

**ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020



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**ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
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YEAR ENDED JUNE 30, 2020**

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**ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
ORGANIZATIONAL DATA
JUNE 30, 2020**

Date of Organization:

Organized on January 25, 1966 as an unincorporated association under the Education Code, State of California, Section 23801. The Association was incorporated in January 1988.

Nature and Purpose:

Associated Students, Incorporated (ASI) was formed to participate in shared governance with the campus representing the students. Furthermore, it is to provide essential co-curricular activities such as, leadership opportunities, social and educational programming, ticket office, graphic design services, as well as generate school spirit to strengthen the bond between the faculty, administrators, and the students of the University. ASI provides tremendous support to the Children’s Center, Student Research and Travel, Intercollegiate Athletics, Presidential Academic Excellence Scholarship program, student scholarships and grant style funding for clubs and organizations.

Officers – 2019-2020:

Adonis Galarza-ToledoPresident
Helen Martinez.....Executive Vice President
Kristy RoblesVice President of Finance

Faculty Advisors:

Lisa Root ASI Advisor
Angela Horner, Ph.D.....Faculty Representative
Harry Le GrandePresident’s Representative

Executive Director:

Jesse Felix



INDEPENDENT AUDITORS' REPORT

Board of Directors
Associated Students, Incorporated
California State University, San Bernardino
San Bernardino, California

Report on the Financial Statements

We have audited the accompanying financial statements of Associated Students Incorporated, of California State University, San Bernardino (ASI), which comprises the statement of financial position as of June 30, 2020, and the related statements of activities, functional expense, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Board of Directors
Associated Students, Incorporated
California State University, San Bernardino

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, Incorporated, CSUSB as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

Other auditors audited the ASI's 2019 financial statements, and they expressed an unmodified audit opinion on those audited financial statements in their report dated September 13, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of net position, the schedule of revenues, expenses, and changes in net position, and other information as listed in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2020 on our consideration of ASI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ASI's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ASI's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
September 11, 2020

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 59,365	\$ 16,190
Short-term Investments	2,775,953	2,546,158
Interest Receivable	3,629	6,209
Accounts Receivable	179	201
Inventory	18,947	11,025
OPEB Asset	81,268	200,938
	<u>2,939,341</u>	<u>2,780,721</u>
Capital Assets		
Equipment, Furniture, and Fixtures	118,212	111,712
Less: Accumulated Depreciation	(100,714)	(91,910)
	<u>17,498</u>	<u>19,802</u>
 Total Assets	<u>\$ 2,956,839</u>	<u>\$ 2,800,523</u>
LIABILITIES		
Accounts Payable	\$ 18,254	\$ 41,891
Due To Related Parties	-	47,744
Accrued Liabilities	3,604	647
Accrued Compensated Absences	46,462	41,384
Loan Payable	135,880	-
Liabilities for Pension Benefits	178,471	150,486
	<u>382,671</u>	<u>282,152</u>
 Total Liabilities	<u>382,671</u>	<u>282,152</u>
NET ASSETS		
Without Donor Restrictions		
Undesignated	1,165,089	1,534,292
Board-Designated	1,409,079	984,079
Total Without Donor Restrictions	<u>2,574,168</u>	<u>2,518,371</u>
Total Net Assets	<u>2,574,168</u>	<u>2,518,371</u>
 Total Liabilities and Net Assets	<u>\$ 2,956,839</u>	<u>\$ 2,800,523</u>

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
REVENUES				
Student Fees	\$ 1,775,087	\$ -	\$ 1,775,087	\$ 1,749,618
Investment Income, Net	58,817	-	58,817	45,106
Sales and Services of Auxiliary Enterprises:				
Ticket Sales and Program Revenue	42,049	-	42,049	46,240
Other	98	-	98	609
Total Revenues	<u>1,876,051</u>	<u>-</u>	<u>1,876,051</u>	<u>1,841,573</u>
EXPENSES				
Program Services	907,668	-	907,668	845,463
Management and General	912,586	-	912,586	1,057,984
Total Expenses	<u>1,820,254</u>	<u>-</u>	<u>1,820,254</u>	<u>1,903,447</u>
CHANGES IN NET ASSETS	<u>55,797</u>	<u>-</u>	<u>55,797</u>	<u>(61,874)</u>
NET ASSETS, Beginning of Year	<u>2,518,371</u>	<u>-</u>	<u>2,518,371</u>	<u>2,580,245</u>
NET ASSETS, End of Year	<u>\$ 2,574,168</u>	<u>\$ -</u>	<u>\$ 2,574,168</u>	<u>\$ 2,518,371</u>

