

**Associated Students of
California State University, Sacramento**

Sacramento, California

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITORS' REPORT

June 30, 2019 and 2018



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I S O M

Associated Students of California State University, Sacramento

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Associated Students of California State University, Sacramento (ASI), a not-for-profit corporation and a component unit of California State University, Sacramento, which comprise the statements of financial position as of June 30, 2019 and 2018; the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 ASI'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 ASI'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 ASI as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis 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 Team, LLP

September 11, 2019
Chico, California

FINANCIAL SECTION

Associated Students of California State University, Sacramento

STATEMENTS OF FINANCIAL POSITION

| June 30 | 2019 | 2018 |
|--|----------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 11,564,073 | \$ 10,252,308 |
| Accounts receivable - net | 174,329 | 170,749 |
| Interest receivable | 65,281 | 41,825 |
| Student activity fees receivable - held by Sacramento State | 512,737 | 586,573 |
| Deposits and prepaid expenses | 84,169 | 130,128 |
| Inventory | 94,784 | 68,211 |
| Due from related parties | 276,931 | 189,517 |
| Capital assets - net of accumulated depreciation | 1,496,081 | 859,209 |
| TOTAL ASSETS | \$ 14,268,385 | \$ 12,298,520 |
| LIABILITIES | | |
| Accounts payable | \$ 344,171 | \$ 156,779 |
| Accrued payroll and related liabilities | 274,606 | 271,556 |
| Accrued tax liability | 116,000 | 63,079 |
| Due to related parties | 443,987 | 61,232 |
| Funds held for campus organizations | 341,419 | 307,099 |
| Funds held for student organizations | 664,939 | 627,056 |
| Note payable | 241,352 | - |
| Unearned revenue | 1,143,423 | 1,238,208 |
| TOTAL LIABILITIES | 3,569,897 | 2,725,009 |
| NET ASSETS | | |
| Without donor restrictions: | | |
| Board designated | 5,529,435 | 5,252,256 |
| Undesignated | 5,169,053 | 4,321,255 |
| TOTAL NET ASSETS | 10,698,488 | 9,573,511 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 14,268,385 | \$ 12,298,520 |

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

Associated Students of California State University, Sacramento

STATEMENTS OF ACTIVITIES

| Years Ended June 30 | 2019 | 2018 |
|--|----------------------|---------------------|
| Revenues | | |
| Student activity fees | \$ 4,257,612 | \$ 4,169,883 |
| Program service fees | 4,772,484 | 4,696,121 |
| Government grants and contracts | 977,575 | 814,955 |
| Financial service fees | 164,440 | 158,262 |
| Investment income | 236,366 | 123,526 |
| Cash contributions | 236,444 | 163,319 |
| In-kind contributions | - | 5,017 |
| Gain on disposal of capital assets | 16,668 | 300 |
| Other income | 15 | 6,296 |
| Fundraising events | 6,507 | 9,610 |
| Total Revenues | 10,668,111 | 10,147,289 |
| Expenses | | |
| Programs | 7,784,914 | 7,464,232 |
| Administration | 1,702,234 | 1,696,943 |
| Fundraising | 3,065 | 1,056 |
| Total Expenses | 9,490,213 | 9,162,231 |
| Change in net assets before taxes | 1,177,898 | 985,058 |
| Less: Unrelated business income taxes | 52,921 | 156,366 |
| Change in Net Assets | 1,124,977 | 828,692 |
| Net Assets Without Donor Restrictions - Beginning of Year | 9,573,511 | 8,744,819 |
| Net Assets Without Donor Restrictions - End of Year | \$ 10,698,488 | \$ 9,573,511 |

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

Associated Students of California State University, Sacramento

STATEMENTS OF FUNCTIONAL EXPENSES

| Year Ended June 30, 2019 | Programs | Administration | Fundraising | Total |
|----------------------------------|---------------------|---------------------|-----------------|---------------------|
| Advertising and promotion | \$ 49,165 | \$ - | \$ - | \$ 49,165 |
| Bank fees | 81,643 | 13,978 | - | 95,621 |
| Depreciation | 181,454 | - | - | 181,454 |
| Food | 80,991 | 1,371 | - | 82,362 |
| Fundraising | - | - | 3,065 | 3,065 |
| Grant expenses | 46,170 | - | - | 46,170 |
| Grants and other assistance | 492,329 | - | - | 492,329 |
| Insurance | 103,910 | 3,903 | - | 107,813 |
| Noncapital equipment purchases | 99,949 | 80,436 | - | 180,385 |
| Occupancy | 236,622 | 53,611 | - | 290,233 |
| Other expenses | 206,591 | 186,910 | - | 393,501 |
| Outside services | 317,513 | 378,130 | - | 695,643 |
| Printing | 28,610 | - | - | 28,610 |
| Program supplies and materials | 348,440 | 6,003 | - | 354,443 |
| Purchases for resale | 262,514 | - | - | 262,514 |
| Salaries and related expenses | 4,940,046 | 960,803 | - | 5,900,849 |
| Travel and meeting expense | 211,166 | 15,562 | - | 226,728 |
| Vehicle and equipment costs | 97,801 | 1,527 | - | 99,328 |
| Subtotals | 7,784,914 | 1,702,234 | 3,065 | 9,490,213 |
| Unrelated business income taxes | 52,921 | - | - | 52,921 |
| Total Functional Expenses | \$ 7,837,835 | \$ 1,702,234 | \$ 3,065 | \$ 9,543,134 |

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

Associated Students of California State University, Sacramento

STATEMENTS OF FUNCTIONAL EXPENSES

(Continued)

| Year Ended June 30, 2018 | Programs | Administration | Fundraising | Total |
|----------------------------------|---------------------|---------------------|-----------------|---------------------|
| Advertising and promotion | \$ 44,092 | \$ 332 | \$ - | \$ 44,424 |
| Bank fees | 82,329 | 13,093 | - | 95,422 |
| Depreciation | 105,399 | 84,613 | - | 190,012 |
| Food | 101,067 | 2,251 | - | 103,318 |
| Fundraising | - | - | 1,056 | 1,056 |
| Grant expenses | 46,385 | - | - | 46,385 |
| Grants and other assistance | 463,018 | - | - | 463,018 |
| Insurance | 113,523 | 4,304 | - | 117,827 |
| Noncapital equipment purchases | 108,096 | 30,113 | - | 138,209 |
| Occupancy | 212,128 | 44,889 | - | 257,017 |
| Other expenses | 217,774 | 201,097 | - | 418,871 |
| Outside services | 207,084 | 343,391 | - | 550,475 |
| Printing | 37,235 | 59 | - | 37,294 |
| Program supplies and materials | 349,000 | 6,520 | - | 355,520 |
| Purchases for resale | 264,553 | 360 | - | 264,913 |
| Salaries and related expenses | 4,865,282 | 933,896 | - | 5,799,178 |
| Travel and meeting expense | 143,786 | 17,646 | - | 161,432 |
| Vehicle and equipment costs | 103,481 | 14,379 | - | 117,860 |
| Subtotals | 7,464,232 | 1,696,943 | 1,056 | 9,162,231 |
| Unrelated business income taxes | 156,366 | - | - | 156,366 |
| Total Functional Expenses | \$ 7,620,598 | \$ 1,696,943 | \$ 1,056 | \$ 9,318,597 |

