

University Student Center of California State University, Stanislaus

Financial Statements and Supplemental Information

Year Ended June 30, 2020



UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS
Financial Statements and Supplemental Information
Year Ended June 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
University Student Center of California State University, Stanislaus

We have audited the accompanying financial statements of University Student Center of California State University, Stanislaus (Organization), 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.

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 University Student Center of California State University, Stanislaus 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.

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 1 to the financial statements, the Organization reported a deficit in net assets for the year ended June 30, 2020. Management's evaluation of the events and conditions and management's plans regarding those matters also are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Emphasis-of-Matter

As discussed in Note 1 to the financial statements, on March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is unmodified with respect to that matter.

Report on Supplemental Information

Our audit were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included on pages 18-26 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.

Aldrich CPAs + Advisors LLP

San Diego, California
October 1, 2020

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS
Statement of Financial Position
June 30, 2020

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 800,440
Accrued interest receivable	299
Due from related parties	1,113,860
Other current assets	<u>1,030</u>
Total Current Assets	1,915,629
Property and Equipment, net	<u>4,293,811</u>
Total Assets	<u><u>\$ 6,209,440</u></u>

LIABILITIES AND NET DEFICIT

Current Liabilities:	
Accounts payable	\$ 18,768
Accrued expenses	637,409
Due to related parties	719,814
Current portion of capital lease	<u>115,000</u>
Total Current Liabilities	1,490,991
Non-Current Liabilities:	
Post-retirement benefit obligation	1,371,303
Pension obligation	297,378
Capital lease, net of current portion	<u>3,475,000</u>
Total Non-Current Liabilities	<u>5,143,681</u>
Total Liabilities	6,634,672
Net Assets (Deficit):	
Without donor restrictions	
Board designated for:	
Capital fund	500,000
Current operating contingency	500,000
Deferred post-retirement benefits	200,000
Catastrophic events	200,000
Undesignated	<u>(1,825,232)</u>
Without donor restrictions	<u>(425,232)</u>
Total Liabilities and Net Deficit	<u><u>\$ 6,209,440</u></u>

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS
Statement of Activities
Year Ended June 30, 2020

Revenue and Other Support Without Donor Restrictions:	
Student fees	\$ 1,430,566
Space rental	9,566
Programs	8,520
Information desk	4,135
	<hr/>
Total Revenue and Other Support Without Donor Restrictions	1,452,787
Expenses:	
Program services:	
Reservation services	393,294
Leadership	164,608
Program board activities	90,212
Information desk	24,633
	<hr/>
Total Program Services	672,747
General and administrative	779,774
	<hr/>
Total Expenses	1,452,521
	<hr/>
Operating Net Income	266
Non-Operating Revenues:	
Investment return, net	1,743
Pension related benefit (charges) other than net periodic pension cost	21,949
Donations	472,962
Other	1,408
	<hr/>
Total Non-Operating Revenues	498,062
	<hr/>
Change in Net Assets	498,328
Net Assets - Without Donor Restrictions, beginning	<hr/> (923,560)
Net Assets - Without Donor Restrictions, ending	<hr/> <u>\$ (425,232)</u>