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	Program Services						
	Management and General	Student Government	External Affairs	ASI Box Office	Legal Aid	Grant and Service Program	Public Relations
Wages	\$ 387,740	\$ 121,337	\$ 7,757	\$ 10,051	\$ 13,597	\$ -	\$ -
Employee benefits	88,191	765	50	50	50	-	-
Payroll taxes	28,257	-	-	-	-	-	-
Total wages and related expenses	504,188	122,102	7,807	10,101	13,647	-	-
Accounting	-	-	-	-	-	-	-
Advertising	-	46	5,109	-	-	-	-
AOA dues	1,283	-	-	-	-	-	-
AS transition	103	643	-	-	-	-	-
Audit	16,840	-	-	-	-	-	-
Box office tickets	-	-	-	40,642	-	-	-
Building equipment and repairs	11,033	-	-	-	-	-	-
Campus services	137,525	-	-	-	-	-	-
Depreciation	3,549	-	-	-	-	-	-
Donations	-	-	-	-	-	351,506	-
Dues and subscriptions	-	-	-	-	-	-	-
Hospitality	3,543	629	-	-	-	-	-
Insurance	16,080	-	-	-	-	-	-
Legal	4,473	-	-	-	7,920	-	-
Orientation	4,699	-	-	-	-	-	-
Other expense	44	-	-	-	-	-	-
Pension/OPEB adjustments	147,655	-	-	-	-	-	-
Postage	265	-	-	-	-	-	-
Prizes	-	8,518	-	-	-	-	-
Rent	1	-	-	-	-	-	-
Scholarships and stipends	-	-	-	-	-	-	105,410
Special events	-	(497)	2,264	-	-	-	-
Student Union custodian	-	-	-	-	-	-	-
Supplies and services	45,187	2,044	2,453	137	215	12,305	-
Training	199	703	2,370	-	-	-	-
Travel	4,490	7,552	13,372	-	-	16,689	-
Utilities and telephone	11,429	-	-	-	-	-	-
Total expenses	\$ 912,586	\$ 141,740	\$ 33,375	\$ 50,880	\$ 21,782	\$ 380,500	\$ 105,410

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

Program Services						Total Expenses		
Club Allocation Budget	Activities Committee	Leadership Program	Election Committee	Palm Desert Campus	Production	Total Program Services	2020	Comparative Totals 2019
\$ 9,045	\$ -	\$ 32,856	\$ -	\$ 5,405	\$ 27,315	\$ 227,363	\$ 615,103	\$ 648,467
48	-	138	-	49	477	1,627	89,818	85,032
-	-	-	-	-	-	-	28,257	30,776
9,093	-	32,994	-	5,454	27,792	228,990	733,178	764,275
-	-	-	-	-	-	-	-	-
11,869	-	-	-	216	-	17,240	17,240	46,463
-	-	-	-	-	-	-	1,283	1,246
-	-	-	-	-	-	643	746	2,434
-	-	-	-	-	-	-	16,840	15,500
-	-	-	-	-	-	40,642	40,642	35,943
-	-	-	-	-	16	16	11,049	2,976
-	-	-	-	-	-	-	137,525	137,526
-	-	-	4,063	-	1,192	5,255	8,804	15,773
-	-	-	-	-	-	351,506	351,506	239,408
-	-	-	-	-	-	-	-	298
-	-	60	-	135	54	878	4,421	3,947
-	-	-	-	-	-	-	16,080	22,506
-	-	-	-	-	-	7,920	12,393	10,519
-	-	-	-	-	-	-	4,699	7,253
-	-	-	-	-	-	-	44	1,000
-	-	-	-	-	-	-	147,655	41,034
-	-	-	-	-	-	-	265	242
560	-	-	-	-	-	9,078	9,078	10,028
-	-	-	-	-	-	-	1	659
-	-	-	-	-	-	105,410	105,410	102,958
-	11,046	32,776	-	775	4,533	50,897	50,897	214,818
-	-	-	-	-	-	-	-	7,920
17,450	108	7,659	-	500	3,163	46,034	91,221	133,506
-	-	66	-	-	-	3,139	3,338	-
-	-	-	1,160	-	1,247	40,020	44,510	74,412
-	-	-	-	-	-	-	11,429	10,803
\$ 38,972	\$ 11,154	\$ 73,555	\$ 5,223	\$ 7,080	\$ 37,997	\$ 907,668	\$ 1,820,254	\$ 1,903,447