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

Associated Students of California State University, Sacramento

STATEMENTS OF CASH FLOWS

| Years Ended June 30 | 2019 | 2018 |
|---|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 1,124,977 | \$ 828,692 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 181,454 | 190,012 |
| Gain on disposal of capital assets | 16,668 | - |
| (Increase) Decrease in: | | |
| Accounts receivable | (3,580) | (24,624) |
| Interest receivable | (23,456) | (21,633) |
| Student activity fees receivable | 73,836 | 47,467 |
| Deposits and prepaid expenses | 45,959 | (34,468) |
| Inventory | (26,574) | 26,921 |
| Due from related parties | (87,413) | (39,694) |
| Increase (Decrease) in: | | |
| Accounts payable | 187,392 | (39,632) |
| Accrued payroll and related liabilities | 3,050 | 44,375 |
| Accrued tax liability | 52,921 | 63,079 |
| Due to related parties | 382,755 | (95,628) |
| Funds held for campus organizations | 34,320 | 41,903 |
| Funds held for student organizations | 37,883 | 14,355 |
| Unearned revenue | (94,785) | 76,969 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 1,905,407 | 1,078,094 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of capital assets | (593,642) | (118,025) |
| Net Increase in Cash and Cash Equivalents | 1,311,765 | 960,069 |
| Cash and Cash Equivalents - Beginning of Year | 10,252,308 | 9,292,239 |
| Cash and Cash Equivalents - End of Year | \$ 11,564,073 | \$ 10,252,308 |
| SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITY | | |
| Gross loss on disposal of capital assets | \$ (37,088) | \$ - |
| Trade-in value received for cost of capital assets acquired | 53,756 | - |
| Gain on Disposal of Capital Assets | \$ 16,668 | \$ - |
| Capital assets acquired | \$ 834,994 | \$ 118,025 |
| Less: Note payable used to acquire capital assets | 241,352 | - |
| Cash Used to Acquire Capital Assets | \$ 593,642 | \$ 118,025 |
| DISCLOSURES OF SUPPLEMENTAL INFORMATION | | |
| Cash paid for unrelated business income taxes | \$ - | \$ 93,287 |
| Capital assets donated through in-kind contributions | \$ - | \$ 5,017 |

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

Associated Students of California State University, Sacramento

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF THE ORGANIZATION

The Associated Students, Inc., of California State University, Sacramento (ASI), a component unit of California State University, Sacramento, is a nonprofit, tax-exempt auxiliary organization of California State University, Sacramento (Sacramento State), organized to administer various student programs and activities. Student activity fees and other program revenues are collected for the support of student related programs and activities. Managed programs include the student body leadership in the Government Office, the Aquatic Center, the ASI Office of Business and Administration, Student Services which includes cap and gown sales, the Children's Center, Peak Adventures, and the Student Engagement and Outreach department.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

ASI is required to classify net assets and revenues, expenses, and gains and losses into two categories, based on the existence or absence of donor-imposed restrictions. The categories are described below:

Net Assets Without Donor Restrictions: Net assets in this category 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 ASI's management and the board of directors.

Net Assets With Donor Restrictions: Net assets in this category are subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ASI or by passage of time. Other donor restrictions are perpetual in nature, whereby the donors have stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported in the statement of activities 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.

Cash and Cash Equivalents ASI invests its excess cash with the State of California Local Agency Investment Fund (LAIF). ASI reports its investment in LAIF at fair value. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, and are recorded on an amortized-cost basis, which is different from the fair value of ASI's position in the LAIF pool. ASI considers highly liquid investments with a maturity of three months or less to be cash and cash equivalents.

Associated Students of California State University, Sacramento

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Fair Value Measurements ASI reports its investments at fair value as described in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. FASB ASC 820 established a single authoritative definition of fair value, sets out a framework of measuring fair value, and requires additional disclosure about fair value measurement of assets such as investments.

The standard establishes a framework for measuring fair value for the investments held by ASI. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation of methodology represent unadjusted quoted prices for identical assets or liabilities in active markets that ASI has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quotes prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Although ASI has funds held in LAIF, they are available for withdrawal on demand and are, therefore, recorded as cash equivalents. LAIF is sponsored by the California State Treasurer and prepares its market value report detailing the carrying cost and estimated fair value for the entire pool. ASI used the multiplier provided by LAIF to determine the estimated fair value of ASI's investment in the pool. ASI's investments in LAIF are measured on a recurring basis throughout the year.

Associated Students of California State University, Sacramento

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Accounts Receivable Accounts receivable is composed of uncollected revenue generated from program activities, grant reimbursements, and administrative fees from ASI's funds held for others. ASI reviews accounts receivable on a monthly basis to determine if any receivables are potentially uncollectible. ASI has recorded an allowance for doubtful accounts in the amounts of \$2,500 and \$2,400 as of June 30, 2019 and 2018, respectively.

Student Activity Fees Receivable – Held by Sacramento State Student activity fees receivable consists of the fees collected by Sacramento State during student registration for the 2019 fall semester. These fees will be remitted to ASI during the subsequent fiscal year. As of June 30, 2019 and 2018, student fees receivable were \$512,737 and \$586,573, respectively.

Conditional Promises to Give Contributions in which eligibility requirements exist, are not recorded until the conditions and eligibility requirements have been met.

Deposits and Prepaid Expenses These amounts are the result of payments made for goods and services to be utilized in future periods.

Inventory ASI inventory is reported at the lower of cost or net realizable value. The first-in, first-out method is used in determining cost. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of disposal. Inventory consists of items such as caps, gowns, bike parts, retail clothing, and accessories for ASI internal programs including Student Services, Peak Adventures, and the Aquatic Center.

Due From Related Parties Due from related parties represents amounts owed to ASI from Sacramento State, University Enterprises, Inc. (UEI); the University Union Operation of California State University, Sacramento, (Union WELL Inc.); and The University Foundation at Sacramento State (UFSS) for goods and services provided by ASI program activities.

