

# Associated Students of California State University, Chico

Financial Statements and Supplemental Information

Year Ended June 30, 2021

(With Summarized Comparative Totals for the Year Ended June 30, 2020)



# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Financial Statements and Supplemental Information

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

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## INDEPENDENT AUDITORS' REPORT

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

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, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 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, 2021, 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 2021, Associated Students of California State University, Chico adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (ASC Topic 606)*. Our opinion is not modified with respect to this matter.

## INDEPENDENT AUDITORS' REPORT, CONTINUED

### **Report on Summarized Comparative Information**

We have previously audited the Associated Students of California State University, Chico's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, 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 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2021, on our consideration of Associated Students of California State University, Chico's June 30, 2021 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Associated Students of California State University, Chico's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students of California State University, Chico's internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 16, 2021

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**

**Statement of Financial Position**

June 30, 2021 (With Summarized Comparative Totals as of June 30, 2020)

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2021	2020
<b>ASSETS</b>								
Cash and cash equivalents:								
Cash on hand and in banks	\$ 596,400	\$ -	\$ 67,403	\$ 2,789,800	\$ -	\$ 53,211	\$ 3,506,814	\$ 1,720,345
Cash in investments	4,387,525	-	822,440	6,883,568	-	10,470,769	22,564,302	19,717,804
Total Cash and Cash Equivalents	4,983,925	-	889,843	9,673,368	-	10,523,980	26,071,116	21,438,149
Accounts and other receivables	165,221	-	2,052	433,242	33,457	9,145	643,117	584,303
Interfund receivables (payables)	285,915	-	-	(1,187,629)	51,241	850,473	-	-
Inventories	-	-	-	86,906	-	-	86,906	136,621
Prepaid expenses	10,714	-	-	56,432	-	36,169	103,315	99,923
Investments	-	-	200,000	200,000	-	-	400,000	800,000
Buildings and equipment - net of accumulated depreciation	-	52,681	-	480,284	-	1,594,621	2,127,586	2,228,874
Long-term deposits	-	-	-	-	-	20,000	20,000	20,000
Total Assets	\$ 5,445,775	\$ 52,681	\$ 1,091,895	\$ 9,742,603	\$ 84,698	\$ 13,034,388	\$ 29,452,040	\$ 25,307,870
<b>LIABILITIES AND NET ASSETS</b>								
Liabilities:								
Accounts payable	\$ 44,298	\$ -	\$ -	\$ 73,917	\$ 75,801	\$ 174,144	\$ 368,160	\$ 178,801
Accrued expenses	281,438	-	-	583,949	-	686,786	1,552,173	1,428,593
Deferred revenue	25,177	-	-	12,289	8,897	585	46,948	47,007
Postretirement benefit obligation	52,533	-	-	67,511	-	99,993	220,037	211,115
Total Liabilities	403,446	-	-	737,666	84,698	961,508	2,187,318	1,865,516
Net assets:								
Without donor restrictions	5,042,329	52,681	1,091,895	9,004,937	-	12,072,880	27,264,722	23,442,354
Total Liabilities and Net Assets	\$ 5,445,775	\$ 52,681	\$ 1,091,895	\$ 9,742,603	\$ 84,698	\$ 13,034,388	\$ 29,452,040	\$ 25,307,870

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Statement of Activities

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

	General	Plant	Board	Auxiliary	Sponsored	Student	Total All Funds	
	(Activity Fee) Fund		Designated Fund	Activities Fund	Programs Fund	Union Operating Fund	2021	2020
<b>Revenues and Other Support Without Donor Restrictions:</b>								
Allocation of revenue funds from campus	\$ 1,954,531	\$ -	\$ -	\$ -	\$ -	\$ 6,663,993	\$ 8,618,524	\$ 9,500,278
Wildcat Store, dining services, and other sales	-	-	-	2,945,789	-	-	2,945,789	9,123,298
Campus support	38,090	-	-	744,754	-	236,974	1,019,818	-
Grants	-	-	-	-	758,051	-	758,051	766,487
Other income	34,244	-	-	85,686	-	169,999	289,929	294,535
Interest income	23,341	-	11,756	44,589	-	61,805	141,491	409,241
Student and campus programs	26,000	-	-	-	-	23,852	49,852	337,968
Indirect income	41,091	-	-	-	-	-	41,091	42,719
Gifts	2,563	-	-	-	-	-	2,563	2,767
Realized gains	-	-	-	-	-	-	-	26,664
<b>Total Revenues and Other Support Without Donor Restrictions</b>	<b>2,119,860</b>	<b>-</b>	<b>11,756</b>	<b>3,820,818</b>	<b>758,051</b>	<b>7,156,623</b>	<b>13,867,108</b>	<b>20,503,957</b>
<b>Expenses:</b>								
<b>Program services:</b>								
Student and campus programs	968,377	-	-	-	-	1,158,748	2,127,125	3,891,162
Student union and recreation center building operations	-	-	-	-	-	3,318,958	3,318,958	3,438,855
Auxiliary activities	-	-	-	2,092,076	-	-	2,092,076	7,795,291
Sponsored programs	-	-	-	-	758,051	-	758,051	766,487
Other	-	2,589	-	-	-	-	2,589	4,024
<b>Supporting services:</b>								
Management and general	295,269	-	-	494,096	-	956,576	1,745,941	1,938,769
<b>Total Program and Supporting Services Expenses</b>	<b>1,263,646</b>	<b>2,589</b>	<b>-</b>	<b>2,586,172</b>	<b>758,051</b>	<b>5,434,282</b>	<b>10,044,740</b>	<b>17,834,588</b>
<b>Other Expenses:</b>								
Pension and postretirement benefit cost amortization	81,620	-	-	89,854	-	168,517	339,991	336,358
<b>Total Expenses</b>	<b>\$ 1,345,266</b>	<b>\$ 2,589</b>	<b>\$ -</b>	<b>\$ 2,676,026</b>	<b>\$ 758,051</b>	<b>\$ 5,602,799</b>	<b>\$ 10,384,731</b>	<b>\$ 18,170,946</b>

See accompanying notes to financial statements.