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 55,797	\$ (61,874)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	8,804	15,773
Actuarial pension related items	27,985	(3,030)
(Increase) decrease in operating assets		
Accounts receivable	22	623
Due from related parties	-	23,120
Interest receivable	2,580	341
Inventory	(7,922)	4,464
OPEB asset	119,670	44,064
Increase (decrease) in operating liabilities		
Accounts payable	(23,636)	36,433
Due to related parties	(47,744)	(38,998)
Accrued expenses	377	(3,813)
Accrued compensated absences	5,078	(18,054)
Net cash provided by (used for) operating activities	141,011	(951)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital assets purchased	(6,500)	-
Net investment income reinvested	(58,817)	(45,106)
Sales of investments	1,770,933	2,048,605
Purchases of investments	(1,939,332)	(1,986,876)
Loan proceeds	135,880	-
Net cash provided by (used for) capital and related financing activities	(97,836)	16,623
Net increase (decrease) in cash	43,175	15,672
Cash, beginning of year	16,190	518
Cash, end of year	\$ 59,365	\$ 16,190

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

NOTE 1 DESCRIPTION OF ACTIVITIES

Associated Students, Incorporated, CSUSB (ASI) was formed for the purpose of providing to students essential social and recreational activities related to, but not normally included in, the University instructional program. These activities are primarily funded by fees charged to students each quarter. Tickets to local events are offered to students at cost by the ASI box office.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Basis of Accounting

ASI prepares its financial statements on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205. Accordingly, information regarding financial position, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ASI and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations, and which may be designated for specific purposes by action of the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, other than endowment and similar funds, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets; net assets released from restrictions.

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with a maturity of three months or less from date of purchase. ASI maintains its cash balances in one financial institution. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 per depositor, per insured bank, for each account ownership category. These balances may at times exceed the FDIC limit. As of June 30, 2020, ASI is under the limit of FDIC coverage.

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. The fair value of investments in securities is based on the quoted market price of the underlying securities. Investments in real estate are stated at acquisition cost. Unrealized gains and losses are included in the change in net assets. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

Financial Instruments

The carrying amount of all financial instruments approximates fair value. The carrying amounts for cash and cash equivalents, investments, accounts receivable and accounts payable approximate fair value because of the short maturity of these instruments.

Accounts Receivable

Accounts receivable are primarily from student fees. Receivables are recorded when a student registers for courses and are presented in the statement of financial position net of the allowance for doubtful accounts. Accounts receivable are written off when they are deemed to be uncollectible. Any allowance for doubtful accounts is based on historical loss experience. There was no allowance for doubtful accounts as of June 30, 2020.

Inventory

Inventory is valued at cost determined on the first-in, first-out basis.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment and Furniture

It is the policy of ASI to capitalize equipment, furniture, and fixture additions over \$5,000. Equipment and furniture are stated at cost and depreciation is calculated using the straight-line method over the estimated useful lives. Total depreciation expense for the year ended June 30, 2020 was \$8,804.

Deferred Revenue

Student fees for the upcoming summer and fall terms collected in advance through June 30, 2020 are deferred and recognized during the terms for which they are assessed. There was no deferred revenue as of June 30, 2020.

Designated Net Assets

Designated net assets include amounts set aside for emergency, administrative, equipment, and operational reserves as required by the California State University Manual of Policies and Procedures for Auxiliary Organizations.

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities. Directly identifiable expenses are charged to relevant programs and supporting services. Indirect expenses are allocated to the programs on various bases established by management.

Income Tax Status

ASI is exempt from federal income taxes as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. A comparable exemption has been granted by the state of California for ASI's Form 990, Return of Organization Exempt from Income Tax.

Subsequent Events

Management has evaluated subsequent events through September 11, 2020, the date on which the financial statements were available to be issued.

Risks and Uncertainties

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to ASI, COVID-19 may impact various parts of its 2020-21 operations and financial results, including, but not limited to, declines in enrollment, loss of auxiliary revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes ASI is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. 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 under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan 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 quoted 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 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.