Capital Assets Capital assets are stated at cost. It is the policy of ASI to capitalize all furniture and equipment and leasehold improvements costing \$5,000 or more with a useful life greater than one year. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets, typically between 3 and 30 years.

Due to Related Parties Due to related parties represents outstanding billings for administrative services, space management, and catering services provided to ASI programs from Sacramento State, UEI, and Union WELL, Inc.

Funds Held for Campus Organizations ASI acts as a collecting and disbursing agency for several Sacramento State organizations and departments. Funds held for campus organizations are related to deposits received from these organizations and departments. Currently, ASI holds only two of these accounts for Sacramento State, which include the State Hornet and the Jesse Snow accounts.

Funds Held for Student Organizations As a service to Sacramento State affiliated student organizations and programs, ASI acts as a collecting and disbursing agency for over 300 student organizations. These amounts are related to deposits received from these organizations.

Associated Students of California State University, Sacramento

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Unearned Revenue Unearned revenue represents the amount ASI has received in advance of providing the related services. To facilitate preparation for the many classes, camps, courses, and trips provided by Peak Adventures and the Aquatic Center, ASI requires advance registration and payment. Revenue is recognized on the date of the service. Unearned revenue also consists of student activity fees collected by Sacramento State from students during student registration for the fall 2019 semester. Student activity fees are recognized over the period of service.

Student Activity Fees Student activity fees represent mandatory fees assessed by Sacramento State students each semester to support ASI programs. The fees are collected by Sacramento State and remitted to ASI.

Program Service Fees Program service fees are fees ASI receives for providing child care, cap and gown sales, recreational classes, student services, and other activities. The fees are collected by ASI and recognized when earned.

Government Grants and Contracts ASI receives grants primarily from the state of California and from federal agencies. Grants are generally received by ASI on a reimbursement basis and the related revenue is recognized as eligible expenses are incurred.

Financial Service Fees Financial service fees are received for providing accounting and financial services to Union WELL Inc., the University IRA's, the State Hornet, and clubs and organizations.

Advertising ASI expenses advertising costs as incurred. Advertising expenses for the years ended June 30, 2019 and 2018, were \$49,165 and \$44,424, respectively.

Taxes The Internal Revenue Service has granted ASI status as an exempt organization under section 501(c)(3) of the *Internal Revenue Code* (IRC). The ruling provides that ASI is not subject to excise tax under Section 4940(a). Income determined to be unrelated business income is taxable. For fiscal year ended June 30, 2019, ASI accrued \$85,620 federal and \$30,380 state tax liabilities for unrelated business income taxes. For fiscal year ended June 30, 2018, ASI accrued \$49,833 federal and \$13,246 state tax liabilities for unrelated business income taxes.

ASI analyzes whether there is uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. An uncertain tax position can be recognized in the financial statements only if the position is "more likely than not" to be sustained if the position were to be challenged by a taxing authority. ASI's practice is to recognize interest and penalties, if any, related to uncertain tax positions in tax expense. ASI files exempt organization returns in the U.S. federal and California jurisdictions. The federal and state tax returns remain subject to examination by the taxing authorities for three years and four years, respectively. ASI has processes presently in place to ensure the maintenance of its tax-exempt status, its group exemption to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. ASI has determined that there is no impact on the accompanying financial statements related to this standard. There were no uncertain tax positions identified or related interest and penalties recorded as of June 30, 2019, and ASI does not expect this to change significantly over the next 12 months.

Associated Students of California State University, Sacramento

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses The costs of providing various program and supporting activities have been summarized on a functional basis in the statements of activities. The presentation of expenses by function and nature is included in the statements of functional expenses. ASI charges direct expenses incurred for a specific function directly to the program or supporting service category. These costs can be specifically identified as being incurred for the activities of that program or supporting service. Other costs that are incurred by ASI benefit more than one program or supporting service and are allocated on a reasonable basis that is consistently applied. Payroll and related costs are allocated based on estimates of time and effort; other costs including depreciation, occupancy, office costs, computers, and software are allocated based on estimates of usage or benefit received by each program. Expenses that are not directly associated with a program are allocated to administration expenses. ASI reevaluates its allocation method each year to determine if there are adjustments that are necessary to the allocation method based on actual activities conducted during the year.

Implementation of New Accounting Standard In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities – Presentation of Financial Statements of Not-for-Profit Entities*. The update addressed the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASI has adjusted the presentation of the accompanying financial statements accordingly.

Reclassifications Various reclassifications have been made to prior-year financial statements to ensure comparability with the current-year presentation.

Evaluation of Subsequent Events Management has evaluated subsequent events through September 11, 2019, the date the financial statements were available to be issued.

3. CASH AND CASH EQUIVALENTS

As of June 30, 2019 and 2018, cash and cash equivalents represent short-term investments in LAIF in the amounts of \$11,154,351 and \$8,814,515, respectively; funds held at financial institutions in the amounts of \$372,264 and \$1,405,791, respectively; and cash on hand in the amounts of \$37,458 and \$32,002, respectively. The cash balances reported by financial institutions for the years ended June 30, 2019 and 2018, were \$522,032 and \$1,557,888, respectively. The amounts for the years ended June 30, 2019 and June 30, 2018, were in excess of the insured amounts by \$87,079 and \$1,307,888, respectively, based on the limits insured by the Federal Deposit Insurance Corporation.

Associated Students of California State University, Sacramento

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

4. LIQUIDITY AND AVAILABILITY OF ASSETS

The following represents ASI's financial assets:

| June 30 | 2019 | 2018 |
|--|---------------------|---------------------|
| Financial Assets - End of Year | | |
| Cash and cash equivalents | \$ 11,564,073 | \$ 10,252,308 |
| Accounts receivable | 516,541 | 402,091 |
| Student activity fees receivable - held by Sacramento State | 512,737 | 586,573 |
| Total Financial Assets - End of Year | 12,593,351 | 11,240,972 |
| Less: Amounts Not Available to be Used Within One Year | | |
| Board designated net assets | (5,529,435) | (5,252,256) |
| Add back: working capital reserve | 1,535,519 | 1,490,429 |
| Unavailable Board Designated Net Assets | (3,993,916) | (3,761,827) |
| Financial Assets Available to Meet General Expenditures Over the Next Twelve Months | \$ 8,599,435 | \$ 7,479,145 |

In order to manage liquidity, ASI has structured its financial assets to be available as its general expenditures and liabilities become due. As part of its liquidity plan, excess cash is invested in LAIF. ASI is substantially supported by student activity and program services fees, which are unrestricted and are available to meet general expenditure obligations.