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**

**Statement of Activities, continued**

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2021	2020
Change in Net Assets Before Transfers and Other	\$ 774,594	\$ (2,589)	\$ 11,756	\$ 1,144,792	\$ -	\$ 1,553,824	\$ 3,482,377	\$ 2,333,011
Transfers:								
Plant fund transfer	17,475	(17,475)	-	-	-	-	-	-
Other fund transfers	(4,179)	-	-	(564,221)	-	568,400	-	-
Other:								
Pension changes other than net periodic benefit cost	103,333	-	-	124,253	-	207,440	435,026	72,797
Postretirement benefit changes other than net periodic benefit cost	(21,713)	-	-	(34,399)	-	(38,923)	(95,035)	179,137
Change in Net Assets	869,510	(20,064)	11,756	670,425	-	2,290,741	3,822,368	2,584,945
Net Assets Without Donor Restrictions - Beginning of Year	4,172,819	72,745	1,080,139	8,334,512	-	9,782,139	23,442,354	20,857,409
Net Assets Without Donor Restrictions - End of Year	\$ 5,042,329	\$ 52,681	\$ 1,091,895	\$ 9,004,937	\$ -	\$ 12,072,880	\$ 27,264,722	\$ 23,442,354

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**

**Statement of Functional Expenses**

Year Ended June 30, 2021

	Program Services					Supporting Services	Total Expenses	
	Student and Campus Programs	Student Union and Recreation Center Building Operations	Auxiliary Activities	Sponsored Programs	Other	Management and General		
Expenses:								
Salaries and wages	\$ 1,052,232	\$ 1,127,833	\$ 761,320	\$ 405,801	\$ -	\$ 3,347,186	\$ 977,061	\$ 4,324,247
Employee benefits	436,850	567,818	360,852	218,665	-	1,584,185	368,957	1,953,142
Professional services	65,884	267,203	23,830	8,010	-	364,927	283,690	648,617
Depreciation	13,006	426,969	132,271	-	2,589	574,835	33,485	608,320
Utilities	7,230	308,010	109,254	-	-	424,494	4,266	428,760
Programs	339,610	23,151	-	57,012	-	419,773	-	419,773
Repairs and maintenance	15,206	277,129	59,880	18,094	-	370,309	6,703	377,012
Supplies and small equipment	57,649	159,036	88,522	8,885	-	314,092	13,710	327,802
Contributions to campus mission	-	-	240,301	-	-	240,301	-	240,301
Insurance	38,825	91,352	47,438	-	-	177,615	6,531	184,146
Cost of sales	-	-	171,390	-	-	171,390	-	171,390
Communications	39,056	35,240	18,554	-	-	92,850	24,831	117,681
Miscellaneous	26,403	11,702	27,659	-	-	65,764	17,757	83,521
Sponsored programs indirect costs	-	-	-	41,091	-	41,091	-	41,091
Rent	11,914	7,716	20,624	-	-	40,254	-	40,254
Advertising and printing	14,102	13,134	85	300	-	27,621	701	28,322
Wildcat and credit card charges	-	-	27,344	-	-	27,344	-	27,344
Professional development and travel	9,158	2,665	2,752	193	-	14,768	8,249	23,017
<b>Total Program and Supporting Services Expense</b>	<b>2,127,125</b>	<b>3,318,958</b>	<b>2,092,076</b>	<b>758,051</b>	<b>2,589</b>	<b>8,298,799</b>	<b>1,745,941</b>	<b>10,044,740</b>
Pension and postretirement benefit cost amortization	136,995	113,142	89,854	-	-	339,991	-	339,991
<b>Total Expenses</b>	<b>\$ 2,264,120</b>	<b>\$ 3,432,100</b>	<b>\$ 2,181,930</b>	<b>\$ 758,051</b>	<b>\$ 2,589</b>	<b>\$ 8,638,790</b>	<b>\$ 1,745,941</b>	<b>\$ 10,384,731</b>



# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Statement of Functional Expenses

Summarized Comparative Totals for the 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 Cash Flows