The following is a description of the valuation methodologies used for assets measured at fair value:

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

SWIFT Investment Pool: The pool investment is reported at fair value as provided by the University System.

LAIF Investment Pool: The pool investment is reported at fair value as reported by the State.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although ASI believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2020 are as follows:

Type	Fair Value	Fair Value Measurements at June 30, 2020		
		Level 1	Level 2	Level 3
SWIFT Investments	\$ 1,781,496	\$ -	\$ 1,781,496	\$ -
LAIF	994,457	-	994,457	-
Total investments	<u>\$ 2,775,953</u>	<u>\$ -</u>	<u>\$ 2,775,953</u>	<u>\$ -</u>

ASI has pooled investments with the State of California State Treasurer's Local Agency Investment Fund (LAIF). LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee, comprised of California State officials and various participants, provides oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. ASI is a voluntary participant in the investment pool.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

ASI relies upon information provided by the State Treasurer in estimating the fair value position of its holdings in LAIF. ASI's holdings in LAIF had a value of \$994,457 as of June 30, 2020. LAIF is not subject to a credit quality rating.

ASI has pooled investments with the CSU Systemwide Investment Fund Trust (SWIFT). As a result of a 2007 change in Education Code 89721(l) that allowed CSU to self-manage student tuition and fees, CSU created a central banking system and created the SWIFT investment portfolio for the purpose of enhancing centralized cash and investment management. Because the central banking system and SWIFT are inextricably linked, each member in the central banking system is also a member in SWIFT, also referred to collectively as The Bank of CSU. These funds are reported as a short-term investment. The SWIFT consists of investments of cash on an overnight and/or short-term basis, the funds representing the float on funds collected from all eligible sources prior to their use for payment of accounts payable and payroll. Excess cash over and above what is needed to fund short-term payables and payroll are transferred to medium or longer term investments.

ASI relies upon information provided by the SWIFT in estimating the fair value position of its holdings in it. ASI's holdings in SWIFT had a value of \$1,781,496 as of June 30, 2020.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

NOTE 4 LEASING ARRANGEMENTS

ASI, as lessee, has a lease agreement with the Student Union for exclusive use of a suite of offices including rooms 108, A through P. The leased space consists of approximately 2,200 square feet. Provisions of the lease agreement include annual payments of \$1 through June 30, 2020. However, ASI has to bear the expense for janitorial/custodial costs. The lease may be terminated by either party giving 30 days written notice to the other party.

ASI, as lessee, also has a lease agreement with the Palm Desert Campus for an office in the Indian Wells Center for Education Excellence Building. Provisions of the lease agreement include annual payments of \$0 through June 30, 2020. The lease may be terminated for a variety of reasons set forth in the agreement or by either party giving written notice to the other party. Total rent expense inclusive of janitorial/custodial costs for the year ended June 30, 2020 was \$500.

NOTE 5 LOAN PAYABLE

In April 2020, ASI received a loan from Central Pacific Bank in the amount of \$135,880 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the "PPP Loan"). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if ASI fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, ASI will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in October 2020 principal and interest payments will be required through the maturity date in April 2022.

NOTE 6 RELATED-PARTY TRANSACTIONS

ASI is an auxiliary organization of California State University, San Bernardino (CSUSB). CSUSB advances funds on behalf of ASI, all of which are considered current, and it provides accounting services to ASI. Also, the CSUSB Foundation provides services for the benefit of ASI's employees. ASI leases its office space from the Student Union as described in Note 4. ASI also co-sponsors events and activities with the Student Union for which ASI reimburses some of the expenses incurred by the Student Union.

A schedule of related party transactions between ASI, University, and other auxiliary organizations is as follows:

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<u>For the year ended June 30, 2020</u>	<u>CSUSB</u>	<u>Philanthropic Foundation</u>	<u>Santos Manual Student Union</u>	<u>University Enterprise Corporation</u>	<u>Total</u>
<u>Expenses</u>					
Payments to Univ/Aux for salaries of personnel working on contracts, grants, and other programs	\$ 34,664	\$ -	\$ -	\$ -	\$ 34,664
Payments to Univ/Aux for other than salaries of personnel	34,439	176,463	22,400	162,053	395,355
<u>Revenues</u>					
Payments received from Univ/Aux for services, space and programs	1,180	-	-	-	1,180
<u>Due to</u>					
Accounts Payable due to Univ/Aux as of June 30, 2020	-	-	-	-	-
<u>Due from</u>					
Accounts Receivable due from Univ/Aux as of June 30, 2020	-	-	-	-	-

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NOTE 7 DEFINED-BENEFIT PENSION PLAN

Plan Description

ASI contributes to CalPERS, a cost-sharing multiple-employer public employee defined-benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employees' Retirement Law. ASI selects optional benefit provisions from the benefit menu by contract with CalPERS. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS's website, at www.calpers.ca.gov.

