

Associated Students of California State University, Chico

Chico, California

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITORS' REPORT**

June 30, 2018, With Comparative Totals as of June 30, 2017



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Associated Students of California State University, Chico

TABLE OF CONTENTS

June 30, 2018 and 2017

	<u>Page Number</u>
Independent Auditors' Report	1
 FINANCIAL SECTION	
Statements of Financial Position	4
Statements of Functional Activities and Changes in Net Assets	5
Statements of Cash Flows	7
Notes to the Financial Statements	8
 SUPPLEMENTARY INFORMATION SECTION	
Schedules of Activities of the Auxiliary Activities Fund	21
Schedules of Activity Fee Program Operations	22
Schedules of Student Union Operating Fund Operations	23
Schedules of Source of Funding and Expenses for Sponsored Programs	24
Schedule of Investments and Savings	25
Schedule of Net Position	26
Schedules of Revenues, Expenses, and Changes in Net Position	27
Other Information	28



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Associated Students of California State University, Chico (the Organization), a not-for-profit corporation and a component unit of California State University, Chico, which comprise the statement of financial position as of June 30, 2018; the related statements of functional activities and changes in net assets, and cash flows for the year then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization'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.

INDEPENDENT AUDITORS' REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2017, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 14, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed as supplementary information in the table of contents is presented for purposes of additional analysis as required by the California State University Chancellor's Office 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.

KCoe Isom, LLP

September 13, 2018
Chico, California

FINANCIAL SECTION

Associated Students of California State University, Chico

STATEMENTS OF FINANCIAL POSITION

June 30	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Programs Fund	Student Union Operating Fund	Total All Funds	
								2018	2017
ASSETS									
Cash on hand and in banks	\$ 200,097	\$ -	\$ 2,491	\$ 1,221,062	\$ -	\$ -	\$ 278,135	\$ 1,701,785	\$ 1,373,260
Cash in investments	3,442,958	-	38,122	4,792,022	-	-	4,057,995	12,331,097	13,299,070
Total Cash and Cash Equivalents	3,643,055	-	40,613	6,013,084	-	-	4,336,130	14,032,882	14,672,330
Accounts and other receivables - net	233,158	-	9,794	552,046	100	-	33,857	828,955	373,393
Interfund receivables (payables)	(358,538)	-	-	(70,901)	55,404	-	374,035	-	-
Inventories	-	-	-	114,992	-	-	-	114,992	112,367
Prepaid expenses	12,261	-	-	36,001	-	-	29,840	78,102	70,277
Investments	-	-	1,000,000	1,000,000	-	-	-	2,000,000	2,000,000
Buildings and equipment - net of accumulated depreciation	-	104,204	-	799,283	-	-	1,710,149	2,613,636	2,325,322
Long-term deposits	-	-	-	-	-	-	20,000	20,000	20,000
TOTAL ASSETS	\$ 3,529,936	\$ 104,204	\$ 1,050,407	\$ 8,444,505	\$ 55,504	\$ -	\$ 6,504,011	\$ 19,688,567	\$ 19,573,689
LIABILITIES AND NET ASSETS									
Liabilities									
Accounts payable	\$ 45,256	\$ -	\$ -	\$ 157,368	\$ 672	\$ -	\$ 147,484	\$ 350,780	\$ 311,388
Accrued expenses	199,113	-	-	848,307	30	-	476,758	1,524,208	1,577,840
Deferred revenue	28,982	-	-	186,954	54,802	-	9,045	279,783	145,325
Deposits held for others	-	-	-	-	-	-	-	-	11,086
Postretirement benefit obligation	92,016	-	-	146,012	-	-	168,115	406,143	1,199,691
Total Liabilities	365,367	-	-	1,338,641	55,504	-	801,402	2,560,914	3,245,330
Net Assets									
Unrestricted	3,164,569	104,204	1,050,407	7,105,864	-	-	5,702,609	17,127,653	16,328,359
TOTAL LIABILITIES AND NET ASSETS	\$ 3,529,936	\$ 104,204	\$ 1,050,407	\$ 8,444,505	\$ 55,504	\$ -	\$ 6,504,011	\$ 19,688,567	\$ 19,573,689

The accompanying notes are an integral part of these financial statements.

Associated Students of California State University, Chico

STATEMENTS OF FUNCTIONAL ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Programs Fund	Student Union Operating Fund	Total All Funds	
								2018	2017
UNRESTRICTED NET ASSETS									
Revenues and Other Support									
Wildcat Store, dining services, and other sales	\$ -	\$ -	\$ -	\$ 9,814,847	\$ -	\$ -	\$ -	\$ 9,814,847	\$ 9,659,655
Student activity fees	2,301,902	-	-	-	-	-	-	2,301,902	2,243,176
Return of student union surplus fees	-	-	-	-	-	-	6,132,950	6,132,950	5,267,634
Student programs	70,348	-	-	-	-	-	312,490	382,838	396,806
Sponsored and campus program receipts	-	-	-	-	694,082	10,039	-	704,121	1,009,401
Contract services	108,000	-	-	-	-	-	-	108,000	106,000
Interest income	58,088	-	18,492	89,605	-	-	73,165	239,350	129,459
Gifts	5,402	-	-	-	-	-	-	5,402	4,883
Other income	174,339	12,073	274	427,641	-	-	331,825	946,152	827,998
Total Revenues and Other Support	2,718,079	12,073	18,766	10,332,093	694,082	10,039	6,850,430	20,635,562	19,645,012
Expenses									
Program services:									
Campus and student programs	1,444,217	-	-	-	694,082	-	1,931,695	4,069,994	4,194,023
Community programs	227,195	-	-	-	-	-	-	227,195	279,886
Auxiliary activities - cost of sales	-	-	-	2,982,752	-	-	-	2,982,752	2,966,864
Auxiliary activities - operating costs	-	-	-	4,869,817	-	-	-	4,869,817	4,891,845
Facility operations	-	-	-	-	-	-	1,381,826	1,381,826	1,495,092
Total Program Services	1,671,412	-	-	7,852,569	694,082	-	3,313,521	13,531,584	13,827,710
Supporting services:									
Contract services and operational support costs	683,570	-	-	516,409	-	-	993,000	2,192,979	2,141,053
Facility support costs	-	-	-	1,002,551	-	-	1,554,878	2,557,429	2,093,073
Depreciation expense	24,758	1,436	-	155,880	-	-	391,033	573,107	482,897
Total Support Services	708,328	1,436	-	1,674,840	-	-	2,938,911	5,323,515	4,717,023
Total Expenses	\$ 2,379,740	\$ 1,436	\$ -	\$ 9,527,409	\$ 694,082	\$ -	\$ 6,252,432	\$ 18,855,099	\$ 18,544,733