Associated Students of California State University, Sacramento

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

5. FAIR VALUE MEASUREMENT

As of June 30, 2019 and 2018, the LAIF pool included structured notes and asset-backed securities, which totaled 1.77% and 2.67%, respectively, of the total portfolio. These structured notes and asset-backed securities are subject to market risk as interest rates fluctuate. As of June 30, 2019 and 2018, the fair value of LAIF was 100.17% and 99.81%, respectively, of the carrying value. There are no LAIF funds invested in derivatives as of June 30, 2019 and 2018. LAIF has oversight by the Local Investment Advisory Board (LIAB), which consists of five members as designated by statute. ASI is considered to be a voluntary participant in the LAIF investment pool.

The following table sets forth by level, within the fair value hierarchy, ASI's assets at fair value:

| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|---------------|--|---|--|---------------|
| June 30, 2019 | | | | |
| LAIF | \$ - | \$ 11,154,351 | \$ - | \$ 11,154,351 |

| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|---------------|--|---|--|--------------|
| June 30, 2018 | | | | |
| LAIF | \$ - | \$ 8,814,515 | \$ - | \$ 8,814,515 |

The investments in LAIF are carried at amortized cost, which is deemed to not represent a material difference from fair value. The fair value methods may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while ASI believes its valuation methods are appropriate and consistent with similar investments, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at June 30, 2019 and 2018.

Associated Students of California State University, Sacramento

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

6. CAPITAL ASSETS

Capital assets consisted of the following:

| June 30 | 2019 | 2018 |
|-------------------------------|---------------------|-------------------|
| Furniture and equipment | \$ 2,232,580 | \$ 1,754,172 |
| Leasehold improvements | 2,270,777 | 2,270,778 |
| Construction work in progress | 208,369 | - |
| Totals | 4,711,726 | 4,024,950 |
| Accumulated depreciation | (3,215,645) | (3,165,741) |
| Capital Assets - Net | \$ 1,496,081 | \$ 859,209 |

Depreciation expense for the fiscal years ended June 30, 2019 and 2018, was \$181,454 and \$190,012, respectively.

ASI leases a parcel of land from the Trustees of the California State University, Sacramento (Trustees), located on its campus for the purpose of operating and maintaining a child care center (Facility). The Facility is required to be used primarily to provide day care services for the children of Sacramento State students, staff, and faculty. The lease agreement terminates on December 31, 2028. ASI has no monetary obligation to the Trustees for rental payments under the terms of the lease agreement; however, ASI financed the construction and operation of the Facility. The costs of construction of the Facility were capitalized as leasehold improvements.

7. NOTE PAYABLE

Note payable consisted of the following:

| June 30 | 2019 | 2018 |
|--|------------|------|
| Note payable to Yankee Finance related to a new fleet of rowing shells for the Aquatic Center. Payments will be made in semi-annual installments of \$20,644 through May 2026, including interest at 5%. The loan is secured by the fleet. | \$ 241,352 | \$ - |

The Capital Crew Booster Club and the Lake Natoma Rowing Association have committed to making contributions to ASI, which are intended to cover the cost of the note payable installments. However, there are certain conditions related to the contributions; consequently, the contributions will be recorded as the note payable installments are paid and as the conditions are met.

Associated Students of California State University, Sacramento

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Future minimum note payable payments are as follows:

| Years Ending June 30 | |
|----------------------|-------------------|
| 2020 | \$ 29,586 |
| 2021 | 31,084 |
| 2022 | 32,658 |
| 2023 | 34,311 |
| 2024 | 36,048 |
| Thereafter | 77,665 |
| Total | \$ 241,352 |

8. LEASE COMMITMENTS

ASI has lease agreements that are renewed annually for office space located in the Union building and Wellness Center, (the WELL). The total rent expense incurred under these operating leases was \$209,379 and \$183,080 for the fiscal years ended June 30, 2019 and 2018, respectively. ASI also leases various copiers under non-cancellable operating leases. The total copier lease payments were \$19,045 and \$9,633 for the fiscal years ended June 30, 2019 and 2018, respectively.

Future minimum lease payments under the operating leases are as follows:

| Years Ending June 30 | |
|----------------------|-------------------|
| 2020 | \$ 223,673 |
| 2021 | 12,195 |
| 2022 | 11,613 |
| 2023 | 9,867 |
| 2024 | 7,864 |
| Total | \$ 265,212 |

Associated Students of California State University, Sacramento

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

9. RELATED-PARTY TRANSACTIONS

For fiscal years ended June 30, 2019 and 2018, ASI earned revenues of \$127,226 and \$123,838, respectively, for providing financial services to the Union WELL Inc., a component unit of Sacramento State.

For fiscal years ended June 30, 2019 and 2018, ASI earned revenues of \$37,213 and \$34,423 respectively, for providing financial services to Sacramento State organizations which include the State Hornet, Alumni Center, and the financial administration of Sacramento State's IRA grants.

Other than those disclosed elsewhere in these financial statements, transactions between the ASI and related organizations during the fiscal years ended June 30, 2019 and 2018, included the payments by ASI to Sacramento State of \$108,962 and \$218,982, respectively, for campus cost recovery services that include administration, telephone, postage, IT support, and utilities; and \$188,309 and \$198,188, respectively, for personnel costs. Sacramento State made payments totaling \$170,487 and \$172,284 for services, space, and programs for the fiscal years ended June 30, 2019 and 2018, respectively. For fiscal years ended June 30, 2019 and 2018, ASI donated \$29,225 and \$29,250 for gifts in-kind to Sacramento State. Public safety charges from the Union WELL, Inc., to ASI for the fiscal years ended June 30, 2019 and 2018, with a charge of \$731 and \$1,736, respectively, for Peak Adventures to cover police calls in the Well building and \$1,706 and \$4,055, respectively, for ASI to cover police calls in the University Union building for the fiscal years ended June 30, 2019 and 2018. Peak Adventures also used the services of Capital Public Radio for advertising during the years ended June 30, 2019 and 2018.

ASI incurred expenses primarily related to catering services by UEI, a component unit of Sacramento State, in the amount of \$11,284 and \$45,763 for the years ended June 30, 2019 and 2018, respectively.

