued

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 or temporary in nature for the years ended June 30, 2020 and 2019.

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.

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, 2019, from which the summarized information was derived.

Reclassifications

Certain amounts in the June 30, 2019 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.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

Fund Accounting, continued

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 2020-21 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.

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.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

Fair Value Measurements, continued

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. The Organization utilizes the allowance method where uncollectible accounts are determined based on past payment history. The Organization writes off all balances over 12 months. At June 30, 2020 and 2019, 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.

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 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.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Grants – that are, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

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.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

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, 2020, and the Organization does not expect this to change significantly over the next 12 months.

Future Accounting Standards

The FASB has issued two substantial ASUs 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 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, 2020. 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, 2020, the date on which the report was available to be issued.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

Subsequent Events, continued

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders, including California, where the Organization is headquartered. In response, the U.S. Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which includes significant provisions to provide relief and assistance to affected organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of business closures, shelter-in-place orders, and the ultimate impact of the CARES Act and other governmental initiatives. It is at least reasonably possible that this matter will negatively impact the Organization. However, the financial impact and duration cannot be reasonably estimated at this time.

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, 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
LAIF	\$ -	\$ -	\$ -	\$ 19,717,804	\$ 19,717,804
Certificates of deposit	-	800,000	-	-	800,000
	<u>\$ -</u>	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ 19,717,804</u>	<u>\$ 20,517,804</u>

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>

Note 3 – Inventories

Inventories consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Food and supplies	\$ 136,621	\$ 132,481

Note 4 – Buildings and Equipment

Depreciation expense charged to operations for the years ended June 30, 2020 and 2019, amounted to \$641,090 and \$630,672, respectively.

	<u>2020</u>	<u>2019</u>
Building improvements	\$ 2,902,780	\$ 2,671,787
Equipment and furnishings	4,972,302	4,651,543
Vehicles	331,651	318,346
Subtotals	8,206,733	7,641,676
Less: Accumulated depreciation	5,977,859	5,346,569
Buildings and Equipment - Net	<u>\$ 2,228,874</u>	<u>\$ 2,295,107</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**Notes to Financial Statements**

Years Ended June 30, 2020 and 2019

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, 2020, was computed based on an actuarial valuation performed as of July 1, 2019, with estimates for costs and amortization through June 30, 2020, including consideration of the 2011 and 2020 postretirement plan amendments.

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. As of the January 1, 2020 plan amendment, the postretirement plan provides a monthly fixed participant benefit of \$300 until the participant reaches age 65. 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:

	<u>2020</u>	<u>2019</u>
Change in Postretirement Benefit Obligation:		
Postretirement Benefit Obligation - Beginning of Year	\$ 480,127	\$ 406,143
Service cost	21,624	37,201
Interest cost	6,409	48,988
Actuarial gain and other adjustments	(277,805)	-
Benefits paid	<u>(19,240)</u>	<u>(12,205)</u>
Postretirement Benefit Obligation - End of Year	<u>\$ 211,115</u>	<u>\$ 480,127</u>
Funded Status:		
Postretirement Benefit Obligation - End of Year	<u>\$ 211,115</u>	<u>\$ 480,127</u>
Unamortized prior service cost	313,049	125,840
Unrecognized net actuarial gain (loss)	<u>645,927</u>	<u>653,999</u>
Items Not Yet Recognized as a Component of Net Periodic Benefit Cost	958,976	779,839
Accrued Benefit Cost	<u>\$ 1,170,091</u>	<u>\$ 1,259,966</u>
Funded Status - End of Year	<u>\$ (211,115)</u>	<u>\$ (480,127)</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 5 – Postretirement Benefit Obligation, continued

The components of net periodic benefit cost are as follows:

	<u>2020</u>	<u>2019</u>
Net Periodic Benefit Cost:		
Service cost	\$ 21,624	\$ 37,201
Interest cost	6,409	48,988
Amortization of prior service costs	(56,864)	(41,947)
Amortization of net actuarial (gain) loss	<u>(41,804)</u>	<u>(44,849)</u>
Net Periodic Benefit Cost	<u>\$ (70,635)</u>	<u>\$ (607)</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, 2021:

Amortization of prior service cost	\$ (56,864)
Amortization of net actuarial gain	<u>(41,804)</u>
Total Amortization Expected to be Included in Net Periodic Benefit Cost - June 30, 2021	<u>\$ (98,668)</u>