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

	General	Plant	Board	Auxiliary	Sponsored	Student	Total All Funds	
	(Activity Fee) Fund	Fund	Designated Fund	Activities Fund	Programs Fund	Union Operating Fund	2021	2020
Cash and Cash Equivalents - Beginning of Year	\$ 4,122,566	\$ -	\$ 676,824	\$ 7,666,442	\$ -	\$ 8,972,317	\$ 21,438,149	\$ 18,399,612
Cash Flows from Operating Activities:								
Change in net assets	869,510	(20,064)	11,756	670,425	-	2,290,741	3,822,368	2,584,945
Adjustments to reconcile changes in net assets to net cash provided by operating activities:								
Depreciation	-	22,098	-	139,412	-	446,810	608,320	641,090
(Gain) loss on sale or disposal of equipment	-	-	-	(4,553)	-	8,684	4,131	(250)
Change in operating assets and liabilities:								
Receivables - net	(67,724)	-	1,263	(10,848)	(4,738)	23,233	(58,814)	136,842
Interfund receivables (payables)	(55,161)	-	-	1,049,437	(48,588)	(945,688)	-	-
Inventories	-	-	-	49,715	-	-	49,715	(4,140)
Prepaid expenses	(396)	-	-	(1,793)	-	(1,203)	(3,392)	(28,284)
Accounts payable	11,611	-	-	28,561	64,941	84,246	189,359	(180,001)
Accrued expenses	77,616	-	-	(103,893)	-	149,857	123,580	(55,796)
Deferred revenue	20,605	-	-	(1,045)	(11,615)	(8,004)	(59)	(12,250)
Postretirement benefit obligation	5,298	-	-	(7,905)	-	11,529	8,922	(269,012)
Net Cash Provided by Operating Activities	861,359	2,034	13,019	1,807,513	-	2,060,205	4,744,130	2,813,144
Cash Flows from Investing Activities:								
Sale of investments	-	-	200,000	200,000	-	-	400,000	800,000
Purchase of equipment	-	(2,034)	-	(5,140)	-	(514,337)	(521,511)	(574,857)
Proceeds from sale of equipment	-	-	-	4,553	-	5,795	10,348	250
Net Cash Provided (Used) by Investing Activities	-	(2,034)	200,000	199,413	-	(508,542)	(111,163)	225,393
Increase in Cash and Cash Equivalents	861,359	-	213,019	2,006,926	-	1,551,663	4,632,967	3,038,537
Cash and Cash Equivalents - End of Year	\$ 4,983,925	\$ -	\$ 889,843	\$ 9,673,368	\$ -	\$ 10,523,980	\$ 26,071,116	\$ 21,438,149

See accompanying notes to financial statements.

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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### 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 an allocation of 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 May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (ASC Topic 606)*. This standard update, along with related subsequently issued updates, clarifies the principles for recognizing revenue and develops a common revenue standard under accounting principles generally accepted in the United States of America (US GAAP). The Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (ASC Topic 606)* effective July 1, 2020. The new guidance was applied retrospectively to all contracts that were not completed as of the adoption date.

Management has analyzed the provisions of the FASB's ASC Topic 606 and has concluded that no changes are necessary to conform with the new standard.

#### Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with 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 or temporary in nature for the years ended June 30, 2021 and 2020.

#### 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 Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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

#### Use of Estimates

The preparation of financial statements in conformity with US GAAP 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, 2020, from which the summarized information was derived.

#### Reclassifications

Certain amounts in the June 30, 2020 financial statements have been reclassified to conform to current year classifications. Specifically, 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. In 2020-21, the agreement was amended to extend the agreement through June 30, 2024, and to provide for a commission to be paid on gross revenues as defined. The 2020-21 commission is calculated as 14.6% of the first \$8 million in gross revenues, plus 16.6% on gross revenues in excess of \$8 million. Prior to the 2020-21 amendment, the commission was calculated as 16.6% of the first \$8 million in gross revenues, plus 17.6% on gross revenues in excess of \$8 million.

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 Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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### 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 has 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. 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, 2021 and 2020, no price concession for uncollectible amounts 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 Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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#### 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

*Allocation of revenue funds from campus* - Each semester, CSU, Chico collects an activity fee and a student union fee from each matriculated student that has been determined by CSU, Chico to be subject to the fee. Revenues are transferred from CSU, Chico to the Organization during the fiscal year to provide programs and services to the students of CSU, Chico.

*Activity fees* - The activity fee was \$71 and \$69 per semester for the years ended June 30, 2021 and 2020, respectively. The activity fee provides for the student governance for CSU, Chico, as well as a variety of other student-related programs and services. The allocation of revenue funds from campus for activity fee programs are recognized as revenue by the Organization as program-related expenses are incurred and funds are transferred by CSU, Chico to the Organization.

*Student union fees* - The student union fee was \$425 and \$415 per semester for the years ended June 30, 2021 and 2020, respectively. The student union fee provides for the programs and operations of the Bell Memorial Union and the Wildcat Recreation Center buildings. The allocation of revenue funds from campus for the student union are determined through a budgetary process approved by the Organization's governing board and University President. Revenue is recognized when transferred by CSU, Chico to the Organization.

*Wildcat Store sales commission revenue* - The Organization receives sales commission revenue from Follett Higher Education Group, Inc. from the operation of the student store. The commissions are based on gross sales as defined in the contract (refer to Note 1, Fund Accounting, Auxiliary Activities Fund section). Revenue is recognized by the Organization as sales are generated by the store.

*Dining services and other sales* - The Organization operates all dining facilities on the CSU, Chico campus, including several retail locations and the Sutter Hall residential dining program. Revenue for the dining services retail locations is recognized as goods are sold. Sutter Hall residential dining program revenue is based on a contract with CSU, Chico and is recognized on a ratable basis over the fiscal year. Revenue for other sales are recorded as goods are sold or services are provided.

*Grants* - 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. Sponsored programs' revenue from grants and contracts is recognized as funds are expended.

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 in the statements of functional expenses.

## ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

### Notes to Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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

##### 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, 2021 and 2020, and the Organization does not expect this to change significantly over the next 12 months.

##### Future Accounting Standard

The FASB has issued a substantial ASU which will become effective in a future year.

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, 2021. 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 16, 2021, the date on which the report was available to be issued.

## ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

### Notes to Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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#### 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, 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
LAIF	\$ -	\$ -	\$ -	\$ 22,564,302	\$ 22,564,302
Certificates of deposit	-	400,000	-	-	400,000
	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 22,564,302</u>	<u>\$ 22,964,302</u>

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>

#### Note 3 - Buildings and Equipment

	<u>2021</u>	<u>2020</u>
Building improvements	\$ 3,247,402	\$ 2,902,780
Equipment and furnishings	4,919,786	4,972,302
Vehicles	162,965	331,651
Subtotals	8,330,153	8,206,733
Less: accumulated depreciation	6,202,567	5,977,859
Buildings and Equipment - Net	<u>\$ 2,127,586</u>	<u>\$ 2,228,874</u>



## ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

### Notes to Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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#### Note 4 - 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 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, 2021, was computed based on an actuarial valuation performed as of July 1, 2019, with estimates for costs and amortization through June 30, 2021, 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>2021</u>	<u>2020</u>
Change in Postretirement Benefit Obligation:		
Postretirement Benefit Obligation - Beginning of Year	\$ 211,115	\$ 480,127
Service cost	21,624	21,624
Interest cost	6,409	6,409
Actuarial gain and other adjustments	-	(277,805)
Benefits paid	<u>(19,111)</u>	<u>(19,240)</u>
Postretirement Benefit Obligation - End of Year	<u>\$ 220,037</u>	<u>\$ 211,115</u>
Funded Status:		
Postretirement Benefit Obligation - End of Year	<u>\$ 220,037</u>	<u>\$ 211,115</u>
Unamortized prior service cost	256,185	313,049
Unrecognized net actuarial gain (loss)	<u>607,756</u>	<u>645,927</u>
Items Not Yet Recognized as a Component of Net Periodic Benefit Cost	863,941	958,976
Accrued Benefit Cost	<u>\$ 1,083,978</u>	<u>\$ 1,170,091</u>
Funded Status - End of Year	<u>\$ (220,037)</u>	<u>\$ (211,115)</u>

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

### Note 4 - Postretirement Benefit Obligation, continued

The components of net periodic benefit cost are as follows:

	<u>2021</u>	<u>2020</u>
Net Periodic Benefit Cost:		
Service cost	\$ 21,624	\$ 21,624
Interest cost	6,409	6,409
Amortization of prior service costs	(56,864)	(56,864)
Amortization of net actuarial (gain) loss	<u>(38,171)</u>	<u>(41,804)</u>
Net Periodic Benefit Cost	<u>\$ (67,002)</u>	<u>\$ (70,635)</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, 2022:

Amortization of prior service cost	\$ (56,864)
Amortization of net actuarial gain	<u>(38,171)</u>
Total Amortization Expected to be Included in Net Periodic Benefit Cost - June 30, 2022	<u>\$ (95,035)</u>

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

Years Ending June 30:	
2022	\$ 18,827
2023	5,266
2024	5,359
2025	9,183
2026	19,083
Thereafter	<u>76,334</u>
Total	<u>\$ 134,052</u>

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

	<u>2021</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

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

#### Note 5 - 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, 2021:

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Student Union Operating Fund	Total
Investments in buildings and equipment	\$ -	\$ 52,681	\$ -	\$ 480,284	\$ 1,594,621	\$ 2,127,586
Reserve for facilities upgrade	-	-	-	1,200,000	-	1,200,000
Operating reserve	214,558	-	-	222,437	1,666,287	2,103,282
Contingency reserve	128,709	-	-	35,000	99,977	263,686
Capital replacement reserve	25,546	-	-	75,000	250,000	350,546
Reserve for allocated funds	-	-	1,091,895	-	-	1,091,895
Future operations reserve	-	-	-	2,500,000	-	2,500,000
Sustainability fund reserve	-	-	-	-	602,101	602,101
	<u>368,813</u>	<u>52,681</u>	<u>1,091,895</u>	<u>4,512,721</u>	<u>4,212,986</u>	<u>10,239,096</u>
Total Net Asset Reserves						
Available for general purposes	<u>4,673,516</u>	<u>-</u>	<u>-</u>	<u>4,492,216</u>	<u>7,859,894</u>	<u>17,025,626</u>
Total Net Assets Without Donor Restrictions	<u>\$ 5,042,329</u>	<u>\$ 52,681</u>	<u>\$ 1,091,895</u>	<u>\$ 9,004,937</u>	<u>\$ 12,072,880</u>	<u>\$ 27,264,722</u>

## ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

### Notes to Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

#### Note 5 - Net Asset Reserves, continued

Net 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 buildings 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
<b>Total Net Asset Reserves</b>	<b>373,219</b>	<b>72,745</b>	<b>1,080,139</b>	<b>4,674,556</b>	<b>4,016,784</b>	<b>10,217,443</b>
Available for general purposes	3,799,600	-	-	3,659,956	5,765,355	13,224,911
<b>Total Net Assets Without Donor Restrictions</b>	<b>\$ 4,172,819</b>	<b>\$ 72,745</b>	<b>\$ 1,080,139</b>	<b>\$ 8,334,512</b>	<b>\$ 9,782,139</b>	<b>\$ 23,442,354</b>