The accompanying notes are an integral part of these financial statements.

Associated Students of California State University, Chico
STATEMENTS OF FUNCTIONAL ACTIVITIES AND CHANGES IN NET ASSETS
(Continued)

Years Ended June 30	General (Activity Fee) Fund		Plant Fund	Board Designated Fund		Auxiliary Activities Fund		Sponsored Programs Fund		Campus Programs Fund		Student Union Operating Fund		Total All Funds				
														2018	2017			
Increase in Unrestricted Net Assets Before Transfers and Other	\$	338,339	\$	10,637	\$	18,766	\$	804,684	\$	-	\$	10,039	\$	597,998	\$	1,780,463	\$	1,100,279
Transfers																		
Plant fund transfer		(19,944)		19,944		-		-		-		-		-		-		-
Other fund transfers		50,192		-		-		(157,896)		-		(10,039)		117,743		-		-
Other																		
Pension changes other than net periodic benefit cost		(432,969)		-		-		(526,911)		-		-		(853,018)		(1,812,898)		-
Postretirement benefit changes other than net periodic benefit cost		191,183		-		-		302,949		-		-		337,597		831,729		(35,315)
Increase in Unrestricted Net Assets		126,801		30,581		18,766		422,826		-		-		200,320		799,294		1,064,964
Unrestricted Net Assets - Beginning of Year		3,037,768		73,623		1,031,641		6,683,038		-		-		5,502,289		16,328,359		15,263,395
Unrestricted Net Assets - End of Year	\$	3,164,569	\$	104,204	\$	1,050,407	\$	7,105,864	\$	-	\$	-	\$	5,702,609	\$	17,127,653	\$	16,328,359

The accompanying notes are an integral part of these financial statements.

Associated Students of California State University, Chico

STATEMENTS OF CASH FLOWS

Years Ended June 30	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Programs Fund	Student Union Operating Fund	Total All Funds	
								2018	2017
Cash and Equivalents - Beginning of Year	\$ 3,507,113	\$ -	\$ 21,546	\$ 6,581,269	\$ -	\$ 11,086	\$ 4,551,316	\$ 14,672,330	\$ 13,943,198
CASH FLOWS FROM OPERATING ACTIVITIES									
Increase in net assets - net of transfers and other	126,801	30,581	18,766	422,826	-	-	200,320	799,294	1,064,964
Adjustments to reconcile changes in net assets to net cash provided by operating activities:									
Depreciation	-	26,194	-	155,880	-	-	391,033	573,107	482,897
(Gain) Loss on sale or disposal of equipment	-	-	-	556	-	-	(500)	56	(2,075)
Fixed assets purchased by grants	-	(12,073)	-	-	-	-	-	(12,073)	-
(Increase) Decrease due to noncash current assets:									
Receivables - net	(190,473)	-	301	(261,296)	(100)	-	(3,994)	(455,562)	(32,428)
Interfund receivables (payables)	408,082	-	-	(779,804)	39,068	-	332,654	-	-
Inventories	-	-	-	(2,625)	-	-	-	(2,625)	1,562
Prepaid expenses	(1,286)	-	-	(12,072)	-	-	5,533	(7,825)	32,979
Increase (Decrease) due to noncash liabilities:									
Accounts payable	(21,659)	-	-	65,224	665	-	(4,838)	39,392	(41,669)
Accrued expenses	(5,159)	-	-	(34,427)	16	-	(14,062)	(53,632)	52,622
Deferred revenue	(899)	-	-	177,084	(39,649)	-	(2,078)	134,458	(36,902)
Deposits held for others	-	-	-	-	-	(11,086)	-	(11,086)	(195,908)
Postretirement benefit obligation	(179,465)	-	-	(286,043)	-	-	(328,040)	(793,548)	59,472
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	135,942	44,702	19,067	(554,697)	-	(11,086)	576,028	209,956	1,385,514
CASH FLOWS FROM INVESTING ACTIVITIES									
Purchase of equipment	-	(44,702)	-	(13,488)	-	-	(791,714)	(849,904)	(658,457)
Proceeds from sale of equipment	-	-	-	-	-	-	500	500	2,075
NET CASH USED IN INVESTING ACTIVITIES	-	(44,702)	-	(13,488)	-	-	(791,214)	(849,404)	(656,382)
Increase (Decrease) in Cash and Equivalents	135,942	-	19,067	(568,185)	-	(11,086)	(215,186)	(639,448)	729,132
Cash and Equivalents - End of Year	\$ 3,643,055	\$ -	\$ 40,613	\$ 6,013,084	\$ -	\$ -	\$ 4,336,130	\$ 14,032,882	\$ 14,672,330

The accompanying notes are an integral part of these financial statements.

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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

Comparative Financial Information The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Reclassifications Certain amounts in the June 30, 2017, financial statements have been reclassified for comparative purposes to conform to the presentation in the June 30, 2018, financial statements.

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. In accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 958-210-45, *Not-For-Profit Balance Sheet Presentation*, net assets are classified as unrestricted, temporarily restricted, or permanently restricted based on the absence or existence and type of donor-imposed restrictions.