The amount due from related entities is comprised of the following:

| June 30 | | 2019 | | 2018 |
|------------------|----|---------|----|---------|
| Sacramento State | \$ | 266,252 | \$ | 178,825 |
| UEI | | 143 | | - |
| Union WELL, Inc. | | 10,536 | | 10,692 |
| Totals | \$ | 276,931 | \$ | 189,517 |

The amount due to related entities is comprised of the following:

| June 30 | | 2019 | | 2018 |
|------------------|----|---------|----|--------|
| Sacramento State | \$ | 429,767 | \$ | 46,272 |
| UEI | | 13,726 | | 14,960 |
| Union WELL, Inc. | | 494 | | - |
| Totals | \$ | 443,987 | \$ | 61,232 |

Associated Students of California State University, Sacramento

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

10. PENSION PLAN

ASI sponsors a tax-sheltered annuity defined contribution retirement plan (the plan) under IRC, Section 403(b). Participating employees are eligible to join the plan after 1,000 hours of service in each of two consecutive years. Upon joining the plan, employees are eligible for an employer contribution of 10% of gross salary, subject to certain statutory limits. The plan provides 100% immediate vesting. Employer contributions to the plan were \$258,566 and \$196,372 for fiscal years ended June 30, 2019 and 2018, respectively.

SUPPLEMENTARY INFORMATION SECTION

Associated Students of California State University, Sacramento

SCHEDULE OF MANAGED PROGRAMS

June 30, 2019

| | Managed Programs | | | | | | | | | Total Managed Programs |
|-----------------------------------|-----------------------------|-------------------|------------------|---------------------------------|-------------------|-------------------|------------------|---------------------|---------------------|------------------------|
| | Business and Administration | Student Services | Government | Student Engagement and Outreach | Aquatic Center | Children's Center | Peak Adventures | ASI External Grants | Equipment Reserve | |
| REVENUES | | | | | | | | | | |
| Student activity fees | \$ 1,844,474 | \$ - | \$ 800,877 | \$ 577,068 | \$ - | \$ 208,483 | \$ 525,282 | \$ 301,428 | \$ - | \$ 4,257,612 |
| Program service fees | 41,720 | 466,515 | 95 | 35,190 | 3,049,735 | 684,785 | 490,332 | - | 4,112 | 4,772,484 |
| Government grants and contracts | - | - | - | 1,641 | 45,382 | 925,552 | 5,000 | - | - | 977,575 |
| Financial service fees | 164,440 | - | - | - | - | - | - | - | - | 164,440 |
| Investment income | 236,343 | - | - | - | 23 | - | - | - | - | 236,366 |
| Cash contributions | - | - | 10,826 | 76,848 | 147,770 | - | 1,000 | - | - | 236,444 |
| In-kind contributions | - | - | - | - | - | - | - | - | - | - |
| Gain on sale of capital assets | - | - | - | - | 16,668 | - | - | - | - | 16,668 |
| Other income | - | - | - | - | 15 | - | - | - | - | 15 |
| Fundraising events | - | - | - | - | 4,443 | 2,064 | - | - | - | 6,507 |
| Total revenues | 2,286,977 | 466,515 | 811,798 | 690,747 | 3,264,036 | 1,820,884 | 1,021,614 | 301,428 | 4,112 | 10,668,111 |
| EXPENSES | | | | | | | | | | |
| Salaries and related expenses | 960,804 | 123,573 | 234,427 | 351,665 | 1,862,000 | 1,495,339 | 714,081 | 158,960 | - | 5,900,849 |
| Services and supplies | 741,429 | 229,007 | 485,178 | 145,910 | 1,030,129 | 306,228 | 225,744 | 142,468 | 98,752 | 3,404,845 |
| Fundraising expenses | - | - | - | - | 3,065 | - | - | - | - | 3,065 |
| Depreciation | - | - | - | - | 84,343 | 19,317 | 2,855 | - | 74,939 | 181,454 |
| Total expenses | 1,702,233 | 352,580 | 719,605 | 497,575 | 2,979,537 | 1,820,884 | 942,680 | 301,428 | 173,691 | 9,490,213 |
| Change in net assets before taxes | 584,744 | 113,935 | 92,193 | 193,172 | 284,499 | - | 78,934 | - | (169,579) | 1,177,898 |
| Unrelated business income taxes | - | - | - | - | 52,921 | - | - | - | - | 52,921 |
| Change in net assets | \$ 584,744 | \$ 113,935 | \$ 92,193 | \$ 193,172 | \$ 231,578 | \$ - | \$ 78,934 | \$ - | \$ (169,579) | \$ 1,124,977 |

Associated Students of California State University, Sacramento
SCHEDULE OF NET POSITION
June 30, 2019
(for inclusion in the California State University)

| | |
|--|----------------------|
| Assets: | |
| Current assets: | |
| Cash and cash equivalents | \$ 409,722 |
| Short-term investments | 11,154,351 |
| Accounts receivable, net | 1,029,278 |
| Capital lease receivable, current portion | - |
| Notes receivable, current portion | - |
| Pledges receivable, net | - |
| Prepaid expenses and other current assets | 178,953 |
| Total current assets | <u>12,772,304</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 | - |
| Capital assets, net | 1,496,081 |
| Other assets | - |
| Total noncurrent assets | <u>1,496,081</u> |
| Total assets | <u>14,268,385</u> |
| Deferred outflows of resources: | |
| Unamortized loss on debt refunding | - |
| Net pension liability | - |
| Net OPEB liability | - |
| Others | - |
| Total deferred outflows of resources | <u>-</u> |
| Liabilities: | |
| Current liabilities: | |
| Accounts payable | 344,171 |
| Accrued salaries and benefits | 119,496 |
| Accrued compensated absences, current portion | 76,535 |
| Unearned revenues | 1,143,423 |
| Capital lease obligations, current portion | - |
| Long-term debt obligations, current portion | 29,586 |
| Claims liability for losses and loss adjustment expenses, current portion | - |
| Depository accounts | 1,006,358 |
| Other liabilities | 559,987 |
| Total current liabilities | <u>3,279,556</u> |
| Noncurrent liabilities: | |
| Accrued compensated absences, net of current portion | 78,575 |
| Unearned revenues | - |
| Grants refundable | - |
| Capital lease obligations, net of current portion | - |
| Long-term debt obligations, net of current portion | 211,766 |
| Claims liability for losses and loss adjustment expenses, net of current portion | - |
| Depository accounts | - |
| Net other postemployment benefits liability | - |
| Net pension liability | - |
| Other liabilities | - |
| Total noncurrent liabilities | <u>290,341</u> |
| Total liabilities | <u>3,569,897</u> |
| Deferred inflows of resources: | |
| Service concession arrangements | - |
| Net pension liability | - |
| Net OPEB liability | - |
| Unamortized gain on debt refunding | - |
| Nonexchange transactions | - |
| Others | - |
| Total deferred inflows of resources | <u>-</u> |
| Net Position: | |
| Net investment in capital assets | 1,496,081 |
| Restricted for: | - |
| Nonexpendable – endowments | - |
| Expendable: | - |
| Scholarships and fellowships | - |
| Research | - |
| Loans | - |
| Capital projects | - |
| Debt service | - |
| Others | - |
| Unrestricted | 9,202,407 |
| Total net position | <u>\$ 10,698,488</u> |