See accompanying notes to the financial statements.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS
Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services						Total
	Reservation Services	Leadership	Program Board Activities	Information Desk	Total Programs	General and Administration	
Payroll - wages	\$ 102,589	\$ -	\$ 14,823	\$ -	117,412	\$ 245,124	\$ 362,536
Retirement	6,068	-	770	-	6,838	179,720	186,558
Student assistants	75,305	52,453	20,743	16,795	165,296	-	165,296
Employee benefits	48,360	259	4,332	-	52,951	78,754	131,705
Payroll - taxes	8,068	338	1,163	-	9,569	18,752	28,321
Total Salaries and Related Expenses	240,390	53,050	41,831	16,795	352,066	522,350	874,416
Contractual services	370	-	74	-	444	127,453	127,897
Supplies and services	53,350	17,091	983	2,730	74,154	16,577	90,731
Events	-	40,941	37,403	-	78,344	248	78,592
Minor equipment	33,769	11,100	2,265	3,601	50,735	17,517	68,252
Interest	28,217	-	-	-	28,217	-	28,217
Rent	-	-	-	-	-	28,122	28,122
Depreciation	24,331	-	337	1,209	25,877	-	25,877
Awards, gifts and donations	-	18,360	393	-	18,753	6,478	25,231
Advertising	-	10,986	5,168	-	16,154	2,373	18,527
Accounting and legal	-	-	-	-	-	14,209	14,209
Overhead, Chancellor's office	-	-	-	-	-	11,956	11,956
Travel	853	4,103	-	-	4,956	6,281	11,237
Insurance	-	-	60	-	60	11,094	11,154
Repairs and maintenance	7,655	18	298	-	7,971	49	8,020
Telephone	1,365	2,986	1,135	287	5,773	1,628	7,401
Campus reimbursements	-	-	-	-	-	5,913	5,913
Training	-	1,240	-	-	1,240	2,745	3,985
Dues and subscriptions	-	-	-	-	-	3,927	3,927
Utilities	2,945	-	-	-	2,945	-	2,945
Employee and board function	-	2,897	-	-	2,897	-	2,897
Miscellaneous	-	1,320	-	11	1,331	730	2,061
Printing	49	516	265	-	830	124	954
Total Expenses	\$ 393,294	\$ 164,608	\$ 90,212	24,633	672,747	\$ 779,774	\$ 1,452,521

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS
Statement of Cash Flows
Year Ended June 30, 2020

Cash Flows from Operating Activities:	
Increase in net assets	\$ 498,328
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	25,877
Change in operating assets and liabilities:	
Accrued interest receivable	208
Due from related parties	(919,517)
Other current assets	1,983
Accounts payable	11,312
Accrued expenses	595,191
Due to related parties	6,132
Post-retirement benefit obligation	108,013
Pension obligation	13,176
	<u>340,703</u>
Net Cash Provided by Operating Activities	<u>340,703</u>
Cash Flows Used by Investing Activities:	
Purchases of property and equipment	<u>(25,247)</u>
Net Increase in Cash and Cash Equivalents	315,456
Cash and Cash Equivalents, beginning	<u>484,984</u>
Cash and Cash Equivalents, ending	<u>\$ 800,440</u>
Noncash investing and financing activity:	
Acquisition of property	\$ 4,293,603
Less assumption of debt	(3,590,000)
Less payable assumed	<u>(703,603)</u>
Cash paid for purchase of bookstore	<u>\$ -</u>

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Year Ended June 30, 2020

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

University Student Center of California State University, Stanislaus (Organization) was incorporated in the State of California on May 17, 1994, under the name of University Union of California State University, Stanislaus. On October 18, 1999, it was renamed to University Student Union of California State University, Stanislaus. It was later renamed to University Student Center of California State University, Stanislaus on September 5, 2019. The Organization was formed and operates as a non-profit auxiliary organization of California State University, Stanislaus (CSU Stanislaus or the University) which has campuses in Turlock and Stockton, California. The Organization operates a student union facility as a student body center for the benefit of the students, faculty, staff, and alumni, in order to promote and assist the education program of CSU Stanislaus. The Organization's primary source of revenue is student fees that have been remitted to CSU Stanislaus and are available upon request by the Organization.

Liquidity and Going Concern

In evaluating the Organization's ability to continue as a going concern, management considered the conditions and events that could raise substantial doubt about the Organization's ability to continue as a going concern within 12 months after the Organization's financial statements are issued. Management considered the Organization's current financial condition and liquidity sources, including current funds available, forecasted future cash flow and the Organization's conditional and unconditional obligations due.