The funds are organized into seven categories as follows:

1. *General (Activity Fee) Fund*: This fund is used to account for activity fee funds and all financial resources except those required to be accounted for in another fund.
2. *Plant Fund*: This fund is used to account for acquisition of physical properties and funds expended and invested in physical properties for the General Fund.

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

3. *Board Designated Fund:* This fund is used to account for all amounts specifically allocated by the Board of Directors to certain programs. These funds have been used for Board of Director approved programs, which primarily benefit students. The Board of Directors designated funds with the intent to allow the funds to grow to a principal balance of \$1 million when the earnings can be used to support student programs and services.
4. *Auxiliary Activities Fund:* This fund is used to account for the operations of ongoing revenue-producing activities. Included in this fund are the operations of the Wildcat Store and dining services.

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

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. *Campus Programs Fund:* This fund accounts for all restricted funds except for Sponsored Program Funds. It includes resources administered by the Organization on behalf of campus organizations (agency accounts).
7. *Student Union Operating Fund:* This fund accounts for the programs and operations of the Bell Memorial Union and the Wildcat Recreation Center buildings.

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

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

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

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Fair Value Measurements The Organization accounts for certain assets and liabilities in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*. The Organization measures some assets for fair value on a recurring basis as described in note 2. The Organization may be required, from time to time, to measure certain assets and liabilities at fair value on a non-recurring basis. These include assets that are adjusted for the lower of cost or market, such as an inventory valuation.

Management determines the appropriate classification of investments at the time of purchase. If management has the intent, and the Organization has the ability at the time of purchase, to hold securities until maturity, they are classified as held to maturity and carried at amortized historical cost. Investments to be held for indefinite periods of time, and not intended to be held to maturity are classified as available for sale and carried at fair value. Investments held for indefinite periods of time include securities that management intends to use as part of its asset and liability management strategy, which may be sold in response to operational needs, changes in interest rates, and other factors.

The Organization classifies its fair value assets and liabilities into a hierarchy of three levels based on the markets in which they are traded and the reliability of the assumptions used to determine fair value. The asset or liability measurement level within the hierarchy is based on the lowest level of any assumption that is significant to the measurement.

Valuations within the hierarchy levels are based upon the following:

Level 1: Quoted market prices for identical instruments traded in active exchange markets.

Level 2: Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3: Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect an organization's estimates of assumptions that market participants would use on pricing an asset or liability. Valuation techniques include management's judgment and estimation which may be significant.

Accounts Receivable Financial instruments that potentially subject the Organization to credit risk are primarily related-party receivables and amounts due from grants. Based on the past payment history, the Organization writes off all balances over 12 months. At June 30, 2018 and 2017, no allowance for doubtful account balances was deemed necessary.

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

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

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Building and Equipment Building and equipment are stated at cost. 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 \$2,500, are capitalized.

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

Deposits Held for Others The Organization administered funds for certain student and related organizations. The deposits held for others represented the amounts of funds held for student and related organizations. The Organization received revenue for administering these funds. During the fiscal year ended June 30, 2017, CSU, Chico, assumed responsibility for administering student organization deposits held for others due to new reporting requirements imposed by the CSU Office of the Chancellor. Therefore, all student organization deposits held for others were paid out to CSU, Chico, prior to June 30, 2017.

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

Shipping and Handling Costs Shipping and handling costs are included in cost of sales.

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.

Evaluation of Subsequent Events Management has evaluated subsequent events through September 13, 2018, the date on which the report was available to be issued.

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

2. FAIR VALUE MEASUREMENTS

The following is a schedule of the Organization's assets by level within the fair value hierarchy.

	Level 1	Level 2	Level 3
Cash in Investments			
Local Agency Investment Fund (LAIF)			
June 30, 2018	\$ -	\$ 12,331,097	\$ -
June 30, 2017	\$ -	\$ 13,299,070	\$ -
Investments			
Brokered certificates of deposit			
June 30, 2018	\$ -	\$ 2,000,000	\$ -
June 30, 2017	\$ -	\$ 2,000,000	\$ -

The fair values of the LAIF pool at June 30, 2018 and 2017, were 99.81% and 99.89%, respectively, of the carrying values and are deemed to not represent a material difference. The LAIF pool includes asset-backed securities representing 2.67% and 2.89% of the total portfolio as of June 30, 2018 and 2017, respectively, which is subject to market risk as interest rates fluctuate.

Brokered certificates of deposits are classified as held to maturity and are recorded at amortized historical cost. Beginning in fiscal years ending 2019 through 2023, \$400,000 will mature annually. Management's intent is to reinvest the funds upon maturity and purchase additional brokered certificates of deposits with five-year maturity terms.

3. INVENTORIES

Inventories consisted of the following:

June 30	2018	2017
Food and supplies	\$ 114,992	\$ 112,367

4. BUILDINGS AND EQUIPMENT - NET

June 30	2018	2017
Building improvements	\$ 2,605,695	\$ 2,363,114
Equipment and furnishings	4,448,295	4,297,191
Vehicles	318,346	319,469
Subtotals	7,372,336	6,979,774
Less: Accumulated depreciation	4,758,700	4,654,452
Buildings and Equipment - Net	\$ 2,613,636	\$ 2,325,322

Depreciation expense charged to operations for the years ended June 30, 2018 and 2017, amounted to \$573,107 and \$482,897, respectively.

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

5. POSTRETIREMENT BENEFIT OBLIGATION

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

The accumulated postretirement benefit obligation is a standardized measure of the present value of postretirement benefits estimated to be payable in the future as a result of employee service to date. The postretirement benefit obligation at June 30, 2018, was computed based on an actuarial valuation performed as of July 1, 2017, with estimates for costs and amortization through June 30, 2018, including consideration of the 2011 postretirement plan amendment.

