

Associated Students, Inc., California State Polytechnic University, Pomona

Financial Statements and Supplemental Information

Year Ended June 30, 2019



ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA
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 Polytechnic University, Pomona

We have audited the accompanying financial statements of the Associated Students, Inc., California State Polytechnic University, Pomona, (a nonprofit organization), which are comprised of 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 the Associated Students, Inc., California State Polytechnic University, Pomona 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.

Correction of Error

As described in Note 10 to the financial statements, the June 30, 2018 financial statements were restated in order to record an unfunded pension liability. This restatement increased liabilities and decreased net assets without donor restriction by \$1,551,981. Our opinion is not modified with respect to that matter.

INDEPENDENT AUDITORS' REPORT, CONTINUED

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 19-29 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.

Emphasis of Matter Regarding a Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Associated Students, Inc., California State Polytechnic University, Pomona 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 13, 2019

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**Statement of Financial Position**

June 30, 2019

ASSETS	<u>General</u>	<u>Instructionally Related Activities</u>	<u>Bronco Student Center</u>	<u>Total</u>
Cash	\$ 193,667	\$ 237,968	\$ 369,108	\$ 800,743
Investments	7,432,166	-	15,313,744	22,745,910
Accounts Receivable	214,059	-	111,805	325,864
Accounts Receivable - Related Party	282,243	28,814	12,905	323,962
Prepaid Expenses and Other Assets	23,355	4,055	29,874	57,284
Property and Equipment, net of accumulated depreciation	22,936	-	1,304,832	1,327,768
Total Assets	<u>\$ 8,168,426</u>	<u>\$ 270,837</u>	<u>\$ 17,142,268</u>	<u>\$ 25,581,531</u>
LIABILITIES				
Accounts Payable	\$ 9,270	\$ 28,053	\$ 270,272	\$ 307,595
Accounts Payable - Related Party	82,767	123,818	227,765	434,350
Accrued Expenses	130,370	23,947	504,585	658,902
Funds Held for Others	-	94,351	-	94,351
Due to (from) Interfund Activities	180,642	668	(181,310)	-
Unfunded Pension Liability	501,517	-	1,504,553	2,006,070
Postretirement Benefit Payable	2,049,069	-	4,148,223	6,197,292
Total Liabilities	<u>2,953,635</u>	<u>270,837</u>	<u>6,474,088</u>	<u>9,698,560</u>
NET ASSETS				
Net Assets, Without Donor Restrictions				
Reserves	3,203,246	-	4,728,459	7,931,705
Designated	2,011,545	-	-	2,011,545
Undesignated	-	-	5,939,721	5,939,721
Total Net Assets	<u>5,214,791</u>	<u>-</u>	<u>10,668,180</u>	<u>15,882,971</u>
Total Liabilities and Net Assets	<u>\$ 8,168,426</u>	<u>\$ 270,837</u>	<u>\$ 17,142,268</u>	<u>\$ 25,581,531</u>

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

Year Ended June 30, 2019

REVENUES	<u>General</u>	<u>Bronco Student Center</u>	<u>Total</u>
Student Activity Fees	\$ 3,118,637	\$ 12,910,000	\$ 16,028,637
Program:			
Club fundraising	718,047	-	718,047
BRIC program fees	-	255,992	255,992
Student services	41,322	80,610	121,932
Academic programs and cultural affairs	20,263	-	20,263
Interest Income	136,268	429,709	565,977
Rental Income	-	366,966	366,966
Administrative Fees	140,000	-	140,000
Other Income	129	118,224	118,353
Total Revenues	<u>4,174,666</u>	<u>14,161,501</u>	<u>18,336,167</u>
EXPENSES			
Programs:			
BRIC	-	4,861,456	4,861,456
Clubs and organizations	1,515,158	-	1,515,158
Student Center	-	2,845,306	2,845,306
Children's Center	489,320	-	489,320
Athletics	93,506	-	93,506
Total Programs	<u>2,097,984</u>	<u>7,706,762</u>	<u>9,804,746</u>
Supporting Services:			
Rental expenses	-	694,471	694,471
General and administrative	<u>1,175,844</u>	<u>4,324,754</u>	<u>5,500,598</u>
Total Expenses	<u>3,273,828</u>	<u>12,725,987</u>	<u>15,999,815</u>
Change in Net Assets Without Donor Restrictions	900,838	1,435,514	2,336,352
Net Assets, Without Donor Restrictions, beginning (as previously stated)	4,701,948	10,396,652	15,098,600
Restatement (Note 10)	<u>(387,995)</u>	<u>(1,163,986)</u>	<u>(1,551,981)</u>
Net Assets, Without Donor Restrictions, beginning (restated)	<u>4,313,953</u>	<u>9,232,666</u>	<u>13,546,619</u>
Net Assets, Without Donor Restrictions, ending	<u>\$ 5,214,791</u>	<u>\$ 10,668,180</u>	<u>\$ 15,882,971</u>

