

# Associated Students, Inc., California State University, Fullerton

Financial Statements and Supplemental Information

Year Ended June 30, 2019



# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Financial Statements and Supplemental Information

Year Ended June 30, 2019

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Associated Students, Inc., California State University, Fullerton

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, Inc., California State University, Fullerton as of June 30, 2019, 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 Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included on pages 20-33 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## INDEPENDENT AUDITORS' REPORT, CONTINUED

### **Emphasis-of-Matter Regarding a Change in Accounting Principle**

As discussed in Note 2 to the financial statements, Associated Students, Inc. California State University, Fullerton adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958); Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 24, 2019

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Statement of Financial Position**

June 30, 2019

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**ASSETS**

Cash	\$	829,588
Accounts receivable, net of allowance for doubtful accounts		317,887
Accounts receivable, related party		495,591
Investments		11,809,673
Furniture and equipment, net of accumulated depreciation		950,144
Other assets		<u>178,703</u>
Total Assets	\$	<u><u>14,581,586</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities:

Accounts payable	\$	300,069
Related party payable		610,647
Accrued expenses		1,120,489
Deferred revenue		139,552
Funds held for others		752,128
Unfunded pension obligation		8,061,684
Unfunded post-retirement liability		<u>1,071,695</u>
Total Liabilities		<u>12,056,264</u>

Net Assets:

Without donor restrictions:		
Undesignated		(230,441)
Board designated		<u>2,680,943</u>
Total Without Donor Restrictions		2,450,502
With donor restrictions:		<u>74,820</u>
Total Net Assets		<u>2,525,322</u>
Total Liabilities and Net Assets	\$	<u><u>14,581,586</u></u>

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON****Statement of Activities**

Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support:			
Student activity fees	\$ 14,478,001	\$ -	\$ 14,478,001
In-kind contribution of facilities	6,676,714	-	6,676,714
Student center fees	1,363,449	-	1,363,449
Children's Center tuition	807,163	-	807,163
Grants and contributions	652,724	20,752	673,476
Investment income	513,521	-	513,521
Administrative fees	211,925	-	211,925
Other	88,798	-	88,798
Net assets released from restrictions	<u>13,826</u>	<u>(13,826)</u>	<u>-</u>
Total Revenue and Support	24,806,121	6,926	24,813,047
Expenses:			
Program Services:			
Student services	11,491,300	-	11,491,300
Student recreation center	4,817,174	-	4,817,174
Children's Center	<u>2,801,957</u>	<u>-</u>	<u>2,801,957</u>
Total Program Expenses	19,110,431	-	19,110,431
Supporting services:			
Building services	2,389,092	-	2,389,092
Public services	308,144	-	308,144
General and administrative	<u>3,405,089</u>	<u>-</u>	<u>3,405,089</u>
Total Supporting Services	<u>6,102,325</u>	<u>-</u>	<u>6,102,325</u>
Total Expenses	<u>25,212,756</u>	<u>-</u>	<u>25,212,756</u>
Change in Net Assets	(406,635)	6,926	(399,709)
Net Assets, beginning	<u>2,857,137</u>	<u>67,894</u>	<u>2,925,031</u>
Net Assets, ending	<u>\$ 2,450,502</u>	<u>\$ 74,820</u>	<u>\$ 2,525,322</u>

See accompanying notes to financial statements.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Statement of Functional Expenses**

Year Ended June 30, 2019

	Program Services				Supporting Services			
	Student Services	Student Recreation Center	Children's Center	Total Program	Building Services	Public Services	General and Administrative	Total
Salaries	\$ 1,771,111	\$ 1,200,030	\$ 1,367,985	\$ 4,339,126	\$ 672,830	\$ 107,756	\$ 1,456,203	\$ 6,575,915
Employee benefits and taxes	909,439	456,727	751,569	2,117,735	546,594	6,669	870,280	3,541,278
Total Personnel	2,680,550	1,656,757	2,119,554	6,456,861	1,219,424	114,425	2,326,483	10,117,193
Assets transferred to the University	-	-	-	-	88,517	-	-	88,517
Awards and scholarships	2,185,386	-	-	2,185,386	-	-	56,076	2,241,462
Communications	15,852	9,978	4,851	30,681	5,052	463	26,289	62,485
Contracts and rentals	1,058,722	41,490	4,247	1,104,459	173,357	148,540	309,060	1,735,416
Depreciation	78,976	57,924	112	137,012	14,107	-	674	151,793
Dues and fees	21,609	40,190	5,391	67,190	65	1,108	185,519	253,882
In-kind rent for facilities	3,935,849	2,168,244	371,284	6,475,377	72,720	-	128,617	6,676,714
Insurance	111,145	60,263	8,455	179,863	782	-	3,803	184,448
Office and supplies	265,430	140,470	93,770	499,670	115,137	28,344	57,474	700,625
Other	18,179	-	-	18,179	-	-	40,818	58,997
Professional fees	504,386	341,221	5,475	851,082	9,280	-	49,702	910,064
Repairs and maintenance	39,258	81,711	159,359	280,328	674,402	1,423	72,946	1,029,099
Staff development	8,786	3,174	-	11,960	4,625	15	67,703	84,303
Travel	224,314	16,454	1,825	242,593	5,330	13,826	69,566	331,315
Utilities	342,858	199,298	27,634	569,790	6,294	-	10,359	586,443
Total Expenses	<u>\$ 11,491,300</u>	<u>\$ 4,817,174</u>	<u>\$ 2,801,957</u>	<u>\$ 19,110,431</u>	<u>\$ 2,389,092</u>	<u>\$ 308,144</u>	<u>\$ 3,405,089</u>	<u>\$ 25,212,756</u>