The accompanying financial statements have been prepared on a going concern basis. However, the Organization reported an undesignated deficit in net assets of \$1,825,232 for the year ended June 30, 2020. The deficit is caused by a gift made by the Organization in 2018 of \$4.1 million to the University for construction of the new building. The Organization planned and reserved for the expenditures, making the contribution to the University with the intent that net assets would be rebuilt over time as a new student fee referendum goes into effect. The deficit in net assets narrowed during the year ended June 30, 2020 as a result of a donation received from Associated Students of California State University, Stanislaus. However, the deficit in undesignated net assets raise substantial doubt about the Organization's ability to continue as a going concern.

To mitigate these adverse conditions, the Organization is utilizing student fees collected for the 2019-2020 academic year to pay for operations. During the current fiscal year, a fee referendum went into effect, increasing fees available for use by the Organization. In addition, the Organization is embarked on a brick campaign, launched in September 2018, to help rebuild the organizational reserves.

While management believes these plans address the adverse conditions, there is risk that these projections may not occur as planned, therefore substantial doubt continues to exist regarding the Organization's ability to continue as a going concern for the 12-month period beginning on September 20, 2020. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of the uncertainty concerning the Organization's ability to continue as a going concern.

New Accounting Pronouncements

In June 2018, the Financial Accounting Standards Board (FASB) issued 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. This standard update clarifies and improves the scope and the accounting guidance for contributions received and contributions made under US GAAP. During the year ended June 30, 2020, the Organization adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS
Notes to Financial Statements
Year Ended June 30, 2020

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

Net Accounting Pronouncements, continued

In March 2017, the FASB issued ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (Topic 715)*. This standard update was issued primarily to improve the presentation of net periodic pension cost and net periodic postretirement benefit cost. The amendments in this standard update require that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other component of net benefit cost are required to be presented in the statement of activities separately from the service cost component and outside a subtotal of change in net assets from operating activities, if one is presented.

Management has analyzed the provisions of the FASB's Topic 715, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, and has adjusted the presentation for the year ended June 30, 2020 to present service cost for certain plans as a portion of employee benefits expense and all other components as pension benefit (expense) in non-operating on the statement of activities. The Organization also participates in a cost-sharing, multiple employer plan, and the service cost per participating organization is not provided and therefore cannot be separately disclosed. For this plan, management included all contributions in employer benefits.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding their 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 the Organization. These net assets may be used at the discretion of the Organization'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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were temporary or perpetual in nature for the year ended June 30, 2020.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization 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, the Organization 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.

The Organization follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statements of activities, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2020 and therefore no amounts have been accrued.

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

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

Accounts Receivable

The accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. A provision for doubtful accounts has not been established as management considers all accounts to be collectible based upon a favorable history over a substantial period of time. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of 3 to 20 years.

Fair Value Measurements

The Organization 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. The Organization applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

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

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

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

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

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

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2020, due to the relative short maturities of these instruments.

Student Fees

Each matriculated student of the University is required to pay \$295 per semester for student body fees. These payments support the Organization's operations and are collected and held by the University. Funds are released to the Organization on a reimbursement basis after expenditures have been incurred and billed to the University. The Organization records revenues from student fees as expenditures are billed to the University throughout the year. As of June 30, 2020 the Organization's reserve held by the University was \$5,086,214.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS
Notes to Financial Statements
Year Ended June 30, 2020

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

Functional Expense Allocations

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefitted. Such allocations are determined by the management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of allocation</u>
Depreciation	Allocated based on program
Insurance	Allocated directly to Administration
Occupancy	Allocated directly to Administration
Office supplies	Allocated based on usage
OPEB	Allocated directly to Administration
Other costs	Allocated based on usage
Printing	Allocated based on usage
Contractual and professional services	Allocated directly to Administration
Salaries and benefits	Allocated based on program
Telephone	Allocated based on usage
Training	Allocated based on usage
Travel	Allocated based on purpose of travel

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred.

Future Accounting Standards

The FASB has issued two substantial ASUs which will become effective in future years.