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

Years Ending June 30:	
2021	\$ 19,111
2022	18,827
2023	5,266
2024	5,359
2025	9,183
Thereafter	95,417
Total	<u>\$ 153,163</u>

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

	<u>2020</u>	
	<u>Pre-65</u>	<u>Post-65</u>
Discount rate	2.96%	-
Health care cost trend rate assumed for next year	7.85%	-
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.25%	-
Year that the rate reaches the ultimate trend rate	2035	-

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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, 2020:

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Student Union Operating Fund	Total
Investments in plant and equipment	\$ -	\$ 72,745	\$ -	\$ 614,556	\$ 1,541,573	\$ 2,228,874
Reserve for facilities upgrade	-	-	-	1,200,000	-	1,200,000
Operating reserve	213,461	-	-	250,000	1,683,465	2,146,926
Contingency reserve	128,051	-	-	35,000	100,000	263,051
Capital replacement reserve	31,707	-	-	75,000	250,000	356,707
Reserve for allocated funds	-	-	1,080,139	-	-	1,080,139
Future operations reserve	-	-	-	2,500,000	-	2,500,000
Sustainability fund reserve	-	-	-	-	441,746	441,746
Total Net Asset Reserves	373,219	72,745	1,080,139	4,674,556	4,016,784	10,217,443
Available for general purposes	<u>3,799,600</u>	<u>-</u>	<u>-</u>	<u>3,659,956</u>	<u>5,765,355</u>	<u>13,224,911</u>
Total Net Assets without donor restrictions	<u>\$ 4,172,819</u>	<u>\$ 72,745</u>	<u>\$ 1,080,139</u>	<u>\$ 8,334,512</u>	<u>\$ 9,782,139</u>	<u>\$ 23,442,354</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 6 – Net Asset Reserves, continued

Net 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	<u>3,149,757</u>	<u>-</u>	<u>-</u>	<u>3,002,993</u>	<u>4,145,139</u>	<u>10,297,889</u>
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>

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 Financial Statements

Years Ended June 30, 2020 and 2019

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 Financial Statements

Years Ended June 30, 2020 and 2019

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 \$13,604,274 and \$13,719,566 for the years ended June 30, 2020 and 2019, 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, 2020 and 2019:

	2020	2019
Revenue fund reserve	\$ 21,231,133	\$ 20,435,926
Repair and replacement reserve	3,541,988	3,317,278
Capital improvements reserve	2,500,000	2,500,000
Total Reserves Held by CSU, Chico	<u>\$ 27,273,121</u>	<u>\$ 26,253,204</u>

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 Financial Statements

Years Ended June 30, 2020 and 2019

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, 2019:

	Classic	PEPRA
Plan identification number	2178631467	2178631467
Rate plan number	8323	26216
Accumulated benefit obligation	\$ 14,115,719	\$ 1,448,526
Total plan assets	\$ 13,745,412	\$ 1,374,589
Unfunded accrued liability	\$ 370,307	\$ 73,937
Funded status	97.4%	94.9%
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 9.125% and 9.199% for years ended June 30, 2020 and 2019, 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 11.125%. The required employer contribution rates for the PEPRA plan were 6.985% and 6.842% for years ended June 30, 2020 and 2019, respectively. PEPRA plan employees are required to contribute 6.750% of their earnings to participate in the CalPERS plan. Expenses recognized for the CalPERS plans amounted to \$356,788 and \$397,301 for the years ended June 30, 2020 and 2019, respectively. The expense recognized for the year ended June 30, 2019, includes an unfunded liability payment of \$395 for the PEPRA plan.

During 2020, 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 \$362,229 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 2020 and 2019. 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 \$0 and \$26,923 for the years ended June 30, 2020 and 2019, respectively.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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 2019-20 fiscal year was negotiated and signed by both parties on August 28, 2018. The contract for the 2019-20 fiscal year through the 2021-22 fiscal year was negotiated and signed by both parties on September 18, 2019, 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 year ended June 30, 2019, the Organization, by contract, provided information technology services to the Chico State Enterprises. The contract ended June 30, 2019 and was not renewed.