Associated Students of California State University, Sacramento

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended June 30, 2019

(for inclusion in the California State University)

| | |
|--|----------------------|
| Revenues: | |
| Operating revenues: | |
| Student tuition and fees, gross | \$ 4,257,612 |
| Scholarship allowances (enter as negative) | - |
| Grants and contracts, noncapital: | |
| Federal | 837,526 |
| State | 53,087 |
| Local | 1,962 |
| Nongovernmental | 85,000 |
| Sales and services of educational activities | - |
| Sales and services of auxiliary enterprises, gross | - |
| Scholarship allowances (enter as negative) | 4,772,484 |
| Other operating revenues | 187,615 |
| Total operating revenues | <u>10,195,286</u> |
| Expenses: | |
| Operating expenses: | |
| Instruction | - |
| Research | - |
| Public service | - |
| Academic support | - |
| Student services | 2,366,108 |
| Institutional support | 469,607 |
| Operation and maintenance of plant | 74,592 |
| Student grants and scholarships | 349,861 |
| Auxiliary enterprise expenses | 6,101,512 |
| Depreciation and amortization | 181,454 |
| Total operating expenses | <u>9,543,134</u> |
| Operating income (loss) | <u>652,152</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 | 236,444 |
| Investment income (loss), net | 236,366 |
| Endowment income (loss), net | - |
| Interest expense | - |
| Other nonoperating revenues (expenses) - excl. interagency transfers | 15 |
| Other nonoperating revenues (expenses) - interagency transfers | - |
| Net nonoperating revenues (expenses) | <u>472,825</u> |
| Income (loss) before other revenues (expenses) | 1,124,977 |
| State appropriations, capital | - |
| Grants and gifts, capital | - |
| Additions (reductions) to permanent endowments | - |
| Increase (decrease) in net position | <u>1,124,977</u> |
| Net position: | |
| Net position at beginning of year, as previously reported | 9,573,511 |
| Restatements | - |
| Net position at beginning of year, as restated | <u>9,573,511</u> |
| Net position at end of year | <u>\$ 10,698,488</u> |

Associated Students of California State University, Sacramento

OTHER INFORMATION

June 30, 2019

(for inclusion in the California State University)

1 Cash and cash equivalents:

| | | |
|---|-----------|----------------|
| Portion of restricted cash and cash equivalents related to endowments | \$ | - |
| All other restricted cash and cash equivalents | | - |
| | | - |
| Noncurrent restricted cash and cash equivalents | | - |
| Current cash and cash equivalents | | 409,722 |
| | | 409,722 |
| Total | \$ | 409,722 |

2.1 Composition of investments:

| | <u>Current</u> | <u>Noncurrent</u> | <u>Total</u> |
|--|----------------------|-------------------|----------------------|
| Money market funds | \$ - | \$ - | \$ - |
| Repurchase agreements | - | - | - |
| Certificates of deposit | - | - | - |
| U.S. agency securities | - | - | - |
| U.S. treasury securities | - | - | - |
| Municipal bonds | - | - | - |
| Corporate bonds | - | - | - |
| Asset backed securities | - | - | - |
| Mortgage backed securities | - | - | - |
| Commercial paper | - | - | - |
| Mutual funds | - | - | - |
| Exchange traded funds | - | - | - |
| Equity securities | - | - | - |
| Alternative investments: | | | |
| Private equity (including limited partnerships) | - | - | - |
| Hedge funds | - | - | - |
| Managed futures | - | - | - |
| Real estate investments (including REITs) | - | - | - |
| Commodities | - | - | - |
| Derivatives | - | - | - |
| Other alternative investment types | - | - | - |
| Other external investment pools (excluding SWIFT) | - | - | - |
| Other investments | - | - | - |
| State of California Local Agency Investment Fund (LAIF) | 11,154,351 | - | 11,154,351 |
| State of California Surplus Money Investment Fund (SMIF) | - | - | - |
| | 11,154,351 | - | 11,154,351 |
| Total investments | | | |
| Less endowment investments (enter as negative number) | - | - | - |
| | \$ 11,154,351 | \$ - | \$ 11,154,351 |
| Total investments, net of endowments | \$ 11,154,351 | \$ - | \$ 11,154,351 |

Associated Students of California State University, Sacramento

OTHER INFORMATION

June 30, 2019

(for inclusion in the California State University)

2.2 Fair value hierarchy in investments:

| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Net Asset Value (NAV) |
|--|----------------------|--|---|--|--------------------------|
| Money market funds | \$ - | \$ - | \$ - | \$ - | \$ - |
| Repurchase agreements | - | - | - | - | - |
| Certificates of deposit | - | - | - | - | - |
| U.S. agency securities | - | - | - | - | - |
| U.S. treasury securities | - | - | - | - | - |
| Municipal bonds | - | - | - | - | - |
| Corporate bonds | - | - | - | - | - |
| Asset backed securities | - | - | - | - | - |
| Mortgage backed securities | - | - | - | - | - |
| Commercial paper | - | - | - | - | - |
| Mutual funds | - | - | - | - | - |
| Exchange traded funds | - | - | - | - | - |
| Equity securities | - | - | - | - | - |
| Alternative investments: | | | | | |
| Private equity (including limited partnerships) | - | - | - | - | - |
| Hedge funds | - | - | - | - | - |
| Managed futures | - | - | - | - | - |
| Real estate investments (including REITs) | - | - | - | - | - |
| Commodities | - | - | - | - | - |
| Derivatives | - | - | - | - | - |
| Other alternative investment types | - | - | - | - | - |
| Other external investment pools (excluding SWIFT) | - | - | - | - | - |
| Other investments | - | - | - | - | - |
| State of California Local Agency Investment Fund (LAIF) | 11,154,351 | - | - | - | 11,154,351 |
| State of California Surplus Money Investment Fund (SMIF) | - | - | - | - | - |
| Total investments | \$ 11,154,351 | \$ - | \$ - | \$ - | \$ 11,154,351 |

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.