The amendments in ASU 2014-09 *Revenue from Contracts with Customers* and subsequent updates require that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Adoption of the new standard is to be applied on a full retrospective basis or modified retrospective basis. The new ASU was originally effective for fiscal years beginning after December 15, 2018 but the FASB has delayed the effective period to fiscal years beginning after December 15, 2019. The Organization is in the process of assessing how this new ASU and subsequent updates will affect the Organization's reporting of revenues. This assessment includes determining the effect of the new standard on the Organization's financial statements, accounting systems, business processes, and internal controls. Based on its assessment to date, the Organization does not currently expect adoption to have a material effect on its revenues. Adoption of ASU 2014-09 will also require enhanced financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In February 2016, the FASB issued ASU No. 2016-02 *Leases*. The primary change in US GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the statement of financial position a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 was originally effective for fiscal years beginning after December 15, 2019 but the FASB has delayed the effective period to fiscal years beginning after December 15, 2021. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Organization is evaluating the effect that the provisions of ASU 2016-02 will have on its financial statements and related disclosures.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Year Ended June 30, 2020

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

Subsequent Events

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. On March 11, 2020 the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closing of businesses and shelter-in-place orders, including California, where the Organization is headquartered. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of business closures, shelter-in-place orders, and the ultimate impact of the CARES Act and other governmental initiatives. It is at least reasonably possible that this matter will negatively impact the Organization. However, the financial impact and duration cannot be reasonably estimated at this time.

The University retains surplus student fees and subsequent to year end, the University communicated to the Organization they would initiated a return of surplus to eliminate the deficit in net assets of approximately \$1,800,000.

The Organization has evaluated subsequent events through October 1, 2020, which is the date the financial statements were available to be issued.

Note 2 – Liquidity and Availability

The Organization's financial assets available within one year of the financial position date for general expenditures are as follows:

Cash and cash equivalents	\$	800,440
Due from related parties		<u>1,113,860</u>
Total Financial Assets Available for General Operations		1,914,300
Less amounts not available to be used within one year:		
Restricted by the Board for capital fund		500,000
Restricted by the Board for current operating contingency		500,000
Restricted by the Board for deferred health-post retirement		200,000
Restricted by the Board for catastrophic events		<u>200,000</u>
		<u>1,400,000</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>514,300</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirement in short-term investments.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Year Ended June 30, 2020

Note 3 – Cash and Cash Equivalents

The Organization maintains its cash accounts at a financial institution. The balances at times may exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at the financial institution are insured by the FDIC up to \$250,000. In addition, the Organization has deposited cash in the State Treasury's Local Agency Investment Fund (LAIF). Deposits in LAIF are carried at fair value as reported by LAIF and are not insured by the federal government nor the State of California.

Cash on hand	\$	1,185
Deposits with financial institutions		714,412
Investments in LAIF		<u>84,843</u>
Total cash and cash equivalents	\$	<u><u>800,440</u></u>

Investments in LAIF

As of June 30, 2020, investments are in LAIF, which is a voluntary program created by statute as an alternative for California's local governments and special districts that allows them to participate in a major investment portfolio. It is under the administration of the California State Treasurer's Office. The investment is considered a cash equivalent as it is used to fund any operating deficit. Realized gains, losses and interest income are included in investment return in the statement of activities. The Organization's investments in LAIF are measured and reported at fair value based on NAV. The instruments in LAIF have no unfunded commitment, no redemption frequency, and no redemption notice period as of June 30, 2020.

Note 4 – Property and Equipment

Property and equipment consist of the following:

Equipment	\$	70,615
Leasehold improvements		<u>4,293,603</u>
		4,364,218
Less: Accumulated Depreciation		<u>(70,407)</u>
	\$	<u><u>4,293,811</u></u>

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Year Ended June 30, 2020

Note 5 – Capital Lease

On October 1, 2007, California State University, Stanislaus Auxiliary Business Services (“ABS”), a related party, entered into a 32-year lease agreement with the Board of Trustees of the California State University (the “Board”) as lessee for financing the acquisition of the bookstore from the State of California. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The California State University System (the “CSU System”) issued a System Revenue Bond Series 2008A (“Series 2008A Bond”) in relation to the capital lease. On May 1, 2016, the CSU System completed a partial refinance of the Series 2008A Bond by issuing the Systemwide Revenue Bonds Series 2016A (“Series 2016A Bond”).