See accompanying notes to financial statements.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Statement of Cash Flows**

Year Ended June 30, 2019

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Cash Flow from Operating Activities:

Change in net assets	\$ (399,709)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	151,793
Unrealized gain	(200,035)
Change in assets and liabilities:	
Receivables	392,471
Related party receivables	(350,080)
Other assets	(21,362)
Accounts payable	(409,379)
Related party payables	36,766
Accrued expenses	14,918
Deferred revenue	79,010
Funds held for others	137,472
Pension obligation	855,935
Unfunded post-retirement liability	367,062
	<hr/>
Net Cash Provided by Operating Activities	654,862

Cash Flow from Investing Activities:

Purchase of equipment	(395,407)
Sale of investments	7,038,015
Purchase of investments	(6,873,556)
	<hr/>
Net Cash Used by Investing Activities	(230,948)

Net Increase in Cash 423,914

Cash, beginning 

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405,674

Cash, ending \$ 829,588

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Year Ended June 30, 2019

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### Note 1 - Organization

Associated Students, Inc. California State University, Fullerton (ASI), is a California public benefit corporation which is an auxiliary organization to California State University, Fullerton (University). The purpose of ASI is to further educational services and related activities of the students of the University. Student activity fees and other revenue are collected to support student-related programs and to acquire assets for the benefit of the student body. ASI consists of two departments, Associated Students and Titan Student Center.

ASI's financial statements are presented by major program activities. The major programs are:

#### *Student Services*

ASI advises, supports and oversees the functions of student government as well as a variety of student programs. Additionally, ASI plans and implements a variety of student leader development, training, and retreat programs hosted throughout the year. The Leader and Program Development (LPD) department aids student government and student leaders, including the Board of Directors, Executive Officers, the Titan Student Center Board of Trustees, and the Inter-Club Councils, in navigating their experiences in ASI and serving the students of the University.

ASI provides expertise in event and activity planning and implementation. Additionally ASI advises student leaders on budget and finance, and monitors the campus funding/funded councils, organizations, and clubs receiving funding from ASI. ASI is also responsible for administering and overseeing a variety of programs and services, including the University recognized club offices and storage, Student Research Grants, and a legal referral services program provided by the College Legal Clinic.

#### *Student Recreation Center*

The Student Recreation Center (SRC) features a cardio floor, weight room, thirty-five-foot-high rock wall, indoor jogging track, outdoor swimming pool, and 22,000 square feet of gymnasium space. Titan Recreation, the recreational arm of ASI, offers aquatics, personal training, instructional fitness, rock climbing training, and intramural sports. With the addition of the F45 fitness classes and Outdoor Adventure programs the SRC continues to expand to meet the needs of a growing student population.

University students who have paid the Student Center fee receive access to the SRC and all the programs offered by Titan Recreation. Memberships are also available to the rest of the campus community and alumni.

#### *Child Care Center*

The Child Care Center (Center) provides top-quality care and an exceptional educational program for the children of University students, faculty, and staff. It serves the fundamental purpose of making higher education accessible to student parents by offering affordable and quality child care. The Center also provides subsidized childcare for low-income students, which enables many to attend who otherwise could not afford or arrange for childcare.

Currently, the Center serves 136 children enrolled in daycare programs. The Center employees 117 University students who are all appropriately trained in early childhood education practices. Other students earn academic credit while completing internships. University faculty regularly refer students to complete projects and observations at the Center resulting in over 984 University students serving the center annually in addition to our student staff, interns, and student parents.

With University support, the Center is able to provide care to children of faculty and staff. Many of the children's parents volunteer for eight hours or more per semester. The parent volunteers provide approximately 1,200 hours of service each year.

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Year Ended June 30, 2019

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### Note 1 - Organization, continued

ASI's financial statements also include supporting services in the following categories:

#### *Building Services*

Provides all maintenance of ASI's three facilities and surrounding grounds as delineated in the campus agreement. The Building Engineering department is responsible for maintenance of facilities and building systems, custodial services, landscape maintenance, and leaseholder improvements. Building Engineering coordinates with University Facilities to oversee appropriate maintenance of fire/life safety systems, elevator maintenance, and access to utilities. ASI reimburses the University for any costs associated with facility maintenance, improvement, and utilities.

#### *Public Services*

ASI supports the University Arboretum which is the botanical garden located on campus, by providing financial support to employ student employees. Additionally, ASI provides programming services to external stakeholders through our summer youth camp programs as well as Camp Titan and Learn to Swim programs year-round.

#### *General and Administrative*

Administration of ASI includes oversight of all departments as well as risk management, strategic planning, assessment, and compliance with CSU and University regulations and California non-profit corporate law. ASI administration includes Human Resources, Financial Services, Building Engineering, and IT Services.

ASI and the University have entered into a Memorandum of Understanding (MOU) to provide accounting services to the Intercollegiate Athletic Program. The services provided by ASI under the terms of the agreement include, but are not limited to: NCAA audit assistance, process and issue payments for scholarships, travel, student grants, personnel expenses, and the issuance of financial reports. Funds are advanced by ASI to cover expenses and are reimbursed monthly plus a service interest fee from the campus. At the end of the fiscal year there may be a "Due from the University" balance shown on ASI's financial statements reflecting a balance owed to ASI and collected in the following fiscal year. ASI processes payments that are generated and approved by the University and Athletics, therefore ASI does not record expenses related to this activity.