#### 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

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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#### Note 5 - 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 6 - Revenue Recognition

##### Contract Balances

Accounts receivable from contracts with customers were as follows at June 30:

	<u>2021</u>	<u>2020</u>
Beginning of year	\$ 486,783	\$ 570,198
End of year	\$ 587,793	\$ 486,783

##### Significant Judgments

The Organization analyzes revenue recognition on a portfolio approach under ASC Topic 606. Significant judgment is utilized in determining the appropriate portfolios to assess for meeting the criteria to recognize revenue under ASC Topic 606. The Organization has determined that, for each distinct revenue stream identified, all contracts can be grouped into one portfolio. Based on past experience, customers within each distinct stream all behave similarly, contracts contain similar terms, and policies are the same across all contracts. The Organization does not expect that revenue earned for the portfolio is significantly different as compared to revenue that would be earned if they were to assess each contract separately.

Significant judgment is also required to assess collectability. The Organization assesses collectability each reporting period to monitor that the collectability threshold is met and does not recognize revenue if collection is not probable. Impairment losses are recognized when there are significant changes in a customer's assessed collectability.

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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### Note 7 - Student Union Operating Fund

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.

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 \$13,453,036 and \$13,604,274 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Revenue fund reserve	\$ 22,369,144	\$ 21,231,133
Repair and replacement reserve	3,403,828	3,541,988
Capital improvements reserve	<u>2,452,424</u>	<u>2,500,000</u>
Total Reserves Held by CSU, Chico	<u>\$ 28,225,396</u>	<u>\$ 27,273,121</u>

## ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

### Notes to Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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#### 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](http://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.

The following schedule reflects information for the CalPERS plans, in accordance with the most recently available CAFR for the fiscal year ended June 30, 2020:

	Classic	PEPRA
Plan identification number	2178631467	2178631467
Rate plan number	8323	26216
Accumulated benefit obligation	\$ 15,025,416	\$ 1,749,601
Total plan assets	\$ 14,505,571	\$ 1,691,015
Unfunded accrued liability	\$ 519,845	\$ 58,586
Funded status	96.5%	96.7%
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 9.316% and 9.125% for years ended June 30, 2021 and 2020, 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 11.316%. The required employer contribution rates for the PEPRA plan were 7.732% and 6.985% for years ended June 30, 2021 and 2020, 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 \$504,192 and \$356,788 for the years ended June 30, 2021 and 2020, respectively.

In 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.

## ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

### Notes to Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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#### 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 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. Due to the operational impacts of COVID-19, an amendment to the agreement for the 2020-21 year was signed on January 4, 2021. The amendment allows for reimbursement to dining services for actual costs, not to exceed \$2,767,563. A similar amendment for the 2021-22 year is currently being negotiated.

##### 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. Due to the operational impacts of COVID-19, an amendment to the agreement for fiscal years 2020-21 and 2021-22 is pending approval. The amendment temporarily reduces the payment to CSU, Chico, to \$192,000 per year and eliminates the 2.25% charged on dining services cash operations net sales. 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.

The following is a schedule of transactions with related parties:

	<u>2021</u>	<u>2020</u>
Transactions with CSU, Chico:		
Payments to University for other than salaries of University personnel	\$ 1,354,407	\$ 2,115,328
Payments received from University for services, space, and programs	\$ 12,199,304	\$ 15,676,991
Gifts-in-kind to the University from recognized Auxiliary Organization	\$ 17,206	\$ -
Gifts (cash or assets) to the University from recognized Auxiliary Organization	\$ 32,999	\$ 26,670
Accounts payable to University	\$ (67,724)	\$ (39,938)
Accounts receivable from University	\$ 253,899	\$ 64,032
Other amounts receivable from University	\$ 4	\$ 84,352
Transactions with the Chico State Enterprises:		
Accounts receivable from Chico State Enterprises	\$ 33,482	\$ 29,500
Accounts payable to Chico State Enterprises	\$ (244,008)	\$ (473,839)
Transactions with the University Foundation CSU, Chico:		
Accounts receivable from the University Foundation CSU, Chico	\$ 635	\$ 3,903



## ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

### Notes to Financial Statements

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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#### 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>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 26,071,116	\$ 21,438,149
Accounts and other receivables	643,117	584,303
Investments	<u>400,000</u>	<u>800,000</u>
Total financial assets	27,114,233	22,822,452
Less amounts not available to be used within one year for general purposes:		
Long-term brokered certificates of deposit	(400,000)	(800,000)
Board Designated Reserve Funds (Note 5)	<u>(8,111,510)</u>	<u>(7,988,569)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 18,602,723</u>	<u>\$ 14,033,883</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, including investments in buildings and equipment. The board designated reserve funds could be made available, if necessary, and are fully described in Note 5.