The following is a schedule of transactions with related parties:

	<u>2020</u>	<u>2019</u>
Transactions with CSU, Chico:		
Payments to University for other than salaries of University personnel	\$ 2,115,328	\$ 1,719,645
Payments received from University for services, space, and programs	\$ 15,676,991	\$ 16,190,590
Gifts (cash or assets) to the University from recognized Auxiliary Organization	\$ 26,670	\$ 51,627
Accounts payable to University	\$ (39,938)	\$ (127,906)
Accounts receivable from University	\$ 64,032	\$ 335,310
Other amounts receivable from University	\$ 84,352	\$ 36,811
Transactions with the Chico State Enterprises:		
Revenue for information technology services	\$ -	\$ 44,000
Accounts receivable from Chico State Enterprises	\$ 29,500	\$ 39,925
Accounts payable to Chico State Enterprises	\$ (473,839)	\$ (536,972)
Transactions with the University Foundation CSU, Chico:		
Accounts receivable from the University Foundation CSU, Chico	\$ 3,903	\$ 386
Accounts payable to University Foundation CSU, Chico	\$ -	\$ (1,727)

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**Notes to Financial Statements**Years Ended June 30, 2020 and 2019

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>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 21,438,149	\$ 18,399,612
Accounts receivable	584,303	714,509
Sponsored programs receivable	-	6,636
Investments	<u>800,000</u>	<u>1,600,000</u>
Total financial assets	22,822,452	20,720,757
Less amounts not available to be used within one year:		
Brokered certificates of deposit-long-term	(800,000)	(1,200,000)
Board Designated Reserve Funds (Note 6)	<u>(7,988,569)</u>	<u>(8,264,413)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 14,033,883</u>	<u>\$ 11,256,344</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, 2020 and 2019

	Wildcat Store	Dining Services			Combined Total	
		Cash Operations	Residence Dining Halls	Total	2020	2019
Sales	\$ -	\$ 3,046,683	\$ 5,109,044	\$ 8,155,727	\$ 8,155,727	\$ 8,829,602
Less: cost of sales	-	1,229,693	1,214,863	2,444,556	2,444,556	3,052,309
Sales commissions	746,843	220,728	-	220,728	967,571	1,181,048
Gross Profit	746,843	2,037,718	3,894,181	5,931,899	6,678,742	6,958,341
Operating Expenses:						
Salaries and wages	-	1,209,590	1,943,631	3,153,221	3,153,221	3,211,557
Employee benefits	-	107,867	526,032	633,899	633,899	600,157
Accounting, human resources and administration services	65,893	190,308	217,768	408,076	473,969	467,973
Contributions to campus mission	284,547	176,550	-	176,550	461,097	526,157
Supplies and small equipment	-	119,845	103,277	223,122	223,122	264,568
Repairs and maintenance	6,894	159,749	44,553	204,302	211,196	230,696
Utilities	39,052	118,503	-	118,503	157,555	205,130
Depreciation	13,384	137,360	-	137,360	150,744	152,616
Wildcat and credit card charges	-	102,779	8,494	111,273	111,273	120,197
Professional services	-	9,242	66,529	75,771	75,771	78,238
Information technology services	-	35,433	39,756	75,189	75,189	63,946
Insurance	13,247	24,641	21,050	45,691	58,938	53,026
Miscellaneous	827	32,113	10,667	42,780	43,607	42,420
Rent	-	23,703	-	23,703	23,703	23,655
Communications	7,311	12,699	2,689	15,388	22,699	22,655
Professional development and travel	-	5,026	10,033	15,059	15,059	25,233
Advertising and printing	-	4,892	5,030	9,922	9,922	8,627
Total Operating Expenses	431,155	2,470,300	2,999,509	5,469,809	5,900,964	6,096,851
Income (Loss) From Operations	315,688	(432,582)	894,672	462,090	777,778	861,490
Interest income, realized gains and other income	171,173	55,355	7,530	62,885	234,058	494,953
Other expenses	-	(9,289)	(1,606)	(10,895)	(10,895)	(14,034)
Other fund transfers	(299,698)	(98,450)	-	(98,450)	(398,148)	(720,777)
Pension and postretirement benefit cost-amortization	-	(88,539)	-	(88,539)	(88,539)	(73,751)
Pension and postretirement benefit cost-other	-	92,762	-	92,762	92,762	73,751
Change in Net Assets Without Donor Restrictions	\$ 187,163	\$ (480,743)	\$ 900,596	\$ 419,853	\$ 607,016	\$ 621,632

See independent auditors' report.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO
Schedules of Activity Fee Program Operations
Years Ended June 30, 2020 and 2019