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

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

June 30	2018	2017
CHANGE IN POSTRETIREMENT BENEFIT OBLIGATION		
Postretirement Benefit Obligation - Beginning of Year	\$ 1,199,691	\$ 1,140,219
Service cost	37,201	63,965
Interest cost	48,988	43,702
Actuarial gain and other adjustments	(869,944)	-
Benefits paid	(9,793)	(48,195)
Postretirement Benefit Obligation - End of Year	\$ 406,143	\$ 1,199,691
FUNDED STATUS		
Postretirement Benefit Obligation - End of Year	\$ 406,143	\$ 1,199,691
Unamortized prior service cost	167,787	209,734
Unrecognized net actuarial loss	(171,096)	(174,828)
Items Not Yet Recognized as a Component of Net Periodic Benefit Cost	(3,309)	34,906
Accrued Benefit Cost	\$ 402,834	\$ 1,234,597
Funded Status - End of Year	\$ (406,143)	\$ (1,199,691)

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The components of net periodic benefit cost are as follows:

June 30	2018		2017	
Net Periodic Benefit Cost				
Service cost	\$	37,201	\$	63,965
Interest cost		48,988		43,702
Amortization of prior service costs		(41,947)		(41,947)
Amortization of net actuarial loss		3,732		6,632
Net Periodic Benefit Cost	\$	47,974	\$	72,352

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, 2018:			
Amortization of prior service cost		\$	(41,947)
Amortization of net actuarial gain			(44,849)
Total Amortization Expected to be Included in Net Periodic Benefit Cost - June 30, 2019		\$	(86,796)

The expected benefits to be paid over the next 10 years are as follows:

Years Ending June 30			
2019		\$	12,205
2020			18,590
2021			21,751
2022			18,948
2023			13,070
2024 - 2028			89,120
Total		\$	173,684

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

June 30	2018		2017
	Pre-65	Post-65	
Weighted Average Assumptions Used to Determine the Benefit Obligation			
Discount rate	3.88%	3.88%	4.10%
Health care cost trend rate assumed for next year	8.10%	4.90%	6.40%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.25%	4.25%	5.00%
Year that the rate reaches the ultimate trend rate	2035	2022	2021

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

6. NET ASSET RESERVES

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

June 30, 2018	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Student Union Operating Fund	Total
Investments in plant and equipment	\$ -	\$ 104,204	\$ -	\$ 799,283	\$ 1,710,149	\$ 2,613,636
Reserve for facilities upgrade	-	-	-	1,200,000	-	1,200,000
Reserve for working capital	360,067	-	-	125,000	1,627,119	2,112,186
Contingency reserve	215,997	-	-	35,000	97,627	348,624
Capital replacement reserve	32,915	-	-	75,000	250,000	357,915
Reserve for allocated funds	-	-	1,050,407	-	-	1,050,407
Future operations reserve	-	-	-	2,500,000	-	2,500,000
Sustainability fund reserve	-	-	-	-	420,602	420,602
Total Net Asset Reserves	608,979	104,204	1,050,407	4,734,283	4,105,497	10,603,370
Available for general purposes	2,555,590	-	-	2,371,581	1,597,112	6,524,283
Total Net Assets	\$ 3,164,569	\$ 104,204	\$ 1,050,407	\$ 7,105,864	\$ 5,702,609	\$ 17,127,653

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

7. STUDENT UNION FEES

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

In spring 1996, a referendum was approved by the students at CSU, Chico, to increase the Student Union fee for funding to expand and remodel the BMU. Additionally, the Organization's Board of Directors approved a project to provide space in the remodeled Student Union for the Wildcat Store. Construction of the projects began in December 1998, with final completion in July 2001, for a total of approximately \$33,433,000 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 \$13,675,120 and \$13,283,273 for the years ended June 30, 2018 and 2017, 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 CSU, Chico, 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.

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

CSU, Chico, held funds as follows:

June 30, 2018

Revenue fund	\$	20,263,392
Repair and replacement funds		2,872,263
Capital replacement fund		2,500,000
Total Funds Held by CSU, Chico	\$	25,635,655

8. RETIREMENT PLANS

California Public Employees' Retirement System (CalPERS)

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

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

- Assets contributed to multi-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 multi-employer plans, it may be required to pay those plans an amount based on the underfunded status of the plans, referred to as a withdrawal liability.

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The following schedule reflects information for the CalPERS plans, in accordance with the most recently available CAFR for the fiscal year ended June 30, 2017:

	Classic	PEPRA
Plan identification number	2178631467	2178631467
Rate plan number	8323	26216
Total plan assets	\$ 10,035,577	\$ 540,878
Accumulated benefit obligation	\$ 11,774,699	\$ 569,874
Funded status	85.2%	94.9%
Organization's contributions represent less than 5% of total contributions to the plan	Yes	Yes
Funding improvement plan or rehabilitation plan	N/A	N/A
Surcharge imposed	No	No

Funding Policy Annually, CalPERS determines the required employer contribution rates for each participating agency. The required employer contribution rates for the Classic plan were 9.287% and 9.768% for years ended June 30, 2018 and 2017, 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 11.287%. The required employer contribution rates for the PEPRA plan were 6.533% and 6.555% for years ended June 30, 2018 and 2017, respectively. PEPRA plan employees are required to contribute 6.250% of their earnings to participate in the CalPERS plan. Expenses recognized for the CalPERS plans amounted to \$669,923 and \$655,705 for the years ended June 30, 2018 and 2017, respectively. The expense recognized for the year ended June 30, 2018, included an unfunded liability payment of \$259,756 and \$2,136 for the Classic and PEPRA plans, respectively. The expense recognized for the year ended June 30, 2017, included an unfunded liability payment of \$252,262 and \$73 for the Classic and PEPRA plans, respectively.