## SUPPLEMENTAL INFORMATION

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Schedule of Activities of the Auxiliary Activities Fund

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

	Wildcat Store	Dining Services			Combined Total	
		Cash Operations	Residence Dining Halls	Total	2021	2020
Sales	\$ -	\$ 49,021	\$ 2,547,078	\$ 2,596,099	\$ 2,596,099	\$ 8,155,727
Less: cost of sales	-	20,508	150,882	171,390	171,390	2,444,556
Sales commissions	285,423	64,267	-	64,267	349,690	967,571
Gross Profit	285,423	92,780	2,396,196	2,488,976	2,774,399	6,678,742
Operating Expenses:						
Salaries and wages	-	113,028	648,292	761,320	761,320	3,153,221
Accounting, human resources and administration services	63,681	166,681	189,402	356,083	419,764	473,969
Employee benefits	-	48,637	312,215	360,852	360,852	633,899
Contributions to campus mission	240,301	-	-	-	240,301	461,097
Depreciation	8,670	130,742	-	130,742	139,412	150,744
Utilities	37,184	72,070	-	72,070	109,254	157,555
Supplies and small equipment	-	14,605	73,917	88,522	88,522	223,122
Information technology services	-	31,954	35,237	67,191	67,191	75,189
Repairs and maintenance	5,948	16,491	37,441	53,932	59,880	211,196
Insurance	10,041	20,267	17,130	37,397	47,438	58,938
Wildcat and credit card charges	-	20,412	6,932	27,344	27,344	111,273
Miscellaneous	645	10,320	15,524	25,844	26,489	43,607
Professional services	-	13,295	10,535	23,830	23,830	75,771
Rent	-	20,624	-	20,624	20,624	23,703
Communications	7,639	7,639	3,276	10,915	18,554	22,699
Professional development and travel	-	593	2,159	2,752	2,752	15,059
Advertising and printing	-	83	2	85	85	9,922
Total Operating Expenses	374,109	687,441	1,352,062	2,039,503	2,413,612	5,900,964
Income (Loss) From Operations	(88,686)	(594,661)	1,044,134	449,473	360,787	777,778
Interest income, realized gains and other income	92,121	24,964	13,190	38,154	130,275	234,058
Campus support	530,106	214,648	-	214,648	744,754	-
Other expenses	-	(1,183)	13	(1,170)	(1,170)	(10,895)
Other fund transfers	(399,781)	(164,440)	-	(164,440)	(564,221)	(398,148)
Pension and postretirement benefit cost-amortization	-	(89,854)	-	(89,854)	(89,854)	(88,539)
Pension and postretirement benefit cost-other	-	89,854	-	89,854	89,854	92,762
Change in Net Assets Without Donor Restrictions	\$ 133,760	\$ (520,672)	\$ 1,057,337	\$ 536,665	\$ 670,425	\$ 607,016

See independent auditors' report.

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

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Revenue and Other Support:		
Allocation of revenue funds from campus	\$ 1,954,531	\$ 2,263,698
Indirect income	41,091	42,719
Campus support	38,090	-
Other income	34,244	39,626
Student and campus programs	26,000	51,849
Interest income	23,341	81,435
Gifts	2,563	2,767
	<u>2,119,860</u>	<u>2,482,094</u>
Total Revenue and Other Support		
	<u>2,119,860</u>	<u>2,482,094</u>
Expenses:		
Salaries and wages	414,789	550,314
Programs	233,820	849,956
Accounting, human resources and administration services	213,498	229,915
Employee benefits	172,960	115,041
Information technology services	74,095	83,336
Professional services	30,855	32,651
Insurance	23,054	30,644
Miscellaneous	20,158	21,777
Communications	19,985	12,693
Depreciation	19,509	21,437
Supplies and small equipment	14,069	10,490
Utilities	7,230	9,266
Rent	6,830	30,225
Professional development and travel	5,868	30,788
Repairs and maintenance	5,312	7,033
Advertising and printing	1,614	6,950
	<u>1,263,646</u>	<u>2,042,516</u>
Total Expenses		
	<u>1,263,646</u>	<u>2,042,516</u>
Excess Revenues From Operations	856,214	439,578
Other fund transfers	13,296	(5,441)
Pension and postretirement benefit cost-amortization	(81,620)	(80,790)
Pension and postretirement benefit cost-other	81,620	59,529
	<u>869,510</u>	<u>412,876</u>
Increase in Net Assets Without Donor Restrictions	<u>\$ 869,510</u>	<u>\$ 412,876</u>

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

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Revenue and Other Support:		
Allocation of revenue funds from campus	\$ 6,663,993	\$ 7,236,580
Campus support	236,974	-
Other income	169,999	169,786
Interest income	61,805	169,144
Recreation programming	11,992	174,064
Conference services	11,860	112,055
	<u>7,156,623</u>	<u>7,861,629</u>
Total Revenue and Other Support		
	<u>7,156,623</u>	<u>7,861,629</u>
Expenses:		
Salaries and wages	1,765,276	2,734,889
Employee benefits	831,708	807,150
Accounting, human resources and administration services	728,601	797,264
Depreciation	446,810	464,885
Utilities	308,010	437,843
Professional services	302,232	98,823
Repairs and maintenance	287,023	288,181
Information technology services	209,307	235,795
Supplies and small equipment	202,616	235,354
Program	128,941	251,293
Insurance	107,123	114,698
Communications	54,311	55,619
Advertising and printing	25,622	19,350
Miscellaneous	17,947	16,783
Rent	12,800	47,754
Professional development and travel	5,955	59,465
	<u>5,434,282</u>	<u>6,665,146</u>
Total Expenses		
	<u>5,434,282</u>	<u>6,665,146</u>
Excess Revenues From Operations	1,722,341	1,196,483
Other fund transfers	568,400	402,327
Pension and postretirement benefit cost-amortization	(168,517)	(167,029)
Pension and postretirement benefit cost-other	168,517	99,643
	<u>168,517</u>	<u>99,643</u>
Increase in Net Assets Without Donor Restrictions	<u>\$ 2,290,741</u>	<u>\$ 1,531,424</u>