Funding Policy

Participants are required to contribute 5% of their annual covered salary. ASI is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for the fiscal year 2019-20 were 10.668% and 7.072% for Classic CalPERS members and PEPR CalPERS members, respectively. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For the year ended June 30, 2020, Employer contributions of \$26,661 for CalPERS were equal to ASI's required contributions. Total employee contributions were \$16,382.

The following table presents a reconciliation of the net pension liability:

	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Miscellaneous Plan	\$ 1,113,221	\$ 897,496	\$ 215,725

Plan Assets and Funded Status of the plan:

Valuation Date	Measurement Date	Accrued Liability	Actuarial Value of Assets (AVA)	Funding Actuarial Excess	Funded Ratio AVA
6/30/2018	6/30/2019	\$ 1,113,221	\$ 897,496	\$ 215,725	80.62%

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NOTE 7 DEFINED-BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost (Continued)

Items not yet recognized as a component of net periodic pension cost during the year are as follows:

	Future Pension Cost Outflows	Future Pension Cost Inflows
Changes of Assumptions	\$ 10,287	\$ (3,647)
Differences between Expected and Actual Experience	14,983	(1,161)
Differences between Projected and Actual Investment Earnings	-	(3,772)
Differences between Employer's Contributions and Proportionate Share of Contributions	-	(12,882)
Change in Employer's Proportion	6,785	-
Pension Contributions Made Subsequent to Measurement Date	26,661	-
Total	<u>\$ 58,716</u>	<u>\$ (21,462)</u>

Components of net actuarial pension expenses recognized as expenses in the statement of activities for the year are as follows:

Actuarial pension expense (income)	\$ 54,647
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Other deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as following:

Fiscal Year Ending June 30,	Miscellaneous
2021	\$ 12,774
2022	(3,626)
2023	683
2024	762
2025	-
Thereafter	-
	<u>\$ 10,593</u>

Total liabilities for pension benefits recognized in the statement of financial position:

Net pension liability	\$ 215,725
Future pension cost outflows	(58,716)
Future pension cost inflows	21,462
Total liabilities for pension benefits	<u>\$ 178,471</u>

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JUNE 30, 2020
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NOTE 7 DEFINED-BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost (Continued)

Assumptions:

	<u>Miscellaneous Plan</u>
Valuation Date	6/30/2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Actuarial Value of Assets
Amortization Method	Level of Percent of Payroll
Actuarial Assumptions:	
Discount Rate	7.15% (net of admin expenses)
Inflation Rate	2.50%
Projected Salary Growth	3.3% - 14.2%

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS

ASI has a fully funded Supplemental Retirement Benefit Plan that provides medical benefits to retired employees and their dependents. Medical plan assets are accumulated and benefits are paid from a voluntary employees' beneficiary association (VEBA) trust established by the trustee of the Auxiliaries Multiple Employer VEBA. ASI currently pays the full medical plan premium for employees and their dependents not to exceed caps based on the level of coverage. Retiring employees age 50 or older with at least 5 years of service are eligible for benefits provided they elect to commence their retirement benefit within 120 days of their retirement date. At June 30, 2020, ASI has \$760,165 in plan assets invested in an irrevocable trust.

Disclosures about the Plan, based on an independent actuarial valuation as of June 30, 2019 (the latest required valuation date), are shown below:

Change in accumulated postemployment benefit obligation (APBO)

APBO at beginning of year	\$ 532,690
Service cost (excluding expenses)	22,730
Interest cost	18,956
Actuarial (gain) loss	113,876
Benefits paid	<u>(9,355)</u>
APBO at end of year	<u>678,897</u>

Change in plan assets

Fair value of assets at beginning of year	733,628
Actual return on assets (net of expenses)	26,537
Employer contribution	9,355
Benefits paid	<u>(9,355)</u>
Fair value of plan assets at end of year	<u>760,165</u>

Funded status

\$ 81,268

Amounts recognized in the statement of financial position consist of:

Noncurrent assets	<u>\$ 81,268</u>
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ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
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NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Components of net periodic postretirement benefit cost (NPPBC)

Service cost (including expenses)	\$ 22,730
Interest cost	18,956
Expected return on plan assets	(44,018)
Amortization of unrecognized net (gain) loss	(2,077)
Net periodic postretirement benefit cost	(4,409)

Other changes in plan assets and benefit obligations recognized in AOCI

Net actuarial (gain) loss	(20,504)
Amortization of actuarial (gain) loss	-
Total recognized	\$ (20,504)

The assumptions used in the measurement of ASI's benefit obligation and net periodic postemployment benefit cost included a 2.80% weighted-average discount rate as of and for the year ended June 30, 2020. The 2.80% discount rate represented a 0.80% decrease from the 3.60% weighted-average discount rate used for as of and for the year ended June 30, 2019.

Medical plan premiums and CalPERS minimum employer contributions are assumed to decrease at rates shown in the following table:

Healthcare Trend:

Year	Rate	Year	Rate
2020	Actual	2024	5.50%
2021	6.50%	2025	5.40%
2022	6.00%	2026 and Later	Various
2023	5.50%		

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plan. A one percent increase in the assumed healthcare trend rates would have the following effects:

Sensitivity Analysis:

	Dollar Increase	Percent Increase
Effect on service cost component of net periodic benefit cost	\$ 21,780	41.08%
Effect on interest cost component of net periodic benefit cost	4,839	23.61%
Accumulated post-employment benefit obligation	151,039	22.25%

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CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The Plan is funded on a pay-as-you-go basis; the expected contribution for the following year is the same as the expected future benefit payments for such year. ASI paid \$12,375 during the year ended June 30, 2020, for current benefit costs.

The expected benefits to be paid are as follows:

Years Ending June 30,	Amount
2021	\$ 9,235
2022	9,789
2023	9,979
2024	10,113
2025	10,183
Thereafter	176,413

NOTE 9 AVAILABLE RESOURCES AND LIQUIDITY

In addition to financial assets available to meet general expenditures over the next 12 months, ASI operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of ASI's cash.

As of June 30, 2019 and 2020, the following tables show the total financial assets held by ASI and the amounts of those financial assets could readily be made available within one year of the balance sheet date to meet general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the balance sheet date.

Financial Assets:	2020	2019
Cash and Cash Equivalents	\$ 59,365	\$ 16,190
Investments Convertible to Cash in the Next 12 Months	2,775,953	2,546,158
Accounts Receivable	179	201
Other Receivables	3,629	6,209
Other Long-Term Assets	117,713	231,765
Total	\$ 2,956,839	\$ 2,800,523

ASSOCIATED STUDENTS, INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

NOTE 9 AVAILABLE RESOURCES AND LIQUIDITY (CONTINUED)

**Financial Assets Available to Meet General Expenditures
Over the Next 12 Months:**

	2020	2019
Cash and Cash Equivalents	\$ 59,365	\$ 16,190
Investments Convertible to Cash in the Next 12 Months	2,775,953	2,546,158
Accounts Receivable	179	201
Other Receivables	3,629	6,209
Total	\$ 2,839,126	\$ 2,568,758

NOTE 10 BOARD-DESIGNATED AND DONOR RESTRICTED NET ASSETS

ASI's governing board has designated, from net assets without donor restrictions of \$2,574,166, net assets for the following purposes as of June 30, 2020:

Board-Designated Net Assets

Emergency Reserve	\$ 100,000
Administrative Reserve	400,000
Equipment Reserve	100,000
Operations Reserve	300,000
PDC Reserve	109,079
Construction Reserve	200,000
Contingency Reserve	200,000
Total Board-Designated Net Assets	\$ 1,409,079

There were no net assets with donor restrictions at June 30, 2020.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
SCHEDULE OF NET POSITION
JUNE 30, 2020
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 59,365
Short-term investments	2,775,953
Accounts receivable, net	3,808
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	18,947
Total current assets	2,858,073
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	17,498
Other assets	760,165
Total noncurrent assets	777,663
Total assets	3,635,736
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	58,716
Net OPEB liability	-
Others	-
Total deferred outflows of resources	58,716
Liabilities:	
Current liabilities:	
Accounts payable	18,254
Accrued salaries and benefits	-
Accrued compensated absences, current portion	23,231
Unearned revenues	-
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	139,484
Total current liabilities	180,969
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	23,231
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	678,897
Net pension liability	215,725
Other liabilities	-
Total noncurrent liabilities	917,853
Total liabilities	1,098,822
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	21,462
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	21,462
Net position:	
Net investment in capital assets	17,498
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	2,556,670
Total net position	\$ 2,574,168