ASI and the University have entered into a MOU to provide accounting services to the California State University, Fullerton's Instructionally Related Activities (IRA). The services provided by ASI under the terms of the agreement include, but are not limited to: promotional, operational, and general services and materials. Such services and materials include budget preparation and coordination, accounting services, administrative and fiscal support to IRA accounts and the University IRA Advisory Committee. It is management's belief that ASI is acting as an agent for these transactions therefore, these activities are not recorded in the statement of activities. The remaining balance of these funds is included in Funds Held for Others on the statement of financial position.

### Note 2 - Summary of Significant Accounting Policies

#### New Accounting Pronouncement

ASI adopted ASU No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three. The guidance also enhances disclosures for board designation amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification. ASI has adjusted the presentation of these statements accordingly.

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Year Ended June 30, 2019

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### Note 2 - Summary of Significant Accounting Policies, continued

#### Basis of Presentation

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

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of ASI. 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 subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ASI or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. ASI did not have any donor restrictions that were perpetual in nature for the year ended June 30, 2019.

#### Estimates

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

#### Fair Value of Financial Instruments

ASI's financial instruments, none of which are held for trading purposes, include cash, receivables, and accounts payable. ASI estimates that the fair value of all of these nonderivative financial instruments at June 30, 2019 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

#### Accounts Receivable

Account receivables are stated at unpaid balances, less an allowance for doubtful accounts. ASI provides for losses on account receivables using the allowance method. The allowance is based on the length of time the receivable has been outstanding and management's estimate of collectability. There was a \$5,000 allowance for doubtful accounts at June 30, 2019.

#### Investment Valuation and Income Recognition

ASI's investments are stated at fair value in the statement of financial position, with all gains and losses included in the statement of activities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the statement of financial position date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains or losses on the sale of marketable securities are calculated using the specific-identification method. Unrealized gains and losses represent the change in the fair value of the individual investments for the year, or since the acquisition date, if acquired during the year.

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Year Ended June 30, 2019

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### Note 2 - Summary of Significant Accounting Policies, continued

#### Furniture and Equipment

Legal title to the Titan Student Union building, recreational center, and Children's Center building are retained by the California State University Board of Trustees. Initial furnishings and equipment were purchased by the University. Accordingly, the related assets and liabilities are excluded from ASI's financial statements. Any purchases following the opening that are for building or building improvements are paid for by ASI and subsequently transferred to the University for capitalization according to the University policy. Any purchases of equipment or furniture are purchased by ASI and recorded as furniture and equipment on ASI's financial statement according to ASI's capitalization policy.

ASI capitalizes all furniture and equipment with a normal useful life of at least one year and costing \$5,000 or more if purchased, or at fair value as of the date of receipt, if donated. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets, which range from three to twenty years. Repairs and maintenance expenses are capitalized if they extend the useful life or enhance the value of the asset and are over \$5,000.

#### Funds Held for Others

Funds held for others consists of amounts that are included in cash and investments of ASI but belong to other related organizations. The amounts are reported as an asset and a liability for the same amount. No revenue or expenses are recognized for these activities.

#### Revenue Recognition

*Student activity fees* – Students are required to pay an Associated Student Body (ASB) fee each semester. Of these fees, specific amounts are designated for Associated Students, the Titan Student Center, and Athletics. The ASB fees are recognized as revenue when they are received from the University, net of any University fees and bond payments. The California State University Board of Trustees has the right of first call on these funds for revenue bond debt service requirements and repairs and replacement of assets. The remaining funds are available for use in the operations of ASI. Any fees that are received in advance of the school year are recorded as deferred revenue.

*In-kind contribution of facilities* – As noted in Note 10, ASI is provided the use of the Titan Student Union, Recreation Center, and Children's center at no cost. GAAP requires an estimate of the value of the space contributed to ASI be recorded as revenue and expense. The amount recorded was based on the total square footage of each facility and a cost per square foot estimate.

*Grants and Contributions* – Grant revenue is recognized in the period in which the related work is performed in accordance with the terms of the grant. Grants receivable are recorded when revenue earned under a grant or contract exceeds the cash received. Deferred revenue is recorded when cash received under a grant or contract exceeds the revenue earned. No allowance for doubtful accounts has been recorded as management believes that all amounts are collectible.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Year Ended June 30, 2019

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### Note 2 - Summary of Significant Accounting Policies, continued

#### Functional Expense Allocations

The cost of providing program and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. All other expenses are directly charged to the programs or support services benefited.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Pension benefits	Full time salaries
Insurance and utilities	Square footage
Depreciation	Function usage
Custodial services	Square footage

#### Income Taxes

ASI is a qualified nonprofit organization that 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. However, ASI remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

ASI follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. ASI recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that ASI has no uncertain tax positions at June 30, 2019 and therefore, no amounts have been accrued.

#### Subsequent Events

ASI has evaluated subsequent events through September 24, 2019, which is the date the financial statements were available to be issued.

### Note 3 - Liquidity and Availability

The following reflects ASI's financial assets at June 30, 2019, less amounts not available for general use due to donor or board restrictions.