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

Profit Sharing Plans

The Organization also sponsors two 401(k) profit sharing plans with one plan servicing exempt employees and one plan servicing non-exempt employees. The plans cover substantially all employees who attained the age of 21 and completed a minimum of 1,000 hours of service per year. Employees may direct contributions from earnings into the 401(k) profit sharing plans. Employer contributions into the plans are at the discretion of the Board of Directors; there were no contributions in 2018 and 2017. During the 2017 year, the Organization's Board of Directors passed a Board Resolution to terminate both of the 401(k) profit sharing plans effective June 30, 2019. Administrative expenses recognized for the 401(k) profit sharing plans amounted to \$30,204 and \$45,508 for the years ended June 30, 2018 and 2017, respectively.

Associated Students of California State University, Chico

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

9. RELATED-PARTY TRANSACTIONS

Campus Food Service Agreement

Under contract with CSU, Chico, the Organization provides residential dining services for students, in the state-owned residence halls. The contract for 2017-18 provided for reimbursement of all operational costs plus a fixed fee of \$500,000.

Operating Lease and Facility Use Agreements

The Organization operates as an auxiliary organization to CSU, Chico, under an operating lease agreement ending December 31, 2026. An additional miscellaneous services agreement between the Organization and CSU, Chico, provides that \$300,000 plus 2.25% of Wildcat Store and dining services cash operations net sales are payable at the end of each fiscal year, expiring June 30, 2019. As required by the miscellaneous services agreement, CSU, Chico, directs the operating lease payments to the CSU, Chico Research Foundation (the Research Foundation).

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

Information Technology Services

For the years ended June 30, 2018 and 2017, the Organization, by contract, provided information technology services to the Research Foundation.

The following is a schedule of transactions with related parties:

June 30	2018	2017
Transactions With CSU, Chico		
Payments to University for other than salaries of University personnel	\$ 1,511,534	\$ 1,757,978
Payments received from University for services, space, and programs	\$ 14,465,217	\$ 13,085,795
Gifts-in-kind to the University from recognized Auxiliary Organization	\$ 17,799	\$ -
Gifts (cash or assets) to the University from recognized Auxiliary Organization	\$ 483,885	\$ 42,104
Accounts payable to University	\$ (69,481)	\$ (69,023)
Accounts receivable from University	\$ 402,986	\$ 214,930
Other amounts receivable from University	\$ 215,462	\$ 29,257
Transactions With the Research Foundation		
Revenue for information technology services	\$ 108,000	\$ 106,000
Accounts receivable from Research Foundation	\$ 10,969	\$ 2,682
Accounts payable to Research Foundation Athletics for exclusivity agreement	\$ (45,000)	\$ -
Accounts payable to Research Foundation for operating lease and facility use agreements with CSU, Chico	\$ (545,532)	\$ (560,057)

SUPPLEMENTARY INFORMATION SECTION

Associated Students of California State University, Chico

SCHEDULES OF ACTIVITIES OF THE AUXILIARY ACTIVITIES FUND

Years Ended June 30	Wildcat Store	Dining Services			Combined Total	
		Cash Operations	Residence Dining Halls	Total	2018	2017
Sales	\$ -	\$ 4,139,100	\$ 4,704,242	\$ 8,843,342	\$ 8,843,342	\$ 8,615,614
Cost of sales	-	1,593,062	1,389,690	2,982,752	2,982,752	2,966,864
Sales commissions	971,505	-	-	-	971,505	1,044,041
Gross Profit	971,505	2,546,038	3,314,552	5,860,590	6,832,095	6,692,791
Operating Expenses						
Salaries and wages	-	1,288,404	1,790,967	3,079,371	3,079,371	2,883,887
Employee benefits	-	185,230	478,580	663,810	663,810	798,151
Administrative, accounting, and professional	58,162	220,081	238,166	458,247	516,409	496,016
Utilities	52,657	151,117	-	151,117	203,774	197,961
Telephone	8,370	12,213	3,180	15,393	23,763	24,317
Depreciation	17,059	129,518	9,303	138,821	155,880	149,876
Travel and meetings	-	4,965	14,395	19,360	19,360	16,306
Repairs and maintenance	46,097	168,838	26,761	195,599	241,696	227,063
Operating supplies	-	151,211	108,964	260,175	260,175	325,018
Rent	311,191	187,651	-	187,651	498,842	497,012
Contributions to CSU, Chico	344,402	201,130	-	201,130	545,532	560,057
Insurance	13,985	23,798	20,456	44,254	58,239	56,248
Advertising	-	10,767	4,549	15,316	15,316	12,157
Wildcat Store and credit card charges	37	114,619	4,545	119,164	119,201	117,190
Other	1,274	69,692	55,621	125,313	126,587	139,432
Total Operating Expenses	853,234	2,919,234	2,755,487	5,674,721	6,527,955	6,500,691
Income (Loss) From Operations	118,271	(373,196)	559,065	185,869	304,140	192,100
Other income	317,582	199,664	-	199,664	517,246	382,100
Other expenses	-	(13,651)	(3,051)	(16,702)	(16,702)	(15,330)
Other fund transfers	(236,865)	38,584	40,385	78,969	(157,896)	(157,896)
Pension changes other than net periodic benefit cost	-	(526,911)	-	(526,911)	(526,911)	-
Postretirement benefit changes other than net periodic benefit cost	-	302,949	-	302,949	302,949	(12,639)
Increase (Decrease) in Unrestricted Net Assets	\$ 198,988	\$ (372,561)	\$ 596,399	\$ 223,838	\$ 422,826	\$ 388,335

Associated Students of California State University, Chico**SCHEDULES OF ACTIVITY FEE PROGRAM OPERATIONS**