See the accompanying independent's auditors' report

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2020
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Revenues:

Operating revenues:

Student tuition and fees, gross	\$ 1,775,087
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	42,049
Scholarship allowances (enter as negative)	-
Other operating revenues	99
Total operating revenues	<u>1,817,235</u>

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	1,665,398
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	105,410
Auxiliary enterprise expenses	40,642
Depreciation and amortization	8,804
Total operating expenses	<u>1,820,254</u>
Operating income (loss)	<u>(3,019)</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	58,817
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	-
Net nonoperating revenues (expenses)	<u>58,817</u>
Income (loss) before other revenues (expenses)	<u>55,798</u>

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	<u>55,798</u>
Net position:	
Net position at beginning of year, as previously reported	2,518,371
Restatements	-
Net position at beginning of year, as restated	<u>2,518,371</u>
Net position at end of year	<u>\$ 2,574,169</u>

See the accompanying independent's auditors' report

**ASSOCIATED STUDENTS, INCORPORATED CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
OTHER INFORMATION
JUNE 30, 2020
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	
All other restricted cash and cash equivalents	
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	59,365
Total	\$ 59,365

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Fair Value
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			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)	1,781,496		1,781,496
State of California Local Agency Investment Fund (LAIF)	994,457		994,457
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
Total Other investments	-	-	-
Total investments	2,775,953	-	2,775,953
Less endowment investments (enter as negative number)			-
Total investments, net of endowments	\$ 2,775,953	-	2,775,953

2.2 Fair value hierarchy in investments:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -				
Repurchase agreements	-				
Certificates of deposit	-				
U.S. agency securities	-				
U.S. treasury securities	-				
Municipal bonds	-				
Corporate bonds	-				
Asset backed securities	-				
Mortgage backed securities	-				
Commercial paper	-				
Mutual funds	-				
Exchange traded funds	-				
Equity securities	-				
Alternative investments:	-				
Private equity (including limited partnerships)	-				
Hedge funds	-				
Managed futures	-				
Real estate investments (including REITs)	-				
Commodities	-				
Derivatives	-				
Other alternative investment	-				
Other external investment pools	-				
CSU Consolidated Investment Pool (formerly SWIFT)	1,781,496				1,781,496
State of California Local Agency Investment Fund (LAIF)	994,457				994,457
State of California Surplus Money Investment Fund (SMIF)	-				
Other investments:	-				
Total Other investments	-				
Total investments	\$ 2,775,953	-	-	-	2,775,953

See the accompanying independent's auditors' report

ASSOCIATED STUDENTS, INCORPORATED CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
OTHER INFORMATION
JUNE 30, 2020
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g. - CSU Consolidated Investment Pool (formerly SWIFT):	1,781,496	\$ -	\$ 1,781,496

3.1 Composition of capital assets:

	Balance June 30, 2019	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2019 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2020
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	-	-	-	-	\$ -	-	-	\$ -	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	\$ -	-	-	-	\$ -
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	111,712	-	-	-	111,712	6,500	-	-	118,212
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	111,712	-	-	-	111,712	6,500	-	-	118,212
Total capital assets	\$ 111,712	-	-	-	\$ 111,712	6,500.0	-	-	\$ 118,212
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	(91,910)	-	-	-	(91,910)	(8,804)	-	-	(100,714)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(91,910)	-	-	-	(91,910)	(8,804)	-	-	(100,714)
Total capital assets, net	\$ 19,802	-	-	-	\$ 19,802	(2,304)	-	-	\$ 17,498

See the accompanying independent's auditors' report

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3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$	8,804	
Amortization expense related to other assets			(0.12)
Total depreciation and amortization	\$	8,804	