Financial assets at year end:	
Cash	\$ 829,588
Accounts receivable	813,478
Investments	11,809,673
Total financial assets	<u>13,452,739</u>
Less amounts not available for general use:	
Donor restricted for non-operating purposes	(74,820)
IRA cash	(126,026)
IRA receivables	(425,073)
Board designated funds	<u>(2,680,943)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,145,877</u>

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Year Ended June 30, 2019

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### Note 3 - Liquidity and Availability

ASI reserve funds are maintained to address the long-term financial needs of the organization and include Undesignated, Children Center, Working Capital, and Restricted (Scholarships) Funds. In addition, ASI continues to meet the need to fund ASI's unfunded pension obligations through the maintenance of the reserve funds. ASI has a goal to have the working capital reserve fund balance equal to 15% of the operating budget. These funds can be re-designated upon the approval of the board of directors should the funds be needed for other purposes. There are also funds held by the University that can be used for repairs and maintenance of ASI's facilities.

### Note 4 - Investments

#### Fair Value Measurements

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

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

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value.

Local Agency Investment Fund (LAIF) – invested with the State of California which pools these funds with other governmental agencies and invests in various investment vehicles. These pooled funds approximate fair value and are carried at net asset value. Regulatory oversight is provided by the State Pooled Money Investment Board and the Local Investment Advisory Board.

Cash and Equivalents – Includes cash and money market funds valued at cost plus accrued interest.

Mutual Funds – Valued at quoted market prices in active markets which approximates fair value.

Fixed Income – Valued at cost plus interest, which approximates fair value.

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Year Ended June 30, 2019

### Note 4 - Investments, continued

	Assets at Fair Value as of June 30, 2019				
	Level 1	Level 2	Level 3	NAV	Total
Cash and cash equivalents	\$ 154,009	\$ -	\$ -	\$ -	\$ 154,009
Fixed income	-	1,051,358	-	-	1,051,358
Mutual funds:					
Large growth	1,077,723	-	-	-	1,077,723
Large value	274,716	-	-	-	274,716
Large core	535,026	-	-	-	535,026
Small growth	32,851	-	-	-	32,851
Mid core	31,149	-	-	-	31,149
Mid growth	14,190	-	-	-	14,190
LAIF	-	-	-	8,638,651	8,638,651
	<u>\$ 2,119,664</u>	<u>\$ 1,051,358</u>	<u>\$ -</u>	<u>\$ 8,638,651</u>	<u>\$ 11,809,673</u>

Commitments and redemption schedules for those investments' value based on net asset values are as follows:

Description	Fair value	Unfunded Commitments	Redemption frequency	Redemption notice
Local Agency Investment Fund	\$ 8,638,651	\$ -	n/a	n/a

### Note 5 - Furniture and Equipment

The following is a summary of furniture and equipment as of June 30, 2019:

Furniture and equipment	\$ 2,804,959
Less accumulated depreciation	<u>(1,854,815)</u>
	<u>\$ 950,144</u>

### Note 6 - Pension Plan

ASI participates in a cost sharing multiple-employer defined benefit plan through the California Public Employees' Retirement System (CalPERS) which covers substantially all regular full-time employees of ASI. CalPERS acts as a common investment and administrative agent for participating public entities with the state of California and reports information to ASI.

CalPERS released information providing ASI with a net pension liability measured as of June 30, 2018. This estimate was used to record the unfunded liability at June 30, 2019.

Qualified employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. Individual employers may sponsor more than one Miscellaneous or Safety plan. ASI sponsors three Miscellaneous Risk Pool plans, however, the information presented represents the sum of the allocated pension amounts for each of ASI's respective plans (the Plan). The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Year Ended June 30, 2019

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### Note 6 - Pension Plan, continued

#### Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to eligible plan members. Benefits are based on years of service credit, a benefit factor and the member's final compensation. All members are eligible for employment related disability benefits regardless of length of service and non-duty disability benefits after 5 years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is a lump sum paid to any member's beneficiary if the member dies while actively employed. The spouse or registered domestic partner of a deceased member, who was eligible to retire for service at the time of death, may elect to receive the Pre-Retirement Option 2W Death Benefit in lieu of the Basic Death Benefit lump sum. The Pre-Retirement Option 2W Death Benefit is a monthly allowance equal to the amount the member would have received if he/she had retired for service on the date of death and elected Option 2W, the highest monthly allowance a member can leave a spouse or domestic partner. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The First Tier Plan closed to new entrants on or after June 26, 2011. The Second Tier Plan was closed to new entrants on or after December 31, 2012.

The Plan provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous Risk Pool		
	First Tier Plan	Second Tier Plan	PEPRA Misc Plan
		June 26, 2011 -	
	On or Before	December 31,	On or after January
Hire date	June 25, 2011	2012	1, 2013
Benefit formula	2% at 55	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	60	62
Required employee contribution rate	5.000%	5.000%	7.000%
Required employer contribution rate	13.381%	11.668%	7.831%

#### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are determined annually through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. ASI is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2019 are presented above and the total ASI contributions were \$652,824, which are not included in the unfunded liability as they were made after the valuation date.

#### Pension Liabilities and Pension Expense

As of June 30, 2019, ASI reported net pension liabilities totaling \$8,061,684. The net pension liability was measured as of June 30, 2018. ASI's net pension liability was based on a projection of ASI's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018 ASI's proportion was .0013279.

## ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

### Notes to Financial Statements

Year Ended June 30, 2019

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#### Note 6 - Pension Plan, continued

##### Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2018 measurement period was determined by an actuarial valuation as of June 30, 2018. The June 30, 2018 total pension liability was based on the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Actuarial Assumptions:	
Discount rate	7.00%
Consumer price inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of mortality improvement using Scale BB published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The target allocation and best estimates of long-term expected real rate of return by asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10	Real Return Years 10+
Global equity	50%	4.80%	5.98%
Fixed income	28%	1.00%	2.62%
Inflation assets	0%	0.77%	1.81%
Private equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%

##### Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Year Ended June 30, 2019

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### Note 6 - Pension Plan, continued

#### Discount Rate, continued

The following presents ASI's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.00%)	\$ 11,600,642
Current discount rate (7.00%)	\$ 8,061,684
1% increase (8.00%)	\$ 5,159,419

#### Plan Fiduciary Net Position

Detailed information about CalPERS Miscellaneous Risk Plan fiduciary net position is available in a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

### Note 7 - Post Retirement Health Benefit Plan

In addition to providing pension benefits, ASI sponsors a defined benefit postretirement medical plan. Employees are eligible for certain medical benefits under the plan if they meet certain age and service requirements at the time of retirement. ASI accrues actuarially determined costs ratably to the date an employee becomes eligible for such benefits. The following tables set forth further information about ASI's postretirement health benefit plan obligation and funded status as of June 30, 2019.

Projected benefit obligation at June 30, 2019	\$ (5,549,043)
Plan assets at fair value at June 30, 2019	<u>4,477,348</u>
Funded status at end of year	<u>\$ (1,071,695)</u>
Employer contributions	<u>\$ -</u>
Benefits paid	<u>\$ 276,000</u>

Amounts recognized in the statement of activities at June 30, 2019 consist of:

Service cost	\$ 265,602
Interest cost	211,015
Actuarial gain	262,020
Benefits paid	(276,000)
Asset return	<u>371,575</u>
	<u>\$ 834,212</u>

Weighted-average assumptions used to determine benefit obligations as of June 30, 2019:

Discount rate	3.50%
Expected long-term return on plan assets	6.00%
Rate of compensation	N/A
Health care cost trend rate assumed for next year	3.00%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	1.00%
Year that the rate reaches the ultimate trend rate	2024

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Year Ended June 30, 2019

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### Note 7 - Post Retirement Health Benefit Plan, continued

Expected future benefit payments expected to be paid during the year ending June 30:

Year ending June 30,	
2020	\$ 270,324
2021	290,425
2022	297,928
2023	300,700
2024	303,307
2025	309,591
2026	317,042
2027	319,104
2028	331,674
2029	328,736

The following presents ASI's accrued postretirement benefit obligation calculated using the current medical cost trend rate as well as what the accrued postretirement benefit obligation would be if it were calculated using a rate that is one percent lower or higher than the current rate:

Discount Rate	Projected Benefit Obligation
1% decrease (2.00%)	\$ (5,426,337)
Current discount rate (3.00%)	\$ (5,549,043)
1% increase (4.00%)	\$ (5,674,348)

### Note 8 - Net Assets

Included in ASI's net assets without donor restrictions are board designated reserve funds. Reserve funds are accounts that have been created by the board of directors for specific purposes.

The following are net assets without donor restrictions that are reserved for a specific purpose by the Board of Directors as of June 30, 2019:

Children's Center Building Fund	\$ 2,000,000
Working Capital Reserve	680,943
Total designations	<u>\$ 2,680,943</u>

The Children's Center Building Fund was established by ASI's Board of Directors to address the future repairs and equipment replacement needs of the Children's Center. Funds in this reserve are invested according to ASI policy and governed by ASI's Board of Directors and ASI's Investment Committee. The minimum fund balance is set at \$2,000,000.

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Year Ended June 30, 2019

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### Note 8 - Net Assets, continued

Net assets with donor restrictions consist of contributions that have been restricted to the following purposes as of June 30, 2019:

Camp Titan	\$	31,101
Scholarships		38,646
Children's Center		5,073
	\$	<u>74,820</u>

### Note 9 - Related Parties

ASI entered into transactions during the fiscal year with the University, which is considered a related party. Total receipts, disbursements, receivables, and payables for these activities for the year ended June 30, 2019 were:

<u>Related Party</u>	<u>Description</u>	
Revenues from:		
University	Services, space, and programs	\$ <u>125,361</u>
CSU Fullerton Auxiliary Services Corporation	Rent and commissions	\$ <u>175,332</u>
Expenses to:		
University	Salaries of University personnel	\$ 169,080
University	Other than salaries	<u>824,120</u>
		\$ <u>993,200</u>
Transfers to University for IRA		\$ <u>894,532</u>
Due from:		
University	IRA activities	\$ 362,711
University	Various services	<u>132,880</u>
		\$ <u>495,591</u>
Due to:		
University	IRA activities	\$ 346,237
University	Various services	<u>264,410</u>
		\$ <u>610,647</u>

Any difference in receivables and payables balances between ASI and the University's independent accounting records are a result of timing differences.

ASI has entered into a contractual agreement with the University to provide promotional, operational, and general services and materials for IRA accounts. Such services and materials include budget preparation and coordination, accounting services, administrative and fiscal support to IRA and the campus IRA Advisory Committee. ASI receives an administrative fee from the University for managing the IRA funds. For the year ended June 30, 2019 this fee was \$211,925 and is included in the statement of activities.