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services					Total Program	Supporting Services		Total
	BRIC	Clubs and Organizations	Student Center	Children's Center	Athletics		Rental	Management and General	
Bank charges and fees	\$ 15,038	\$ -	\$ 6,592	\$ -	\$ -	\$ 21,630	\$ -	\$ 7,334	\$ 28,964
Benefits	1,061,261	14,886	611,287	224,369	289	1,912,092	142,947	1,392,737	3,447,776
Club and program expenditures	-	1,076,464	-	1,781	92,247	1,170,492	-	-	1,170,492
Depreciation	59,464	-	79,716	1,897	-	141,077	55,540	43,206	239,823
Dues and subscriptions	846	-	2,096	812	-	3,754	-	11,589	15,343
Equipment leases	7,360	-	-	-	-	7,360	-	923	8,283
Insurance	35,758	1,290	5,258	350	-	42,656	-	61,279	103,935
Marketing	7,432	-	902	-	-	8,334	-	-	8,334
Merchandise	26,142	-	24,626	2,168	-	52,936	-	111,918	164,854
Other expenses	8,394	-	-	-	-	8,394	-	240,191	248,585
Permits and licenses	210	-	-	1,703	-	1,913	-	915	2,828
Postage	50	-	31	-	-	81	-	2,759	2,840
Professional services	80,471	221	-	35	-	80,727	400	577,809	658,936
Recruitment	-	-	-	-	-	-	-	12,426	12,426
Repairs and maintenance	31,546	-	4,170	650	-	36,366	-	333,540	369,906
Salaries	2,649,406	49,927	1,342,728	227,981	970	4,271,012	444,880	1,838,025	6,553,917
Scholarships	-	-	-	-	-	-	-	92,917	92,917
Small equipment	49,142	-	5,502	956	-	55,600	-	71,326	126,926
Software and licenses	45,836	-	119	3,900	-	49,855	3,238	61,605	114,698
Supplies	264,517	-	480,253	19,055	-	763,825	14,642	323,199	1,101,666
Telecommunications	64,364	-	21,882	-	-	86,246	32,824	75,221	194,291
Training	40,859	75	9,368	2,329	-	52,631	-	82,854	135,485
Travel	93,174	372,295	449	1,334	-	467,252	-	158,825	626,077
Utilities	320,186	-	250,327	-	-	570,513	-	-	570,513
Total	\$ 4,861,456	\$ 1,515,158	\$ 2,845,306	\$ 489,320	\$ 93,506	\$ 9,804,746	\$ 694,471	\$ 5,500,598	\$ 15,999,815

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year Ended June 30, 2019

Cash Flow from Operating Activities:

Change in net assets	\$ 2,336,352
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	239,823
Change in operating assets and liabilities:	
Accounts receivable	(223,858)
Accounts receivable - related party	221,669
Prepaid expenses and other assets	(12,498)
Accounts payable	(48,528)
Accounts payable - related party	39,304
Accrued expenses	38,974
Funds held for others	(54,858)
Unfunded pension liability	454,089
Postretirement benefit payable	<u>1,252,589</u>
Net Cash Provided by Operating Activities	4,243,058

Cash Flow from Investing Activities:

Purchase of property and equipment	(341,422)
Purchase of investments	<u>(3,278,671)</u>
Net Cash Used by Investing Activities	<u>(3,620,093)</u>

Net Increase in Cash 622,965

Cash, beginning 177,778

Cash, ending \$ 800,743

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

Associated Students, Inc., California State Polytechnic University, Pomona (ASI), is a California public benefit corporation which is an auxiliary organization to California State Polytechnic University, Pomona (University). The purpose of ASI is to further educational services and related activities of the students of the University.