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

Year Ended June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Source of Funding (Direct):		
State of California	\$ 467,883	\$ 458,109
Federal funds	243,073	250,819
Parent fees and other income	6,004	13,590
Nongovernmental	-	1,250
	<u>716,960</u>	<u>723,768</u>
Total Direct Sources	<u>716,960</u>	<u>723,768</u>
Source of Indirect Cost Reimbursements:		
State of California and local governments	35,446	35,739
Federal government	5,645	6,980
	<u>41,091</u>	<u>42,719</u>
Total Indirect Cost Reimbursements	<u>41,091</u>	<u>42,719</u>
Total Funding	<u>758,051</u>	<u>766,487</u>
Direct Expenses:		
Personnel services:		
Salaries and wages	383,805	409,065
Employee benefits	206,810	225,130
Operating expenses	126,345	89,573
	<u>716,960</u>	<u>723,768</u>
Total Direct Expenses	<u>716,960</u>	<u>723,768</u>
Indirect Expenses:		
Personnel services:		
Salaries and wages	21,996	24,145
Employee benefits	11,855	13,290
Operating expenses	7,240	5,284
	<u>41,091</u>	<u>42,719</u>
Total Indirect Expenses	<u>41,091</u>	<u>42,719</u>
Total Expenses	<u>\$ 758,051</u>	<u>\$ 766,487</u>

## ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

### Schedule of Investments and Savings

June 30, 2021 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

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The following is a schedule of investments and savings for the year ended June 30, 2021:

	<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	\$ 22,564,302	\$ 22,564,302	Various	On demand	0.58%
Investments:					
Certificates of Deposit	\$ 400,000	\$ 400,000	Various	Various	2.092%

*\*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, 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.*

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Schedule of Net Position

June 30, 2021

(for inclusion in the California State University)

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### Assets:

#### Current assets:

Cash and cash equivalents	3,506,814
Short-term investments	22,564,302
Accounts receivable, net	643,117
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	190,221

#### **Total current assets**

**26,904,454**

#### 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	400,000
Capital assets, net	2,127,586
Other assets	20,000

#### **Total noncurrent assets**

**2,547,586**

#### **Total assets**

**29,452,040**

#### Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	942,495
Net OPEB liability	-
Others	-

#### **Total deferred outflows of resources**

**942,495**



# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Schedule of Net Position, continued

June 30, 2021

(for inclusion in the California State University)

### Liabilities:

#### Current liabilities:

Accounts payable	368,160
Accrued salaries and benefits	833,563
Accrued compensated absences, current portion	269,651
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	242,279
<b>Total current liabilities</b>	<b>1,713,653</b>

#### Noncurrent liabilities:

Accrued compensated absences, net of current portion	206,680
Unearned revenues	46,948
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	220,037
Net pension liability	-
Other liabilities	-
<b>Total noncurrent liabilities</b>	<b>473,665</b>
<b>Total liabilities</b>	<b>2,187,318</b>

#### Deferred inflows of resources:

Service concession arrangements	-
Net pension liability	-
Net OPEB liability	829,035
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
<b>Total deferred inflows of resources</b>	<b>829,035</b>

### Net position:

Net investment in capital assets	2,127,586
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	25,250,596
<b>Total net position</b>	<b>27,378,182</b>

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2021

(for inclusion in the California State University)

<b>Revenues:</b>	
<b>Operating revenues:</b>	
Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-
<b>Grants and contracts, noncapital:</b>	
Federal	248,718
State	503,329
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	3,031,475
Scholarship allowances (enter as negative)	-
Other operating revenues	8,919,714
<b>Total operating revenues</b>	<b>12,703,236</b>
<b>Expenses:</b>	
<b>Operating expenses:</b>	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	3,009,165
Institutional support	1,712,456
Operation and maintenance of plant	3,005,131
Student grants and scholarships	-
Auxiliary enterprise expenses	2,049,659
Depreciation and amortization	608,320
<b>Total operating expenses</b>	<b>10,384,731</b>
<b>Operating income (loss)</b>	<b>2,318,505</b>
<b>Nonoperating revenues (expenses):</b>	
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	2,563
Investment income (loss), net	141,491
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	1,019,818
<b>Net nonoperating revenues (expenses)</b>	<b>1,163,872</b>
<b>Income (loss) before other revenues (expenses)</b>	<b>3,482,377</b>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
<b>Increase (decrease) in net position</b>	<b>3,482,377</b>
<b>Net position:</b>	
Net position at beginning of year, as previously reported	23,895,805
Restatements	-
<b>Net position at beginning of year, as restated</b>	<b>23,895,805</b>
<b>Net position at end of year</b>	<b>27,378,182</b>

See independent auditors' report.