## **ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

### **Notes to Financial Statements**

Year Ended June 30, 2019

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#### **Note 10 - Lease Commitments**

ASI leases the Titan Student Union, Student Recreation Center, and the Children's Center facilities from the University and acts as its operator under a lease in effect through June 30, 2025. Rent is not charged to ASI and ASI reimburses the University for utilities and certain other costs. ASI will also pay for building maintenance and improvements which are expensed as assets transferred to campus in the statement of activities.

#### **Note 11 - Concentration of Credit Risk**

ASI maintains bank accounts which may, at times, exceed depository insurance limits and therefore expose ASI to credit risk. ASI maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. As of June 30, 2019 ASI had cash in excess of the insurance limit of \$1,168,862. ASI monitors the cash balances regularly and evaluates the risk due to balances in excess of insurance limits.

ASI is exposed to credit loss for the amount of investments in the event of nonperformance by LAIF or the state investment pools. However, management of ASI does not anticipate nonperformance by LAIF or the state investment pools. In accordance with ASI's cash management policy, all excess cash is invested in LAIF or state investment pools.

ASI has some exposure to investment risk, including interest rate, market, and credit risk for both marketable and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the accompanying financial statements.

## SUPPLEMENTAL INFORMATION

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Schedule of Financial Position by Unit**

June 30, 2019

<b>ASSETS</b>	<u>ASI</u>	<u>Titan Student Center</u>	<u>IRA</u>	<u>Eliminations</u>	<u>Total</u>
Cash	\$ 450,603	\$ 252,959	\$ 126,026	\$ -	\$ 829,588
Accounts receivable, net	401,290	88,120	425,073	(101,005)	813,478
Interfund receivables	53,239	184,176	-	(237,415)	-
Investments	8,459,994	3,349,679	-	-	11,809,673
Furniture and equipment, net	19,509	930,635	-	-	950,144
Other assets	69,468	109,235	-	-	178,703
<b>Total Assets</b>	<b>\$ <u>9,454,103</u></b>	<b>\$ <u>4,914,804</u></b>	<b>\$ <u>551,099</u></b>	<b>\$ <u>(338,420)</u></b>	<b>\$ <u>14,581,586</u></b>
<b>LIABILITIES AND NET ASSETS</b>					
Liabilities:					
Accounts payable	\$ 206,179	\$ 271,905	\$ 432,632	\$ -	\$ 910,716
Interfund payable	184,176	-	53,239	(237,415)	-
Accrued expenses	664,564	556,930	-	(101,005)	1,120,489
Deferred revenue	76,171	63,381	-	-	139,552
Funds held for others	686,900	-	65,228	-	752,128
Unfunded pension obligation	3,626,390	4,435,294	-	-	8,061,684
Unfunded post-retirement liability	906,810	164,885	-	-	1,071,695
<b>Total Liabilities</b>	<b><u>6,351,190</u></b>	<b><u>5,492,395</u></b>	<b><u>551,099</u></b>	<b><u>(338,420)</u></b>	<b><u>12,056,264</u></b>
Net Assets:					
Without donor restrictions:					
Undesignated	347,150	(577,591)	-	-	(230,441)
Board designated	2,680,943	-	-	-	2,680,943
<b>Total Without Donor Restrictions</b>	<b><u>3,028,093</u></b>	<b><u>(577,591)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,450,502</u></b>
With donor restrictions:					
<b>Total Net Assets</b>	<b><u>74,820</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>74,820</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>9,454,103</u></b>	<b>\$ <u>4,914,804</u></b>	<b>\$ <u>551,099</u></b>	<b>\$ <u>(338,420)</u></b>	<b>\$ <u>14,581,586</u></b>

See independent auditors' report.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Schedule of Activities by Unit**

Year Ended June 30, 2019

	ASI	Titan Student Center	Eliminations	Total
<b>Revenue and Support:</b>				
Student activity fees	\$ 6,178,001	\$ 8,300,000	\$ -	\$ 14,478,001
In-kind contribution of facilities	4,508,470	2,168,244	-	6,676,714
Student center fees	65,639	1,457,169	(159,359)	1,363,449
Children's Center tuition	807,163	-	-	807,163
Grants and contributions	673,476	-	-	673,476
Investment income	377,264	136,257	-	513,521
Administrative fees	2,078,703	-	(1,866,778)	211,925
Other	36,272	52,526	-	88,798
<b>Total Revenue and Support</b>	<b>14,724,988</b>	<b>12,114,196</b>	<b>(2,026,137)</b>	<b>24,813,047</b>
<b>Expenses:</b>				
<b>Program Services:</b>				
Student services	8,803,616	2,719,488	(31,804)	11,491,300
Student recreation center	-	4,817,174	-	4,817,174
Children's Center	2,961,316	-	(159,359)	2,801,957
<b>Total Program Expenses</b>	<b>11,764,932</b>	<b>7,536,662</b>	<b>(191,163)</b>	<b>19,110,431</b>
<b>Supporting services:</b>				
Building services	72,720	2,316,372	-	2,389,092
Public services	135,024	173,120	-	308,144
General and administrative	2,719,110	2,520,953	(1,834,974)	3,405,089
<b>Total Supporting Services</b>	<b>2,926,854</b>	<b>5,010,445</b>	<b>(1,834,974)</b>	<b>6,102,325</b>
<b>Total Expenses</b>	<b>14,691,786</b>	<b>12,547,107</b>	<b>(2,026,137)</b>	<b>25,212,756</b>
<b>Change in Net Assets</b>	<b>33,202</b>	<b>(432,911)</b>	<b>-</b>	<b>(399,709)</b>
<b>Net Assets, beginning</b>	<b>3,069,711</b>	<b>(144,680)</b>	<b>-</b>	<b>2,925,031</b>
<b>Net Assets, ending</b>	<b>\$ 3,102,913</b>	<b>\$ (577,591)</b>	<b>\$ -</b>	<b>\$ 2,525,322</b>