Financial Statement Presentation

The financial statements of ASI have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require 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, whereby the donor has stipulated the funds be maintained in perpetuity.

ASI had no net assets with donor restrictions during the year ended June 30, 2019.

Statement of Financial Position and Statement of Activities Presentation

ASI's statement of financial position and statement of activities are broken out by department of ASI. The major departments of ASI are:

General

General activities include management of all financial resources of ASI that are not classified in the other activity listed below. Revenues are generated through student fees, student programs, investment of idle cash, rental of office space, and fees for administration of campus related programs, and are recognized when earned.

Bronco Student Center

The Bronco Student Center fund (Student Center) accounts for activities of the student union building, rental of its spaces and other Student Center related activities within the University community. This includes the activities and operations of the Bronco Recreation and Intramural Complex (BRIC).

Instructionally Related Activities

ASI has entered into a contractual agreement (consistent with the master operating agreement) with the University to provide promotional, operational and general services and materials for the Instructionally Related Activities (IRA) accounts. Such services and materials include budget preparation and coordination, accounting services, administrative and fiscal support to IRA accounts and the campus 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.

Administrative costs (including corporate fixed costs, administration costs, and costs of operating financial services, human resources, and IT) that benefit both the general department and the Student Center are allocated between departments. Costs are allocated at a predetermined rate set by ASI that is approved by the board and the University in the budgeting process. 75% of the aforementioned costs are allocated to the Student Center, and the remaining 25% of those costs are allocated to the general department. The general department includes the activity for which ASI acts as an agent. However, costs are not allocated to these agency transactions. Allocations of administrative costs between the general department and the Student Center do not affect the statement of functional expenses, and all administrative costs are all included within supporting services expenses on the statement of functional expenses.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Program Services

ASI provides program services in the following major areas:

BRIC - ASI operates the Bronco Recreation and Intramural Complex on campus. The BRIC exists to provide recreational opportunities to members of the University community that inspire and cultivate healthy lifestyles, continuous personal growth, and an inclusive community. Opportunities provided include intramural sports, personal training, group fitness classes, aquatic and scuba programs, adventure events, sports clubs, and kids programs.

Clubs and organizations - ASI administers the activity of student clubs and organizations. In recognizing that student involvement is part of the holistic college experience, ASI seeks to create innovative learning-centered opportunities to develop students to become leaders in a global society by supporting clubs that promote leadership development, campus pride, activism, public service, and social and cultural interaction.

Student Center - ASI operates various activities conducted out of the Student Center. These activities include food pantry operations, a games room, and the Bronco Events and Activities Team (BEAT).

Children's Center - ASI provides support for Children's Center, which provides quality preschool services for campus student-parents, faculty, staff, alumni and community members.

Athletics - ASI provides support for the athletics department of the University.

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.

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.

Cash

ASI maintains its cash in accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. At times, the balances may exceed federally insured limits. At June 30, 2019, ASI has \$763,424 in uninsured cash. ASI has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk from cash.

Investments

Investments consist of funds invested in the State of California's Local Agency Investment Fund (LAIF) and state investment pools with purchase maturities of 201 days or less. 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.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 1 - Organization and Summary of Significant Accounting Policies, continued

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. It is ASI's policy to charge off uncollectible account receivables when management determines the receivable will not be collected. There was no allowance for doubtful accounts at June 30, 2019 as management believes all receivables are collectible.

Property and Equipment

Legal title to the Student Center building and the BRIC is retained by the California State University Board of Trustees. Initial furnishings and equipment for the BRIC were purchased by the University. Accordingly, the related assets and liabilities are excluded from the ASI financial statements. Any purchases following the grand opening of the BRIC are the responsibility of ASI and are included in the ASI financial statements.