	2020	2019
Revenue:		
Activity fees	\$ 2,263,698	\$ 2,295,168
Interest income	81,435	92,296
Student and campus programs	51,849	60,985
Indirect income	42,719	44,005
Other income	39,626	54,691
Gifts	2,767	2,160
Contract services	-	44,000
Total Revenue	<u>2,482,094</u>	<u>2,593,305</u>
Expenses:		
Programs expense	849,956	799,071
Salaries and wages	550,314	560,121
Accounting, human resources and administration services	229,915	241,592
Employee benefits	115,041	144,430
Information technology services	83,336	55,666
Professional services	32,651	27,644
Professional development and travel	30,788	37,610
Insurance	30,644	29,221
Rent	30,225	27,534
Miscellaneous	21,777	20,937
Depreciation	21,437	24,004
Communications	12,693	13,163
Supplies and small equipment	10,490	17,343
Utilities	9,266	9,266
Repairs and maintenance	7,033	7,823
Advertising and printing	6,950	9,192
Contract services	-	44,000
Total Expenses	<u>2,042,516</u>	<u>2,068,617</u>
Excess Revenues From Operations	439,578	524,688
Other fund transfers	(5,441)	70,686
Pension and postretirement benefit cost-amortization	(80,790)	(66,669)
Pension and postretirement benefit cost-other	59,529	66,669
Increase in Net Assets Without Donor Restrictions	<u>\$ 412,876</u>	<u>\$ 595,374</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO
Schedules of Student Union Operating Fund Operations
Years Ended June 30, 2020 and 2019

	2020	2019
Revenue:		
Return of Surplus Revenue Funds	\$ 7,236,580	\$ 7,823,027
Recreation programming	174,064	264,141
Other income	169,786	209,369
Interest income	169,144	137,857
Conference services	112,055	170,214
Gifts	-	2,595
	<u>7,861,629</u>	<u>8,607,203</u>
Expenses:		
Salaries and wages	2,734,889	2,971,135
Employee benefits	807,150	813,850
Accounting, human resources and administration services	797,264	737,749
Depreciation	464,885	450,028
Utilities	437,843	419,127
Repairs and maintenance	288,181	170,488
Program expenses	251,293	254,674
Information technology services	235,795	183,557
Supplies and small equipment	235,354	288,921
Insurance	114,698	99,656
Professional services	98,823	115,228
Professional development and travel	59,465	75,382
Communications	55,619	57,029
Rent	47,754	47,884
Advertising and printing	19,350	22,485
Miscellaneous	16,783	26,668
	<u>6,665,146</u>	<u>6,733,861</u>
Total Expenses		
	<u>6,665,146</u>	<u>6,733,861</u>
Excess Revenues From Operations	1,196,483	1,873,342
Other fund transfers	402,327	674,764
Pension and postretirement benefit cost-amortization	(167,029)	(135,364)
Pension and postretirement benefit cost-other	99,643	135,364
	<u>99,643</u>	<u>135,364</u>
Increase in Net Assets Without Donor Restrictions	<u>\$ 1,531,424</u>	<u>\$ 2,548,106</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO
Schedules of Source of Funding and Expenses for Sponsored Programs
Years Ended June 30, 2020 and 2019

	2020	2019
Source of Funding (Direct):		
Federal funds	\$ 250,819	\$ 283,098
State of California	458,109	457,501
Nongovernmental	1,250	3,537
Parent fees and other income	13,590	8,488
	<u>723,768</u>	<u>752,624</u>
Source of Indirect Cost Reimbursements:		
Federal government	6,980	9,803
State of California and local governments	35,739	34,202
	<u>42,719</u>	<u>44,005</u>
Total Indirect Cost Reimbursements	<u>42,719</u>	<u>44,005</u>
Total Funding	<u>766,487</u>	<u>796,629</u>
Direct Expenses:		
Personnel services:		
Salaries and wages	409,065	413,295
Employee benefits	225,130	181,631
Operating expenses	89,573	157,698
	<u>723,768</u>	<u>752,624</u>
Total Direct Expenses	<u>723,768</u>	<u>752,624</u>
Indirect Expenses:		
Personnel services:		
Salaries and wages	24,145	25,664
Employee benefits	13,290	11,278
Operating expenses	5,284	7,063
	<u>42,719</u>	<u>44,005</u>
Total Indirect Expenses	<u>42,719</u>	<u>44,005</u>
Total Expenses	<u>\$ 766,487</u>	<u>\$ 796,629</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**Schedules of Investments and Savings**June 30, 2020 and 2019

The following is a schedule of investments and savings for the year ended June 30, 2020:

	<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	\$ 19,717,804	\$ 19,717,804	Various	On demand	2.01%
Investments:					
Certificates of Deposit	\$ 800,000	\$ 800,000	Various	Various	2.254%