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

| | Current | Noncurrent | Total |
|--|---------|------------|-------|
| | \$ - | \$ - | \$ - |

Associated Students of California State University, Sacramento

OTHER INFORMATION

June 30, 2019

(for inclusion in the California State University)

3.1 Composition of capital assets:

| | Balance June 30, 2018 | Reclassifications | Prior Period Additions | Prior Period Retirements | Balance June 30, 2018 (Restated) | Additions | Retirements | Transfer of completed CWIP | Balance June 30, 2019 |
|---|--------------------------|-------------------|---------------------------|-----------------------------|--|-------------------|--------------------|-------------------------------|--------------------------|
| Non-depreciable/Non-amortizable capital assets: | | | | | | | | | |
| Land and land improvements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Works of art and historical treasures | - | - | - | - | - | - | - | - | - |
| Construction work in progress (CWIP) | - | - | - | - | - | 208,369 | - | - | 208,369 |
| Intangible assets: | | | | | | | | | |
| Rights and easements | - | - | - | - | - | - | - | - | - |
| Patents, copyrights and trademarks | - | - | - | - | - | - | - | - | - |
| Intangible assets in progress (PWIP) | - | - | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - | - |
| Other intangible assets: | - | - | - | - | - | - | - | - | - |
| Total intangible assets | - | - | - | - | - | - | - | - | - |
| Total non-depreciable/non-amortizable capital assets | - | - | - | - | - | 208,369 | - | - | 208,369 |
| Depreciable/Amortizable capital assets: | | | | | | | | | |
| Buildings and building improvements | - | - | - | - | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - | - |
| Leasehold improvements | 2,270,778 | - | - | - | 2,270,778 | - | - | - | 2,270,778 |
| Personal property: | | | | | | | | | |
| Equipment | 1,754,172 | - | - | - | 1,754,172 | 647,045 | (168,638) | - | 2,232,579 |
| Library books and materials | - | - | - | - | - | - | - | - | - |
| Intangible assets: | | | | | | | | | |
| Software and websites | - | - | - | - | - | - | - | - | - |
| Rights and easements | - | - | - | - | - | - | - | - | - |
| Patents, copyrights and trademarks | - | - | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - | - |
| Other intangible assets: | - | - | - | - | - | - | - | - | - |
| Total intangible assets | - | - | - | - | - | - | - | - | - |
| Total depreciable/amortizable capital assets | 4,024,950 | - | - | - | 4,024,950 | 647,045 | (168,638) | - | 4,503,357 |
| Total capital assets | 4,024,950 | - | - | - | 4,024,950 | 855,414 | (168,638) | - | 4,711,726 |
| Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number) | | | | | | | | | |
| Buildings and building improvements | - | - | - | - | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - | - |
| Leasehold improvements | (1,841,189) | - | - | - | (1,841,189) | (43,611) | - | - | (1,884,800) |
| Personal property: | | | | | | | | | |
| Equipment | (1,324,552) | - | - | - | (1,324,552) | (137,843) | 131,550 | - | (1,330,845) |
| Library books and materials | - | - | - | - | - | - | - | - | - |
| Intangible assets: | | | | | | | | | |
| Software and websites | - | - | - | - | - | - | - | - | - |
| Rights and easements | - | - | - | - | - | - | - | - | - |
| Patents, copyrights and trademarks | - | - | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - | - |
| Other intangible assets: | - | - | - | - | - | - | - | - | - |
| Total intangible assets | - | - | - | - | - | - | - | - | - |
| Total accumulated depreciation/amortization | (3,165,741) | - | - | - | (3,165,741) | (181,454) | 131,550 | - | (3,215,645) |
| Total capital assets, net | \$ 859,209 | \$ - | \$ - | \$ - | \$ 859,209 | \$ 673,960 | \$ (37,088) | \$ - | \$ 1,496,081 |

See accompanying note to the supplementary information.

Associated Students of California State University, Sacramento

OTHER INFORMATION

June 30, 2019

(for inclusion in the California State University)

3.2 **Detail of depreciation and amortization expense:**
 Depreciation and amortization expense related to capital assets
 Amortization expense related to other assets
Total depreciation and amortization

| | | | |
|----|---------|--|---|
| \$ | 181,454 | | - |
| | - | | |
| \$ | 181,454 | | |

4 **Long-term liabilities:**

| | Balance June 30, 2018 | Prior Period Adjustments / Reclassifications | Balance June 30, 2018 (Restated) | Additions | Reductions | Balance June 30, 2019 | Current Portion | Noncurrent Portion |
|--|--------------------------|--|--|------------|--------------|--------------------------|-----------------|-----------------------|
| 1. Accrued compensated absences | \$ 149,434 | \$ - | \$ 149,434 | \$ 147,121 | \$ (141,445) | \$ 155,110 | \$ 76,535 | \$ 78,575 |
| 2. Claims liability for losses and loss adjustment expenses | - | - | - | - | - | - | - | - |
| 3. Capital lease obligations: | | | | | | | | |
| Gross balance | - | - | - | - | - | - | - | - |
| Unamortized net premium/(discount) | - | - | - | - | - | - | - | - |
| Total capital lease obligations | - | - | - | - | - | - | - | - |
| 4. Long-term debt obligations: | | | | | | | | |
| 4.1 Auxiliary revenue bonds (non-SRB related) | - | - | - | - | - | - | - | - |
| 4.2 Commercial paper | - | - | - | - | - | - | - | - |
| 4.3 Notes payable (SRB related) | - | - | - | - | - | - | - | - |
| 4.4 Others: | | | | | | | | |
| Yankee Finance LLC | - | - | - | 241,352 | - | 241,352 | 29,586 | 211,766 |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| Total others | - | - | - | 241,352 | - | 241,352 | 29,586 | 211,766 |
| Sub-total long-term debt | - | - | - | 241,352 | - | 241,352 | 29,586 | 211,766 |
| 4.5 Unamortized net bond premium/(discount) | - | - | - | - | - | - | - | - |
| Total long-term debt obligations | - | - | - | 241,352 | - | 241,352 | 29,586 | 211,766 |
| Total long-term liabilities | \$ 149,434 | \$ - | \$ 149,434 | \$ 388,473 | \$ (141,445) | \$ 396,462 | \$ 106,121 | \$ 290,341 |