ASI capitalizes all furniture, equipment or improvements with a normal useful life of at least one year and costing \$5,000 or more at cost 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 five to thirty years. Leasehold improvements are amortized using the straight-line method over their estimated useful lives or the term of the lease, whichever is shorter.

Bronco Student Center Student Fees

Full-time and part-time students of the University are required to pay a fee to service debt related to the construction and operation of the Student Center building and the BRIC. The fees, collected by the University Accounting Office, are deposited in the California State Treasury. The California State University Board of Trustees has the right to first call on these funds for revenue bond debt service requirements and for repairs and replacements of plant assets. The remaining funds are available for use in operating the Student Center and BRIC for the benefit of the students. The transfer of student fees is recorded as revenue in the year in which the fees are remitted.

Functional Expenses

The cost of providing various programs and other activities of ASI have been summarized on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include utilities, which are allocated on a square-footage basis, telecommunications, which are allocated based on number of units, and salaries and benefits, which are allocated on the basis of estimates of time and effort.

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.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 1 - Organization and Summary of Significant Accounting Policies, continued

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 at the end of the period.

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2019, due to the relative short maturities of these instruments.

Subsequent Events

ASI has evaluated subsequent events through September 13, 2019, which is the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

The following represents ASI's financial assets at June 30, 2019:

Financial assets at year end:	
Cash	\$ 800,743
Investments	22,745,910
Accounts receivable	<u>649,826</u>
Total financial assets	24,196,479
Less amounts not available to be used within one year:	
Cash - IRA	237,968
Accounts receivable - related party - IRA	28,814
Reserve funds	7,931,705
Designated funds	<u>2,011,545</u>
Total amounts unavailable for use within one year	<u>10,210,032</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 13,986,447</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 2 - Liquidity and Availability, continued

As part of their liquidity management policy, ASI invests cash in excess of daily requirements in the LAIF. To anticipate liquidity needs, ASI prepares a cash report that helps gauge the financial need they have each week and will draw upon the LAIF account, if needed. ASI's goal is to maintain approximately \$150,000 in checking accounts to meet said needs, with remaining cash invested in LAIF.

Annual allocations are set aside for reserve funds. The amounts allocated to reserve funds is determined through a two-thirds vote of the seated ASI Senate. Reserves consist of funds to be used for emergency, building and operations improvements and equipment, and new and special programs that will benefit the University community, including clubs, organizations and student government and future projects geared towards environmental awareness and sustainability. Designated funds are comprised mainly of ASI club account carryovers from prior year activities. These funds are to be used by clubs for future use, unless the governing board decides, at any time, to revert the funds back to ASI due to large unused amounts. Otherwise, the funds will never be made available for general expenditure.

Note 3 - Investments

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

<u>Description</u>	<u>Fair value</u>	<u>Unfunded Commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice</u>
Local Agency Investment Fund	\$ 22,745,910	\$ -	n/a	n/a

Note 4 - Property and Equipment

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

Equipment	\$ 1,425,147
Leasehold improvements	<u>965,221</u>
	2,390,368
Less accumulated depreciation	<u>(1,062,600)</u>
	<u>\$ 1,327,768</u>

Note 5 - Net Assets

Included in net assets without donor restrictions are two types of designated funds. Reserve funds are accounts that have been created by the board of directors for specific purposes. At the end of the fiscal year, any remaining funds that are not already designated to other activities within ASI are added to the reserve accounts based on board decision.

Designated funds are funds that are set aside for club activities or other ASI activities. Unspent balances in these accounts are carried forward to the next fiscal year and may be used by the clubs or departments in the next fiscal year.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 5 - Net Assets, continued

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:

	General	Bronco Student Center	Total
Capital improvement reserve	\$ -	\$ 3,250,000	\$ 3,250,000
Investment in fixed assets reserve	22,935	1,304,831	1,327,766
New programs and augmentations reserve	930,169	-	930,169
Facilities and equipment reserve	748,020	-	748,020
Emergency reserve	430,021	-	430,021
The Green Initiative Fund reserve	354,405	-	354,405
Special programs reserve	448,715	-	448,715
Medicare reserve	77,500	172,500	250,000
Post retirement medical obligations	191,481	-	191,481
England Evan College Fund reserve	-	1,128	1,128
Total designations	<u>\$ 3,203,246</u>	<u>\$ 4,728,459</u>	<u>\$ 7,931,705</u>

In accordance with ASI's by-laws, investment earnings on designated funds are recognized as designated except for amounts earned on the emergency reserve funds and amounts earned in excess of \$3,000 on the capital expenditures reserve funds, which are recognized in general activities.