Years Ended June 30	2018	2017
REVENUES		
Activity Fees	\$ 2,301,902	\$ 2,243,176
Programs		
Campus programs	686,654	594,867
Community programs	72,046	61,239
Government affairs	22,347	5,000
Interest income	57,991	31,518
Administrative	49,994	51,731
Total Programs	889,032	744,355
TOTAL REVENUES	3,190,934	2,987,531
EXPENSES		
Programs		
Campus programs	1,720,719	1,488,168
Student programs	80,287	90,078
Community programs	227,195	279,886
Government affairs	318,781	354,230
Administrative	505,613	526,317
TOTAL EXPENSES	2,852,595	2,738,679
Excess Revenues From Operations	338,339	248,852
Other fund transfers	50,192	50,192
Pension changes other than net periodic benefit cost	(432,969)	-
Postretirement benefit changes other than net periodic benefit cost	191,183	(8,020)
Increase in Unrestricted Net Assets	\$ 146,745	\$ 291,024

Associated Students of California State University, Chico**SCHEDULES OF STUDENT UNION OPERATING FUND OPERATIONS**

Years Ended June 30	2018	2017
REVENUES		
Return of Surplus Revenue Funds	\$ 6,132,950	\$ 5,267,634
Revenue From Noncommercial Operations		
Recreation programs	312,490	336,996
Interest income	73,165	37,427
Other income	331,825	324,555
Reimbursements	826,595	824,542
Total Revenue From Noncommercial Operations	1,544,075	1,523,520
TOTAL REVENUES	7,677,025	6,791,154
EXPENSES		
Salaries and wages	2,732,631	2,603,817
Employee benefits	809,565	887,095
Operating expenses:		
Travel	109,135	124,593
Insurance	100,635	50,897
Supplies	201,210	181,484
Communications	54,114	51,669
Printing and advertising	19,458	20,058
Depreciation	391,033	313,076
Accounting and other professional services	993,000	935,940
Repairs and maintenance	656,186	241,869
Program expenses	299,989	346,323
Utilities	596,847	640,539
Other miscellaneous	115,224	111,115
TOTAL EXPENSES	7,079,027	6,508,475
Excess Revenues From Operations	597,998	282,679
Internal transfers	117,743	101,883
Pension changes other than net periodic benefit cost	(853,018)	-
Postretirement benefit changes other than net periodic benefit cost	337,597	(14,656)
Increase in Unrestricted Net Assets	\$ 200,320	\$ 369,906

Associated Students of California State University, Chico**SCHEDULES OF SOURCE OF FUNDING AND EXPENSES FOR SPONSORED PROGRAMS**

Years Ended June 30	2018		2017	
Source of Funding (Direct)				
Federal funds	\$	139,291	\$	146,594
State of California and local governments		513,437		401,007
Total Direct Sources		652,728		547,601
Source of Indirect Cost Reimbursements				
Federal government		9,862		10,310
State of California and local governments		31,492		26,439
Total Indirect Cost Reimbursements		41,354		36,749
Total Funding	\$	694,082	\$	584,350
Direct Expenses				
Personnel services:				
Salaries and wages	\$	331,200	\$	345,388
Employee benefits		125,649		131,107
Operating expenses		195,879		71,106
Total Direct Expenses		652,728		547,601
Indirect Expenses				
Personnel services:				
Salaries and wages		19,734		21,719
Employee benefits		7,485		8,246
Operating expenses		14,135		6,784
Total Indirect Expenses		41,354		36,749
Total Expenses	\$	694,082	\$	584,350

Associated Students of California State University, Chico

SCHEDULE OF INVESTMENTS AND SAVINGS

June 30, 2018	Cost	Market Value	Date of Purchase	Maturity Date	Interest Rate
Short-Term Investment Pools					
Local Agency Investment Fund (LAIF) - State Pool	\$ 12,331,097	\$ 12,331,097	Various	On demand	1.43%
Investments					
Certificates of Deposit	\$ 2,000,000	\$ 2,000,000	Various	Various	1.898%

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

Associated Students of California State University, Chico

SCHEDULE OF NET POSITION

June 30, 2018

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$	1,701,785
Short-term investments		12,331,097
Accounts receivable, net		828,955
Capital lease receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		193,094
Total current assets		<u>15,054,931</u>

Noncurrent assets:

Restricted cash and cash equivalents		-
Accounts receivable, net		-
Capital lease receivable, net of current portion		-
Notes receivable, net of current portion		-
Student loans receivable, net		-
Pledges receivable, net		-
Endowment investments		-
Other long-term investments		2,000,000
Capital assets, net		2,613,636
Other assets		20,000
Total noncurrent assets		<u>4,633,636</u>
Total assets		<u>19,688,567</u>

Deferred outflows of resources:

Unamortized loss on debt refunding		-
Net pension liability		1,812,898
Net OPEB liability		-
Others		-
Total deferred outflows of resources		<u>1,812,898</u>

Liabilities:

Current liabilities:

Accounts payable		350,780
Accrued salaries and benefits		573,261
Accrued compensated absences, current portion		248,845
Unearned revenues		279,783
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		551,494
Total current liabilities		<u>2,004,163</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion		150,608
Unearned revenues		-
Grants refundable		-
Capital lease obligations, net of current portion		-
Long-term debt obligations, net of current portion		-
Claims liability for losses and loss adjustment expenses, net of current portion		-
Depository accounts		-
Net other postemployment benefits liability		406,143
Net pension liability		-
Other liabilities		-
Total noncurrent liabilities		<u>556,751</u>
Total liabilities		<u>2,560,914</u>

Deferred inflows of resources:

Service concession arrangements		-
Net pension liability		-
Net OPEB liability		831,729
Unamortized gain on debt refunding		-
Nonexchange transactions		-
Others		-
Total deferred inflows of resources		<u>831,729</u>

Net Position:

Net investment in capital assets		2,613,636
Restricted for:		
Nonexpendable – endowments		-
Expendable:		
Scholarships and fellowships		-
Research		-
Loans		-
Capital projects		-
Debt service		-
Others		-
Unrestricted		<u>15,495,186</u>
Total net position	\$	<u>18,108,822</u>