Associated Students of California State University, Sacramento

OTHER INFORMATION

June 30, 2019

(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 | Principal and Interest | | Principal Only | Principal and Interest | | Principal Only | Principal and Interest | |
| | | Interest Only | Interest | | Interest Only | Interest | | Interest Only | Interest |
| Year ending June 30: | | | | | | | | | |
| 2020 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2021 | - | - | - | - | - | - | - | - | - |
| 2022 | - | - | - | - | - | - | - | - | - |
| 2023 | - | - | - | - | - | - | - | - | - |
| 2024 | - | - | - | - | - | - | - | - | - |
| 2025 - 2029 | - | - | - | - | - | - | - | - | - |
| 2030 - 2034 | - | - | - | - | - | - | - | - | - |
| 2035 - 2039 | - | - | - | - | - | - | - | - | - |
| 2040 - 2044 | - | - | - | - | - | - | - | - | - |
| 2045 - 2049 | - | - | - | - | - | - | - | - | - |
| Thereafter | - | - | - | - | - | - | - | - | - |
| Total minimum lease payments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Less: amounts representing interest | | | | | | | | | |
| Present value of future minimum lease payments | | | | | | | | | |
| Unamortized net premium/(discount) | | | | | | | | | |
| Total capital lease obligations | | | | | | | | | |
| Less: current portion | | | | | | | | | |
| Capital lease obligations, net of current portion | | | | | | | | | \$ - |

6 Long-term debt obligations schedule:

| | Auxiliary Revenue Bonds (Non-SRB Related) | | | All Other Long-Term Debt Obligations | | | Total Long-Term Debt Obligations | | |
|---|---|------------------------|-------------|--------------------------------------|------------------------|-------------------|----------------------------------|------------------------|-------------------|
| | Principal Only | Principal and Interest | | Principal Only | Principal and Interest | | Principal Only | Principal and Interest | |
| | | Interest Only | Interest | | Interest Only | Interest | | Interest Only | Interest |
| Year ending June 30: | | | | | | | | | |
| 2020 | \$ - | \$ - | \$ - | \$ 29,586 | \$ 11,702 | \$ 41,288 | \$ 29,586 | \$ 11,702 | \$ 41,288 |
| 2021 | - | - | - | 31,084 | 10,205 | 41,289 | 31,084 | 10,205 | 41,289 |
| 2022 | - | - | - | 32,658 | 8,631 | 41,289 | 32,658 | 8,631 | 41,289 |
| 2023 | - | - | - | 34,311 | 6,978 | 41,289 | 34,311 | 6,978 | 41,289 |
| 2024 | - | - | - | 36,048 | 5,241 | 41,289 | 36,048 | 5,241 | 41,289 |
| 2025 - 2029 | - | - | - | 77,665 | 4,914 | 82,579 | 77,665 | 4,914 | 82,579 |
| 2030 - 2034 | - | - | - | - | - | - | - | - | - |
| 2035 - 2039 | - | - | - | - | - | - | - | - | - |
| 2040 - 2044 | - | - | - | - | - | - | - | - | - |
| 2045 - 2049 | - | - | - | - | - | - | - | - | - |
| Thereafter | - | - | - | - | - | - | - | - | - |
| Total minimum payments | \$ - | \$ - | \$ - | \$ 241,352 | \$ 47,671 | \$ 289,023 | \$ 241,352 | \$ 47,671 | \$ 289,023 |
| Less: amounts representing interest | | | | | | | | | (47,671) |
| Present value of future minimum payments | | | | | | | | | 241,352 |
| Unamortized net premium/(discount) | | | | | | | | | - |
| Total long-term debt obligations | | | | | | | | | 241,352 |
| Less: current portion | | | | | | | | | (29,586) |
| Long-term debt obligations, net of current portion | | | | | | 0 | | | \$ 211,766 |

Associated Students of California State University, Sacramento

OTHER INFORMATION

June 30, 2019

(for inclusion in the California State University)

7 Transactions with related entities:

| | | |
|--|----|-------------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs | \$ | 188,309 |
| Payments to University for other than salaries of University personnel | \$ | 108,962 |
| Payments received from University for services, space, and programs | \$ | 170,487 |
| Gifts-in-kind to the University from discretely presented component units | \$ | 29,225 |
| Gifts (cash or assets) to the University from discretely presented component units | \$ | - |
| Accounts (payable to) University (enter as negative number) | \$ | (1,094,706) |
| Other amounts (payable to) University (enter as negative number) | \$ | (341,419) |
| Accounts receivable from University (enter as positive number) | \$ | 266,252 |
| Other amounts receivable from University (enter as positive number) | \$ | 512,737 |

8 Restatements/Prior period adjustments:

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

| |
|-----------------------|
| Debit/(Credit) |
|-----------------------|

Transaction #1 Enter transaction description

Transaction #2 Enter transaction description

Associated Students of California State University, Sacramento

OTHER INFORMATION

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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 | 1,389,578 | 316,278 | - | - | - | 660,252 | - | 2,366,108 |
| Institutional support | - | - | - | - | - | 469,607 | - | 469,607 |
| Operation and maintenance of plant | - | - | - | - | - | 74,592 | - | 74,592 |
| Student grants and scholarships | - | - | - | - | 349,861 | - | - | 349,861 |
| Auxiliary enterprise expenses | 3,579,137 | 615,856 | - | - | - | 1,906,519 | - | 6,101,512 |
| Depreciation and amortization | - | - | - | - | - | - | 181,454 | 181,454 |
| Total operating expenses | \$ 4,968,715 | \$ 932,134 | \$ - | \$ - | \$ 349,861 | \$ 3,110,970 | \$ 181,454 | \$ 9,543,134 |

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

| | |
|--|-------------|
| Deferred outflows - unamortized loss on refunding(s) | \$ - |
| Deferred outflows - net pension liability | - |
| Deferred outflows - net OPEB liability | - |
| Deferred outflows - others: | - |
| | - |
| | - |
| | - |
| | - |
| | - |
| Total deferred outflows - others | - |
| Total deferred outflows of resources | \$ - |

2. Deferred Inflows of Resources

| | |
|--|-------------|
| Deferred inflows - service concession arrangements | \$ - |
| Deferred inflows - net pension liability | - |
| Deferred inflows - net OPEB liability | - |
| Deferred inflows - unamortized gain on debt refunding(s) | - |
| Deferred inflows - nonexchange transactions | - |
| Deferred inflows - others: | - |
| | - |
| | - |
| | - |
| | - |
| Total deferred inflows - others | - |
| Total deferred inflows of resources | \$ - |

Associated Students of California State University, Sacramento

NOTE TO THE SUPPLEMENTARY INFORMATION

BASIS OF PRESENTATION

These schedules are prepared in accordance with the instructions listed in an Administrative Directive, dated June 24, 2003, *Financial Reporting Requirements for Auxiliary Organizations*, from the California State University Office of the Chancellor. As a result, these schedules do not represent financial statements that are prepared in accordance with generally accepted accounting principles generally accepted in the United States of America issued by the Financial Accounting Standards Board.