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Other Information

June 30, 2021

(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	-
<b>Noncurrent restricted cash and cash equivalents</b>	<b>-</b>
Current cash and cash equivalents	3,506,814
<b>Total</b>	<b>\$ 3,506,814</b>

### 2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	400,000	400,000
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)	22,564,302	-	22,564,302
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Other investments	-	-	-
<b>Total investments</b>	<b>22,564,302</b>	<b>400,000</b>	<b>22,964,302</b>
Less endowment investments (enter as negative number)		-	-
<b>Total investments, net of endowments</b>	<b>\$ 22,564,302</b>	<b>400,000</b>	<b>22,964,302</b>

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Other Information

June 30, 2021

(for inclusion in the California State University)

### 2.2 Fair value hierarchy in investments:

Investment Type	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	400,000	-	400,000	-	-
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)	22,564,302	-	-	-	22,564,302
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other investments	-	-	-	-	-
<b>Total investments</b>	<b>\$ 22,964,302</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>22,564,302</b>

### 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, 2021

(for inclusion in the California State University)

### 3.1 Composition of capital assets:

	Balance June 30, 2020	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2020 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2021
<b>Non-depreciable/Non-amortizable capital assets:</b>									
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	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable capital assets</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	2,902,780	-	-	-	2,902,780	344,622	-	-	3,247,402
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	5,303,953	-	-	-	5,303,953	176,889	(398,091)	-	5,082,751
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable capital assets</b>	<b>8,206,733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,206,733</b>	<b>521,511</b>	<b>(398,091)</b>	<b>-</b>	<b>8,330,153</b>
<b>Total capital assets</b>	<b>\$ 8,206,733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 8,206,733</b>	<b>521,511</b>	<b>(398,091)</b>	<b>-</b>	<b>\$ 8,330,153</b>

See independent auditors' report.

## ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

### Other Information

June 30, 2021

(for inclusion in the California State University)

#### 3.1 Composition of capital assets, continued:

	Balance June 30, 2020	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2020 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2021
<b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b>									
Buildings and building improvements	(1,839,768)	-	-	-	(1,839,768)	(178,608)	-	-	(2,018,376)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(4,138,091)	-	-	-	(4,138,091)	(429,712)	383,612	-	(4,184,191)
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:	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	<b>(5,977,859)</b>	-	-	-	<b>(5,977,859)</b>	<b>(608,320)</b>	<b>383,612</b>	-	<b>(6,202,567)</b>
<b>Total capital assets, net</b>	<b>\$ 2,228,874</b>	-	-	-	<b>\$ 2,228,874</b>	<b>(86,809)</b>	<b>(14,479)</b>	-	<b>\$ 2,127,586</b>

#### 3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$	608,320
Amortization expense related to other assets		
<b>Total depreciation and amortization</b>	<b>\$</b>	<b>608,320</b>

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Other Information

June 30, 2021

(for inclusion in the California State University)

### 4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/Recl assifications	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
<b>1. Accrued compensated absences</b>	\$ 407,403	-	407,403	141,644	(72,716)	476,331	269,651	206,680
<b>2. Claims liability for losses and loss adjustment expenses</b>	-	-	-	-	-	-	-	-
<b>3. Capital lease obligations:</b>								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
<b>Total capital lease obligations</b>	-	-	-	-	-	-	-	-
<b>4. Long-term debt obligations:</b>								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
<b>Sub-total long-term debt</b>	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
<b>Total long-term debt obligations</b>	-	-	-	-	-	-	-	-
<b>Total long-term liabilities</b>	\$ 407,403	-	407,403	141,644	(72,716)	476,331	269,651	206,680

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Other Information

June 30, 2021

(for inclusion in the California State University)

### 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
<b>Year ending June 30:</b>									
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum lease payments</b>	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
<b>Present value of future minimum lease payments</b>									-
Unamortized net premium/(discount)									-
<b>Total capital lease obligations</b>									-
Less: current portion									-
<b>Capital lease obligations, net of current portion</b>									<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
<b>Year ending June 30:</b>									
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum payments</b>	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
<b>Present value of future minimum payments</b>									-
Unamortized net premium/(discount)									-
<b>Total long-term debt obligations</b>									-
Less: current portion									-
<b>Long-term debt obligations, net of current portion</b>									<u>\$ -</u>

See independent auditors' report.



## ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

### Other Information

June 30, 2021

(for inclusion in the California State University)

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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	1,354,407
Payments received from University for services, space, and programs	12,199,304
Gifts-in-kind to the University from discretely presented component units	17,206
Gifts (cash or assets) to the University from discretely presented component units	32,999
Accounts (payable to) University (enter as negative number)	(67,724)
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	253,899
Other amounts receivable from University (enter as positive number)	4

# ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

## Other Information

June 30, 2021

(for inclusion in the California State University)

### 8 Restatements

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

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

### 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	1,458,033	480,422	339,054	(26,966)	-	758,622	-	3,009,165
Institutional support	977,061	242,922	122,533	3,502	-	366,438	-	1,712,456
Operation and maintenance of plant	1,127,833	428,782	271,630	(19,452)	-	1,196,338	-	3,005,131
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	761,320	274,744	206,001	(30,039)	-	837,633	-	2,049,659
Depreciation and amortization	-	-	-	-	-	-	608,320	608,320
<b>Total operating expenses</b>	<b>\$ 4,324,247</b>	<b>1,426,870</b>	<b>939,218</b>	<b>(72,955)</b>	<b>-</b>	<b>3,159,031</b>	<b>608,320</b>	<b>10,384,731</b>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Audit Committee  
Associated Students of California State University, Chico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Associated Students of California State University, Chico (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 16, 2021.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Associated Students of California State University, Chico's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Associated Students of California State University, Chico's internal control. Accordingly, we do not express an opinion on the effectiveness of the Associated Students of California State University, Chico's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Associated Students of California State University, Chico's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS, CONTINUED***

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Associated Students of California State University, Chico's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students of California State University, Chico's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 16, 2021