Associated Students of California State University, Chico
SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2018
(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Student tuition and fees, gross	\$	8,434,852
Scholarship allowances (enter as negative)		-
Grants and contracts, noncapital:		
Federal		149,153
State		541,416
Local		3,513
Nongovernmental		-
Sales and services of educational activities		-
Sales and services of auxiliary enterprises, gross		10,242,488
Scholarship allowances (enter as negative)		-
Other operating revenues		1,019,388
Total operating revenues		<u>20,390,810</u>
Expenses:		
Operating expenses:		
Instruction		-
Research		-
Public service		227,195
Academic support		-
Student services		3,885,737
Institutional support		1,676,570
Operation and maintenance of plant		2,870,707
Student grants and scholarships		250,254
Auxiliary enterprise expenses		9,371,529
Depreciation and amortization		573,107
Total operating expenses		<u>18,855,099</u>
Operating income (loss)		<u>1,535,711</u>
Nonoperating revenues (expenses):		
State appropriations, noncapital		-
Federal financial aid grants, noncapital		-
State financial aid grants, noncapital		-
Local financial aid grants, noncapital		-
Nongovernmental and other financial aid grants, noncapital		-
Other federal nonoperating grants, noncapital		-
Gifts, noncapital		5,402
Investment income (loss), net		239,350
Endowment income (loss), net		-
Interest expense		-
Other nonoperating revenues (expenses) - excl. interagency transfers		-
Other nonoperating revenues (expenses) - interagency transfers		-
Net nonoperating revenues (expenses)		<u>244,752</u>
Income (loss) before other revenues (expenses)		1,780,463
State appropriations, capital		-
Grants and gifts, capital		-
Additions (reductions) to permanent endowments		-
Increase (decrease) in net position		<u>1,780,463</u>
Net position:		
Net position at beginning of year, as previously reported		16,328,359
Restatements		-
Net position at beginning of year, as restated		<u>16,328,359</u>
Net position at end of year	\$	<u>18,108,822</u>

Associated Students of California State University, Chico

OTHER INFORMATION

June 30, 2018

(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2018:

Portion of restricted cash and cash equivalents related to endowments	\$ -
All other restricted cash and cash equivalents	-
Total restricted cash and cash equivalents	<u>\$ -</u>

2.1 Composition of investments at June 30, 2018:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	\$ -	-	-	-	\$ -
State of California Local Agency Investment Fund (LAIF)	12,331,097	-	12,331,097	-	-	-	12,331,097
Corporate bonds	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	2,000,000	-	2,000,000	2,000,000
Mutual funds	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Repurchase agreements	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-
Asset backed securities	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-
Municipal bonds	-	-	-	-	-	-	-
U.S. agency securities	-	-	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Exchange traded funds (ETFs)	-	-	-	-	-	-	-
Alternative investments:							
Private equity (including limited partnerships)	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Managed futures	-	-	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
Other alternative investment types	-	-	-	-	-	-	-
Other external investment pools (excluding SWIFT)							
None	-	-	-	-	-	-	-
Other major investments:							
None	-	-	-	-	-	-	-
Total investments	<u>12,331,097</u>	<u>-</u>	<u>12,331,097</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>14,331,097</u>
Less endowment investments (enter as negative number)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 12,331,097</u>	<u>-</u>	<u>\$ 12,331,097</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>\$ 14,331,097</u>

2.2 Investments held by the University under contractual agreements at June 30, 2018:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2018 :	-	-	-	-	-	-	-
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Associated Students of California State University, Chico

OTHER INFORMATION

June 30, 2018

(for inclusion in the California State University)

2.3 Restricted current investments at June 30, 2018 related to:

None

Amount
\$ -
Total restricted current investments at June 30, 2018
\$ -

2.4 Restricted noncurrent investments at June 30, 2018 related to:

Endowment investment
Scholarships
Inflation reserves
University projects
None

Amount
\$ -
-
-
-
-
Total restricted noncurrent investments at June 30, 2018
\$ -

2.5 Fair value hierarchy in investments at June 30, 2018:

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	12,331,097	-	-	-	12,331,097
Corporate bonds	-	-	-	-	-
Certificates of deposit	2,000,000	-	2,000,000	-	-
Mutual funds	-	-	-	-	-
Money Market funds	-	-	-	-	-
Repurchase agreements	-	-	-	-	-
Commercial paper	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Equity securities	-	-	-	-	-
Exchange traded funds (ETFs)	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools (excluding SWIFT)					
None	-	-	-	-	-
Other major investments:					
None	-	-	-	-	-
Total investments	\$ 14,331,097	-	2,000,000	-	\$ 12,331,097

Associated Students of California State University, Chico

OTHER INFORMATION

June 30, 2018

(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2018:

	Balance June 30, 2017	Prior Period Adjustments	Reclassifications	Balance June 30, 2017 (Restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2018
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
None	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	2,363,114	-	-	2,363,114	282,938	(40,357)	-	2,605,695
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	4,616,660	-	-	4,616,660	579,039	(429,058)	-	4,766,641
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
None	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	6,979,774	-	-	6,979,774	861,977	(469,415)	-	7,372,336
Total capital assets	6,979,774	-	-	6,979,774	861,977	(469,415)	-	7,372,336
Less accumulated depreciation/amortization:								
Buildings and building improvements	(1,414,675)	-	-	(1,414,675)	(134,752)	39,801	-	(1,509,626)
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(3,239,777)	-	-	(3,239,777)	(438,355)	429,058	-	(3,249,074)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
None	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(4,654,452)	-	-	(4,654,452)	(573,107)	468,859	-	(4,758,700)
Total capital assets, net	\$ 2,325,322	-	-	2,325,322	288,870	(556)	-	2,613,636

Associated Students of California State University, Chico
OTHER INFORMATION
June 30, 2018
(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2018:

Depreciation and amortization expense related to capital assets	\$ 573,107
Amortization expense related to other assets	<u>-</u>
Total depreciation and amortization	<u>\$ 573,107</u>