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON****Schedule of Net Position**

June 30, 2019

(for inclusion in the California State University)

## Assets:

## Current assets:

Cash and cash equivalents	\$	703,562
Short-term investments		9,809,673
Accounts receivable, net		813,478
Capital lease receivable, current portion		—
Notes receivable, current portion		—
Pledges receivable, net		—
Prepaid expenses and other current assets		178,703

Total current assets 11,505,416

## Noncurrent assets:

Restricted cash and cash equivalents		126,026
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		950,144
Other assets		—

Total noncurrent assets 3,076,170

Total assets 14,581,586

## Deferred outflows of resources:

Unamortized loss on debt refunding		—
Net pension liability		—
Net OPEB liability		—
Others		—

Total deferred outflows of resources —

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON****Schedule of Net Position**

June 30, 2019

(for inclusion in the California State University)

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Current liabilities:	
Accounts payable	\$ 910,716
Accrued salaries and benefits	172,082
Accrued compensated absences, current portion	39,600
Unearned revenues	139,552
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	485,300
	<hr/>
Total current liabilities	1,747,250
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	423,507
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	752,128
Net other postemployment benefits liability	1,071,695
Net pension liability	8,061,684
Other liabilities	—
	<hr/>
Total noncurrent liabilities	10,309,014
	<hr/>
Total liabilities	12,056,264
Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
	<hr/>
Total deferred inflows of resources	—
Net Position:	
Net investment in capital assets	950,144
Restricted for:	—
Nonexpendable – endowments	—
Expendable:	—
Scholarships and fellowships	74,820
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	1,500,358
	<hr/>
Total net position	\$ 2,525,322

See independent auditors' report.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON****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	\$ 14,478,001
Scholarship allowances (enter as negative)	—
Grants and contracts, noncapital:	
Federal	—
State	651,725
Local	1,000
Nongovernmental	20,751
Sales and services of educational activities	—
Sales and services of auxiliary enterprises, gross	2,170,612
Scholarship allowances (enter as negative)	—
Other operating revenues	6,977,437
Total operating revenues	<u>24,299,526</u>
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	308,144
Academic support	—
Student services	9,428,275
Institutional support	—
Operation and maintenance of plant	2,302,266
Student grants and scholarships	2,241,462
Auxiliary enterprise expenses	10,780,816
Depreciation and amortization	151,793
Total operating expenses	<u>25,212,756</u>
Operating income (loss)	<u>(913,230)</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	—
Investment income (loss), net	513,521
Endowment income (loss), net	—
Interest expense	—
Other nonoperating revenues (expenses) - excl. interagency transfers	—
Other nonoperating revenues (expenses) - interagency transfers	—
Net nonoperating revenues (expenses)	<u>513,521</u>
Income (loss) before other revenues (expenses)	<u>(399,709)</u>
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	<u>(399,709)</u>
Net position:	
Net position at beginning of year, as previously reported	2,925,031
Restatements	—
Net position at beginning of year, as restated	<u>2,925,031</u>
Net position at end of year	<u>\$ 2,525,322</u>

See independent auditors' report.

## ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

### Other Information

Year Ended 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	126,026
<b>Noncurrent restricted cash and cash equivalents</b>	<b>126,026</b>
Current cash and cash equivalents	703,562
<b>Total</b>	<b>\$ 829,588</b>

#### 2.1 Composition of investments:

	Current	Noncurrent	Total
Money market funds	154,013		154,013
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities	71,566		71,566
U.S. treasury securities	181,646		181,646
Municipal bonds			-
Corporate bonds	781,361		781,361
Asset backed securities			-
Mortgage backed securities	16,781		16,781
Commercial paper			-
Mutual funds	1,965,655		1,965,655
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)	6,638,651	2,000,000	8,638,651
State of California Surplus Money Investment Fund (SMIF)			-
<b>Total investments</b>	<b>9,809,673</b>	<b>2,000,000</b>	<b>11,809,673</b>
Less endowment investments (enter as negative number)			-
<b>Total investments, net of endowments</b>	<b>\$ 9,809,673</b>	<b>2,000,000</b>	<b>11,809,673</b>

See independent auditors' report.

## ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

### Other Information

Year Ended 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	\$ 154,013	154,013			
Repurchase agreements	-				
Certificates of deposit	-				
U.S. agency securities	71,566		71,566		
U.S. treasury securities	181,646		181,646		
Municipal bonds	-				
Corporate bonds	781,361		781,361		
Asset backed securities	-				
Mortgage backed securities	16,781	16,781			
Commercial paper	-				
Mutual funds	1,965,655	1,965,655			
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)	8,638,651	-	-	-	8,638,651
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	
<b>Total investments</b>	<b>\$ 11,809,673</b>	<b>2,136,449</b>	<b>1,034,573</b>	<b>-</b>	<b>8,638,651</b>

#### 2.3 Investments held by the University under contractual agreements:

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

	Current	Noncurrent	Total
Investments held by the University under contractual agreements (e.g CSU Consolidated SWIFT Inv pool):			\$ -

See independent auditors' report.