4 Long-term liabilities:

	Balance June 30, 2019	Prior Period Adjustments/Reclassifications	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 41,384		41,384	24,952	(19,874)	\$ 46,462	\$ 23,231	\$ 23,231
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:	-		-			-		-
	-		-			-		-
	-		-			-		-
	-		-			-		-
Total others	-		-			-		-
Sub-total long-term debt	\$ -		-			\$ -		-
4.5 Unamortized net bond premium/(discount)	-		-			-		-
Total long-term debt obligations	-		-			-		-
Total long-term liabilities	\$ 41,384		41,384	24,952	(19,874)	\$ 46,462	23,231	\$ 23,231

5 Capital lease obligations schedule:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2021			-			-			-
2022			-			-			-
2023			-			-			-
2024			-			-			-
2025			-			-			-
2026 - 2030			-			-			-
2031 - 2035			-			-			-
2036 - 2040			-			-			-
2041 - 2045			-			-			-
2046 - 2050			-			-			-
Thereafter			-			-			-
Total minimum lease payments	\$ -		-			-			-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium/(discount)									-
Total capital lease obligations									-
Less: current portion									-
Capital lease obligations, net of current portion									\$ -

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6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									
Present value of future minimum payments									
Unamortized net premium (discount)									
Total long-term debt obligations									
Less: current portion									
Long-term debt obligations, net of current portion									

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	34,664
Payments to University for other than salaries of University personnel	34,439
Payments received from University for services, space, and programs	1,180
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)	-
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	-
Other amounts receivable from University (enter as positive number)	-

8 Restatements

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

Restatement #1	Enter transaction description	Debit/(Credit)
		-
		-Net to zero-
Restatement #2	Enter transaction description	
		-
		-Net to zero-

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	615,103	118,075	27,985	119,670	-	784,565	-	1,665,398
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	105,410	-	-	105,410
Auxiliary enterprise expenses	-	-	-	-	-	40,642	-	40,642
Depreciation and amortization	-	-	-	-	-	-	8,804	8,804
Total operating expenses	\$ 615,103	118,075	27,985	119,670	105,410	825,207	8,804	1,820,254

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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	58,716
Deferred outflows - net OPEB liability	-
Deferred outflows - others:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	

Total deferred outflows - others	<u>-</u>
Total deferred outflows of resources	<u>\$ 58,716</u>

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	-
Deferred inflows - net pension liability	21,462
Deferred inflows - net OPEB liability	-
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	-
Deferred inflows - others:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	

Total deferred inflows - others	<u>-</u>
Total deferred inflows of resources	<u>\$ 21,462</u>

See the accompanying independent's auditors' report



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

Board of Directors
Associated Students, Incorporated
California State University, San Bernardino
San Bernardino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Associated Students, Incorporated of San Bernardino, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 11, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the ASI's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ASI's internal control. Accordingly, we do not express an opinion on the effectiveness of ASI's internal control.

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

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



Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
September 11, 2020

**ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020**

There are no findings in the current year audit.

**ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020**

2019-1 Segregation of Duties

Conditions and Criteria

During the audit of the Associated Students Incorporated, a lack of segregation of duties was noted in the University's accounting newly integrated process. The Accounting function within the University's Finance and Administration Services division began an organizational restructuring in which the former Auxiliary Accounting department was consolidated with the former University General Accounting department to form the new Accounting Services department. The reorganization was implemented to improve service delivery and continuity, reduce operational redundancies, eliminate unnecessary administrative functions, and strengthen communication between functions.

Due to this consolidation of the two departments, the proper segregation of duties for accounting staff was not maintained and several key functions of the accounts payable and payroll processes are able to be completed by the same individuals. Proper segregation of duties dictates that the function or recording, authorization, custody and execution are not dominated by one individual. An adequate segregation of duties requires that one individual does not handle a transaction from its inception to its completion. Adequately segregated duties helps to reduce the possibility of fraud and defalcations from occurring and to ensure the integrity of the information provided by the University's Accounting financial reporting system.

Auditor's Recommendation

As stated above, an adequate segregation of duties requires that one individual does not handle a transaction from its inception to its completion. However, we realize that this is due to the reorganization of the Auxiliary's Accounting department. Unless the University's Finance and Administration department does not perform a detailed review the roles and responsibilities of each staff member and segregate their duties appropriately, there may be no practical corrective action possible for this inherent weakness. We believe it is important for management and the Board of Directors to be aware that whenever there is a lack of segregation of duties, the system is far more susceptible to errors or other irregularities, either intentional or unintentional, not being discovered.

Management's Response

As of June 30, 2020, ASI has taken appropriate remediation action by implementing proper segregation of duties to address the aforementioned key functions.