Note 6 - Related Parties

ASI entered into transactions during the fiscal year with the University and Cal Poly Pomona Foundation, Inc. (Foundation). Both are considered related parties. Based on the agreement between the University and ASI for the IRA funds, amounts are billed to ASI and the University for these activities. Total receipts, disbursements, receivables, and payables for these activities for the year ended June 30, 2019 were:

<u>Related Party</u>	<u>Description</u>	<u>Reported in</u>	
Revenues from:			
University	Various services	Revenue	\$ 16,356,826
University	Club revenues	Revenue	86,657
Foundation	Various services	Revenue	569,896
			<u>\$ 17,013,379</u>
Transfers from:			
University	IRA - Funds held for others	Funds held for others	<u>\$ 1,388,406</u>
Expenses to:			
University	Various services	Various expenses	\$ 1,180,093
University	Club expenses	Various expenses	8,693
Foundation	Various services	Various expenses	669,447
			<u>\$ 1,858,233</u>
Transfers to:			
University	IRA - Funds held for others	Funds held for others	<u>\$ 14,708</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 6 - Related Parties, continued

<u>Related Party</u>	<u>Description</u>	<u>Reported in</u>		
Due from:				
University	Various services	Accounts receivable - related party	\$	244,685
University	IRA services	Accounts receivable - related party		28,814
Foundation	Various services	Accounts receivable - related party		50,463
			\$	<u>323,962</u>
Due to:				
University	Various services	Accounts payable - related party	\$	214,973
University	IRA services	Accounts payable - related party		115,576
Foundation	Various services	Accounts payable - related party		83,727
Foundation	IRA - Funds held for others	Accounts payable - related party		8,242
Foundation	Agency - clubs	Accounts payable - related party		11,832
			\$	<u>434,350</u>

Any difference in receivables and payables balances between ASI and the University's and ASI and the Foundation'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. Total receipts and disbursements for the IRA funds managed by ASI for the year ended June 30, 2019 were \$1,168,945 and \$1,305,538, respectively. ASI receives an administrative fee from the University for managing the IRA funds. For the year ended June 30, 2019 this fee was \$140,000 and is included in the statement of activities as administration fees.

ASI currently leases a total of 294,253 square feet of space for the Student Center and BRIC activity as provided in a master operating agreement between the Trustees of the California State University and ASI.

Note 7 - 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.

The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Pool and a Safety Pool. ASI sponsors two Miscellaneous Risk Pool plans, however, the information presented below represents the sum of the allocated pension amounts for each of ASI's plans (the Plan). The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and their beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

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.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 7 - Pension Plan, continued

Benefits Provided, continued

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	PEPRA Misc Plan
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Required employee contribution rate	6.000%	6.750%
Required employer contribution rate	9.081%	6.985%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are 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 \$194,988.

Pension Liabilities and Pension Expense

As of June 30, 2019, ASI reported net pension liabilities for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling \$2,006,070. The net pension liability was measured as of June 30, 2018. ASI's proportion of the 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 0.012%.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 7 - 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, 2017, with update procedures used to roll forward the total pension liability to 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
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

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:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Years 10+</u>
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 POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 7 - 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:

1% decrease (6.00%)	\$	3,749,865
Current discount rate (7.00%)	\$	2,006,070
1% increase (8.00%)	\$	583,540

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 8 - 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 the ASI's postretirement health benefit plan obligation and funded status as of June 30, 2019.