4 Long-term liabilities activity schedule:

	Balance June 30, 2017	Prior Period Adjustments	Reclassifications	Balance June 30, 2017 (Restated)	Additions	Reductions	Balance June 30, 2018	Current Portion	Long-Term Portion
Accrued compensated absences	\$ 358,831	-	-	358,831	108,341	(67,719)	399,453	248,845	150,608
Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-	-
Capital lease obligations:									
Gross balance	-	-	-	-	-	-	-	-	-
Unamortized premium / (discount) on capital lease obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-	-
Long-term debt obligations:									
Auxiliary revenue bonds	-	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-
Notes payable related to SRB	-	-	-	-	-	-	-	-	-
Others: (list by type)									
None	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-	-
Unamortized bond premium / (discount)	-	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	-	-	-	-	-	-	-	-	-
Total long-term liabilities	<u>\$ 358,831</u>	<u>-</u>	<u>-</u>	<u>358,831</u>	<u>108,341</u>	<u>(67,719)</u>	<u>399,453</u>	<u>248,845</u>	<u>150,608</u>

Associated Students of California State University, Chico
OTHER INFORMATION
June 30, 2018
(for inclusion in the California State University)

5 Future minimum lease payments - Capital lease obligations:

	Capital Lease Obligations Related to SRB			All Other Capital Lease Obligations			Total Capital Lease Obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024 - 2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-	-	-	-
2064 - thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	-	-	-	-	-	-	-	-	-
Less amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium (discount)									-
Total capital lease obligations									-
Less: current portion									-
Capital lease obligations, net of current portion									\$ -

Associated Students of California State University, Chico
OTHER INFORMATION
June 30, 2018
(for inclusion in the California State University)

6 Long-term debt obligations schedule:

	Auxiliary Revenue Bonds			All Other Long-Term Debt Obligations			Total Long-Term Debt Obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	\$ -	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024 - 2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-	-	-	-
2064 - thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	-	-	-	-	-	-	-	-	-
Less amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium (discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									\$ -

Associated Students of California State University, Chico

OTHER INFORMATION

June 30, 2018

(for inclusion in the California State University)

7 Calculation of net position:

7.1 Calculation of net position - Net investment in capital assets

Capital assets, net of accumulated depreciation	\$	2,613,636
Capital lease obligations, current portion		-
Capital lease obligations, net of current portion		-
Long-term debt obligations, current portion		-
Long-term debt obligations, net of current portion		-
Portion of outstanding debt that is unspent at year-end (enter as positive number)		-
Other adjustments: (please list)		-
None		-
Net position - Net investment in capital assets	\$	2,613,636

7.2 Calculation of net position - Restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	\$	-
Endowment investments		-
Other adjustments: (please list)		-
Restricted expendable endowments		-
None		-
Net position - Restricted for nonexpendable - endowments	\$	-

8 Transactions with related entities:

	Amount
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	1,511,534
Payments received from University for services, space, and programs	14,465,217
Gifts-in-kind to the University from discretely presented component units	17,799
Gifts (cash or assets) to the University from discretely presented component units	483,885
Accounts (payable to) University (enter as negative number)	(69,481)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	402,986
Other amounts receivable from University	215,462

9 Other postemployment benefits (OPEB) liability

Intentionally left blank - not required/applicable eff FY17/18

10 Pollution remediation liabilities under GASB Statement No. 49:

Description	Amount
None	\$ -
Total pollution remediation liabilities	\$ -
Less: current portion	-
Pollution remediation liabilities, net of current portion	-

Associated Students of California State University, Chico

OTHER INFORMATION

June 30, 2018

(for inclusion in the California State University)

11 The nature and amount of the prior period adjustment(s) recorded to beginning net position:

	<u>Net Position Class</u>	<u>Amount Dr. (Cr.)</u>
Net position as of June 30, 2017, as previously reported		\$ 16,328,359
Prior period adjustments:		
1 None		-
2 None		-
3 None		-
4 None		-
5 None		-
6 None		-
7 None		-
8 None		-
9 None		-
10 None		-
Net position as of June 30, 2017, as restated		<u>\$ 16,328,359</u>

Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjustment:

	<u>Debit</u>	<u>Credit</u>
Net position class: _____		
1 (breakdown of adjusting journal entry)	\$ -	-
Net position class: _____		
2 (breakdown of adjusting journal entry)	-	-
Net position class: _____		
3 (breakdown of adjusting journal entry)	-	-
Net position class: _____		
4 (breakdown of adjusting journal entry)	-	-
Net position class: _____		
5 (breakdown of adjusting journal entry)	-	-
Net position class: _____		
6 (breakdown of adjusting journal entry)	-	-
Net position class: _____		
7 (breakdown of adjusting journal entry)	-	-
Net position class: _____		
8 (breakdown of adjusting journal entry)	-	-
Net position class: _____		
9 (breakdown of adjusting journal entry)	-	-
Net position class: _____		
10 (breakdown of adjusting journal entry)	-	-

Associated Students of California State University, Chico

OTHER INFORMATION

June 30, 2018

(for inclusion in the California State University)

12 Natural Classifications of Operating Expenses:

	Salaries	Benefits	Scholarships and Fellowships	Supplies and Other Services	Depreciation and Amortization	Total Operating Expenses
Instruction	-	-	-	-	-	-
Research	-	-	-	-	-	-
Public service	140,710	42,334	-	44,151	-	227,195
Academic support	-	-	-	-	-	-
Student services	2,149,899	565,436	-	1,170,402	-	3,885,737
Institutional support	65,542	17,104	-	1,593,924	-	1,676,570
Operation and maintenance of plant	1,413,206	530,923	-	926,578	-	2,870,707
Student grants and scholarships	-	-	-	250,254	-	250,254
Auxiliary enterprise expenses	3,079,371	663,810	-	5,628,348	-	9,371,529
Depreciation and amortization	-	-	-	-	573,107	573,107
Total	6,848,728	1,819,607	-	9,613,657	573,107	18,855,099