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Other Information

Year Ended 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
<b>Non-depreciable/Non-amortizable capital assets:</b>									
Land and land improvements	\$ -	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	2,477,498	-	-	-	2,477,498	395,407	(67,946)	-	2,804,959
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	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable capital assets</b>	<b>2,477,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,477,498</b>	<b>395,407</b>	<b>(67,946)</b>	<b>-</b>	<b>2,804,959</b>
<b>Total capital assets</b>	<b>2,477,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,477,498</b>	<b>395,407</b>	<b>(67,946)</b>	<b>-</b>	<b>2,804,959</b>

See independent auditors' report.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Other Information**

Year Ended June 30, 2019

(for inclusion in the California State University)

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	-	-	-	-	-
Personal property:					
Equipment	(1,770,968)	(1,770,968)	-151,793	67,946	(1,854,815)
Library books and materials	-	-	-	-	-
Intangible assets:					
Software and websites	-	-	-	-	-
Rights and easements	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Other intangible assets:	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	<b>(1,770,968)</b>	<b>(1,770,968)</b>	<b>(151,793)</b>	<b>67,946</b>	<b>(1,854,815)</b>
<b>Total capital assets, net</b>	<b>\$ 706,530</b>	<b>-</b>	<b>706,530</b>	<b>243,614</b>	<b>-</b>

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

Depreciation and amortization expense related to capital assets	\$ 151,793
Amortization expense related to other assets	
<b>Total depreciation and amortization</b>	<b>\$ 151,793</b>

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Other Information

Year Ended June 30, 2019

(for inclusion in the California State University)

### 4 Long-term liabilities:

	Balance June 30, 2018	Prior Period Adjustments/Reclas- sifications	Balance June 30, 2018 (Restated)	Additions	Reductions	Balance June 30, 2019	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 423,507		423,507	334,016	(294,416)	463,107	39,600	423,507
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations:								
Gross balance	-		-			-	-	-
Unamortized net premium/(discount)	-		-			-	-	-
<b>Total capital lease obligations</b>	-	-	-	-	-	-	-	-
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:								
	-		-			-	-	-
	-		-			-	-	-
	-		-			-	-	-
	-		-			-	-	-
Total others	-		-	-	-	-	-	-
<b>Sub-total long-term debt</b>	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-		-			-	-	-
<b>Total long-term debt obligations</b>	-	-	-	-	-	-	-	-
<b>Total long-term liabilities</b>	<b>\$ 423,507</b>	<b>-</b>	<b>423,507</b>	<b>334,016</b>	<b>(294,416)</b>	<b>463,107</b>	<b>39,600</b>	<b>423,507</b>

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Other Information**

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

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
<b>Year ending June 30:</b>									
2020			-			-			-
2021			-			-			-
2022			-			-			-
2023			-			-			-
2024			-			-			-
2025 - 2029			-			-			-
2030 - 2034			-			-			-
2035 - 2039			-			-			-
2040 - 2044			-			-			-
2045 - 2049			-			-			-
Thereafter			-			-			-
<b>Total minimum payments</b>	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
<b>Present value of future minimum payments</b>									-
Unamortized net premium/(discount)									-
<b>Total long-term debt obligations</b>									-
Less: current portion									-
<b>Long-term debt obligations, net of current portion</b>									\$ -

Per client schedule

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Other Information**

Year Ended June 30, 2019

(for inclusion in the California State University)

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**7 Transactions with related entities:**

Payments to University for salaries of University personnel working on contracts, grants, and other programs	363,574
Payments to University for other than salaries of University personnel	1,524,158
Payments received from University for services, space, and programs	125,361
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	
Accounts (payable to) University (enter as negative number)	(610,647)
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	424,664
Other amounts receivable from University (enter as positive number)	70,927

**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:

<b>Debit/(Credit)</b>
-----------------------

Transaction #1	Enter transaction description	
----------------	-------------------------------	--

Transaction #2	Enter transaction description	
----------------	-------------------------------	--

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Other Information**

Year Ended June 30, 2019

(for inclusion in the California State University)

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	107,756	6,669			-	193,719	-	308,144
Academic support					-		-	-
Student services	1,771,111	371,353	450,591	87,495	-	6,747,725	-	9,428,275
Institutional support					-		-	-
Operation and maintenance of plant	672,830	231,746	268,097	46,752		1,082,841	-	2,302,266
Student grants and scholarships	-	-	-	-	2,241,462	-	-	2,241,462
Auxiliary enterprise expenses	4,024,218	766,678	1,079,082	232,815		4,678,023	-	10,780,816
Depreciation and amortization	-	-	-	-	-	-	151,793	151,793
<b>Total operating expenses</b>	<b>\$ 6,575,915</b>	<b>1,376,446</b>	<b>1,797,770</b>	<b>367,062</b>	<b>2,241,462</b>	<b>12,702,308</b>	<b>151,793</b>	<b>25,212,756</b>

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Other Information**

Year Ended June 30, 2019

(for inclusion in the California State University)

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**10 Deferred outflows/inflows of resources:**

**1. Deferred Outflows of Resources**

- Deferred outflows - unamortized loss on refunding(s)
- Deferred outflows - net pension liability
- Deferred outflows - net OPEB liability
- Deferred outflows - others:

Total deferred outflows - others	<u>-</u>
<b>Total deferred outflows of resources</b>	<b><u>\$ -</u></b>

**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	<u>-</u>
<b>Total deferred inflows of resources</b>	<b><u>\$ -</u></b>