Projected benefit obligation at June 30	\$	(7,270,075)
Plan assets at fair value at June 30		<u>1,072,783</u>
Funded status at end of year	\$	<u>(6,197,292)</u>
Employer contributions	\$	<u>100,000</u>
Postretirement benefit payable	\$	<u>6,197,292</u>

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

Employer contributions	\$	100,000
Benefits paid		203,106
Actual return of plan assets		46,444
Service cost		(282,586)
Interest cost		(241,803)
Actuarial changes		<u>(1,077,750)</u>
Total postretirement related changes other than net periodic benefit cost	\$	<u>(1,252,589)</u>
Net periodic benefit cost	\$	<u>567,191</u>

Amounts not yet recognized in the net periodic postretirement benefit cost:

Net actuarial loss	\$	2,937,612
Transition obligation		<u>69,674</u>
Total amounts not yet recognized in the net periodic postretirement benefit cost	\$	<u>3,007,286</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 8 - Post Retirement Health Benefit Plan, continued

The following table includes the amounts in unrestricted net assets expected to be recognized as components of net periodic benefit costs over the 2019-2020 fiscal year:

Net actuarial loss	\$	126,682
Transition obligation		8,699

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

Discount rate	3.50%
Expected long-term return on plan assets	7.00%
Rate of compensation	N/A
Health care cost trend rate assumed for next year	5.26%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	4.15%
Year that the rate reaches the ultimate trend rate	3 years

ASI expects to contribute \$1,000,000 to the plan during the next fiscal year. The following is a projection of expected future benefit payments under the plan:

Year Ending June 30,	
2020	\$ 210,000
2021	198,000
2022	183,000
2023	201,000
2024	217,000
2025	201,000
2026	220,000
2027	253,000
2028	293,000
2029	330,000

Note 9 - Rental Income

ASI leases building space to multiple tenants under non-cancellable operating leases ending on various dates through June 30, 2022. These leases include leases to the Foundation. Leases to the Foundation include a lease for \$1,020 per month, expiring June 30, 2020. In addition, ASI leases additional building space to the Foundation at a rate equal to 3.5% of the sales generated in Foundation's dining facilities that are located in their leased space from ASI. Lease income for the year ended June 30, 2019, including month-to-month and related party leases, was \$366,966.

Future lease income to be received is as follows:

Year Ending June 30,	
2020	\$ 56,220
2021	14,520
2022	<u>14,520</u>
	<u>\$ 85,260</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Notes to Financial Statements

Year Ended June 30, 2019

Note 10 - Prior Period Restatement

Subsequent to the issuance of ASI's June 30, 2018 financial statements, management determined that the unfunded liability for the employee pension plan had been recorded as a multiemployer plan instead of a multiple-employer plan. This correction resulted in the recording of an unfunded pension liability amount of \$1,551,981 as of June 30, 2018 and a decrease in net assets without donor restrictions of the same amount as of June 30, 2018.

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Schedule of Net Position

June 30, 2019

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 800,743
Short-term investments	22,745,910
Accounts receivable, net	649,826
Capital lease receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	57,284
Total current assets	<u>24,253,763</u>
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Capital lease receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	1,327,768
Other assets	—
Total noncurrent assets	<u>1,327,768</u>
Total assets	<u>25,581,531</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Others	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	741,945
Accrued salaries and benefits	193,817
Accrued compensated absences, current portion	240,923
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	238,205
Total current liabilities	<u>1,414,890</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	80,308
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	6,197,292
Net pension liability	2,006,070
Other liabilities	—
Total noncurrent liabilities	<u>8,283,670</u>
Total liabilities	<u>9,698,560</u>
Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
Total deferred inflows of resources	<u>—</u>
Net Position:	
Net investment in capital assets	1,327,768
Restricted for:	—
Nonexpendable – endowments	—
Expendable:	—
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	14,555,203
Total net position	<u>\$ 15,882,971</u>

See independent auditors' report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**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	\$ 16,028,637
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	1,483,200
Scholarship allowances (enter as negative)	—
Other operating revenues	258,353
Total operating revenues	<u>17,770,190</u>
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	593,687
Student services	15,166,305
Institutional support	—
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	239,823
Total operating expenses	<u>15,999,815</u>
Operating income (loss)	<u>1,770,375</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	565,977
Endowment income (loss), net	—
Interest expense	—
Other nonoperating revenues (expenses) - excl. interagency transfers	—
Other nonoperating revenues (expenses) - interagency transfers	—
Net nonoperating revenues (expenses)	<u>565,977</u>
Income (loss) before other revenues (expenses)	2,336,352
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	2,336,352
Net position:	
Net position at beginning of year, as previously reported	15,098,600
Restatements	(1,551,981)
Net position at beginning of year, as restated	<u>13,546,619</u>
Net position at end of year	<u>\$ 15,882,971</u>