**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, 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.*

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Net Position

June 30, 2020

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	1,720,345
Short-term investments	19,717,804
Accounts receivable, net	584,303
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	236,544
Total current assets	22,258,996
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	800,000
Capital assets, net	2,228,874
Other assets	20,000
Total noncurrent assets	3,048,874
Total assets	25,307,870
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	1,377,521
Net OPEB liability	-
Others	-
Total deferred outflows of resources	1,377,521
Liabilities:	
Current liabilities:	
Accounts payable	178,801
Accrued salaries and benefits	559,741
Accrued compensated absences, current portion	194,469
Unearned revenues	-
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	461,449
Total current liabilities	1,394,460
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	212,934
Unearned revenues	47,007
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	211,115
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	471,056
Total liabilities	1,865,516
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	924,070
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	924,070
Net position:	
Net investment in capital assets	2,228,874
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	21,666,931
Total net position	23,895,805

See independent auditors' report.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO
Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2020
(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees, gross	9,500,278
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	257,799
State	493,848
Local	-
Nongovernmental	1,250
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	9,208,206
Scholarship allowances (enter as negative)	-
Other operating revenues	603,904
Total operating revenues	20,065,285
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	4,532,811
Institutional support	1,895,468
Operation and maintenance of plant	3,106,673
Student grants and scholarships	249,852
Auxiliary enterprise expenses	7,745,052
Depreciation and amortization	641,090
Total operating expenses	18,170,946
Operating income (loss)	1,894,339
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	2,767
Investment income (loss), net	435,905
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	-
Net nonoperating revenues (expenses)	438,672
Income (loss) before other revenues (expenses)	2,333,011
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	2,333,011
Net position:	
Net position at beginning of year, as previously reported	21,562,794
Restatements	-
Net position at beginning of year, as restated	21,562,794
Net position at end of year	23,895,805

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2020

(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	1,720,345
Total	\$ 1,720,345

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Fair Value
Money market funds	\$ -	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	800,000	800,000
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	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	19,717,804	-	19,717,804
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Other investments	-	-	-
Total investments	19,717,804	800,000	20,517,804
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ 19,717,804	800,000	20,517,804

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2020

(for inclusion in the California State University)

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	800,000	-	800,000	-	-
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	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	19,717,804	-	-	-	19,717,804
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
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ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2020

(for inclusion in the California State University)

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):			

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2020

(for inclusion in the California State University)

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:									
None	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	\$ -	-	-	-	\$ -
Depreciable/Amortizable capital assets:									
Buildings and building improvements	2,671,787	-	-	-	2,671,787	230,993	-	-	2,902,780
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	4,969,889	-	-	-	4,969,889	343,864	(9,800)	-	5,303,953
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
None	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	7,641,676	-	-	-	7,641,676	574,857	(9,800)	-	8,206,733
Total capital assets	\$ 7,641,676	-	-	-	\$ 7,641,676	574,857	(9,800)	-	\$ 8,206,733

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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	\$ 400,313	-	400,313	200,037	(192,947)	407,403	194,469	212,934
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	\$ 400,313	-	400,313	200,037	(192,947)	407,403	194,469	212,934

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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>

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	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
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									<u>\$ -</u>

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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	2,115,328
Payments received from University for services, space, and programs	15,676,991
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	26,670
Accounts (payable to) University (enter as negative number)	(39,938)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	64,032
Other amounts receivable from University (enter as positive number)	84,352

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8 Restatements

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

Restatement #		Debit/(Credit)
Restatement #1	None	
		-
Restatement #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	2,342,068	566,049	315,178	(35,557)	-	1,345,073	-	4,532,811
Institutional support	1,052,681	262,861	167,885	771	-	411,270	-	1,895,468
Operation and maintenance of plant	1,376,345	469,121	115,929	(22,290)	-	1,167,568	-	3,106,673
Student grants and scholarships	-	-	-	-	249,852	-	-	249,852
Auxiliary enterprise expenses	3,153,221	562,415	192,822	(32,799)	-	3,869,393	-	7,745,052
Depreciation and amortization	-	-	-	-	-	-	641,090	641,090
Total operating expenses	\$ 7,924,315	1,860,446	791,814	(89,875)	249,852	6,793,304	641,090	18,170,946

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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	1,377,521
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	-
None	-

Total deferred outflows - others	-
Total deferred outflows of resources	\$ 1,377,521

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	-
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	924,070
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	-
None	-

Total deferred inflows - others	-
Total deferred inflows of resources	\$ 924,070