See independent auditors' report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

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	-
Noncurrent restricted cash and cash equivalents	<u>-</u>
Current cash and cash equivalents	800,743
Total	<u><u>\$ 800,743</u></u>

2.1 Composition of investments:

	Current	Noncurrent	Total
Money market funds	-	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	-	-
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	-	-	-
Exchange traded funds	-	-	-
Equity securities	-	-	-
Alternative investments:	-	-	-
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment types	-	-	-
Other external investment pools (excluding SWIFT)	-	-	-
Other investments	-	-	-
State of California Local Agency Investment Fund (LAIF)	22,745,910	-	22,745,910
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Total investments	<u>22,745,910</u>	<u>-</u>	<u>22,745,910</u>
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	<u><u>\$ 22,745,910</u></u>	<u><u>-</u></u>	<u><u>22,745,910</u></u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

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	\$ -	-	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	-	-	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools (excluding SWIFT)	-	-	-	-	-
Other investments	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	22,745,910	-	-	-	22,745,910
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Total investments	\$ 22,745,910	-	-	-	22,745,910

See independent auditors' report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

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
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 intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	888,728	-	-	-	888,728	76,493	-	-	965,221
Personal property:									
Equipment	1,195,590	-	-	-	1,195,590	264,929	(35,372)	-	1,425,147
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	2,084,318	-	-	-	2,084,318	341,422	(35,372)	-	2,390,368
Total capital assets	2,084,318	-	-	-	2,084,318	341,422	(35,372)	-	2,390,368

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Other Information

Year Ended June 30, 2019

(for inclusion in the California State University)

	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
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	(408,655)	37,313	-	-	(371,342)	(48,548)	-	-	(419,890)
Personal property:									
Equipment	(449,494)	(37,313)	-	-	(486,807)	(191,275)	35,372	-	(642,710)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(858,149)	-	-	-	(858,149)	(239,823)	35,372	-	(1,062,600)
Total capital assets, net	<u>1,226,169</u>	-	-	-	<u>1,226,169</u>	<u>101,599</u>	-	-	<u>1,327,768</u>

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$	239,823
Amortization expense related to other assets		-
Total depreciation and amortization	\$	239,823

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4 Long-term liabilities:

	Balance June 30, 2018	Prior Period Adjustments/Recla ssifications	Balance June 30, 2018 (Restated)	Additions	Reductions	Balance June 30, 2019	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 287,654		287,654	245,880	(212,303)	321,231	240,923	80,308
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	\$ 287,654	-	287,654	245,880	(212,303)	321,231	240,923	80,308

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

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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 Only	Interest Only	Principal and	Principal Only	Interest Only	Principal and	Principal Only	Interest Only	Principal and
			Interest			Interest			Interest
Year ending June 30:									
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
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									\$ -

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7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	-
Payments to University for other than salaries of University personnel	1,203,494
Payments received from University for services, space, and programs	17,831,889
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)	(330,549)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	273,499
Other amounts receivable from University (enter as positive number)	-

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:

Transaction #1	Enter transaction description	Debit/(Credit)
	To record the prior period adjustment for unfunded pension liability	(1,551,981)
	Net assets	1,551,981
 Transaction #2	 Enter transaction description	 -
	N/A	

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	-	-	-	-	-	593,687	-	593,687
Student services	6,553,917	1,493,762	454,089	1,499,925	-	5,164,612	-	15,166,305
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	239,823	239,823
Total operating expenses	\$ 6,553,917	1,493,762	454,089	1,499,925	-	5,758,299	239,823	15,999,815

See independent auditors' report.

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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	-
Total deferred outflows of resources	\$ -

2. Deferred Inflows of Resources

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

See independent auditors' report.