In May 2020, the Organization purchased the bookstore from ABS for a sales price approximating \$4,293,600. In exchange for the bookstore, the Organization paid \$703,000 and assumed the remaining capital lease payments of \$3,590,000 on the Series 2016A Bond payable to the CSU System.

The bond bears interest at a rate varying from 2% to 5% per annum. Principal and unpaid interest will be due and payable on or before May 1 and November 1 in each year, through November 1, 2038.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

<u>Year Ending June 30</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
2021	281,425	115,000	\$ 166,425
2022	285,425	125,000	160,425
2023	284,050	130,000	154,050
2024	287,300	140,000	147,300
2025	285,175	145,000	140,175
Thereafter	3,956,075	2,935,000	1,021,075
	<u>\$ 5,379,450</u>	<u>\$ 3,590,000</u>	<u>\$ 1,789,450</u>

Interest expense for the year ended June 30, 2020 was \$28,217.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS
Notes to Financial Statements
Year Ended June 30, 2020

Note 6 – Board Designated Net Assets

Unrestricted net assets were designated by the Board for the following purposes:

Capital fund	\$	500,000
Current operating contingency		500,000
Deferred health-post retirement		200,000
Catastrophic events		200,000
		<u>200,000</u>
	\$	<u>1,400,000</u>

Note 7 – Related Party Transactions

The Organization enters into transactions with related parties, including:

- California State University, Stanislaus (CSU Stanislaus)
- California State University, Stanislaus Auxiliary and Business Services (ABS)
- California State University, Stanislaus Foundation (Foundation)
- Associated Students, Inc. of California State University, Stanislaus (ASI)

Transactions with related parties consist of the following:

	CSU Stanislaus	ABS	ASI	Foundation	Total
Due from related parties	\$ 1,096,787	\$ -	\$ -	\$ 17,073	\$ 1,113,860
Due to related parties	(13,890)	(703,603)	(2,321)	-	(719,814)
Payment from related parties for services, space and programs	990,063	-	411,875	59,617	1,461,555
Payments made to related parties	(170,445)	(14,786)	(48,888)	-	(234,119)
Gifts to related parties	-	-	-	(26,813)	(26,813)

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Year Ended June 30, 2020

Note 8 – Pension Plan

The Organization contributes to the California Public Employees' Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating entities within the State of California. The four auxiliary organizations at California State University, Stanislaus, contribute to PERS through the California State University, Stanislaus Auxiliary and Business Services (ABS). All direct full-time the Organization employees are covered by the plan. Reimbursed employees are covered by CSU Stanislaus' plan.

The defined benefit plan uses the Entry Age Normal Actuarial Cost Method, which is a projected benefit cost method. According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from the date of employment until retirement. The auxiliaries fund the plan based upon a percentage of qualified payrolls. PERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities.

In addition to a contribution made by the Organization, active participating employees are required to contribute 5% of their monthly salary. Pension expense for the year ended June 30, 2019 was \$13,176.

Funded Status:

	<u>Miscellaneous</u>	<u>Pepra Plan</u>
	June 30, 2018	June 30, 2018
Valuation date		
Present value of projected benefits	\$ 1,131,313	\$ 6,398
Entry age normal accrued liability	\$ 829,794	\$ 6,398
Fair value of plan assets	\$ 613,844	\$ 3,780
Unfunded liability	\$ 215,950	\$ 2,618
Funded ratio	74.0%	59.1%

Amounts recognized in the Statement of Financial Position:

Pension obligation	\$ <u>297,378</u>
--------------------	-------------------

The significant actuarial assumptions used to calculate the above pension benefit obligation were as follows:

Investment return (net of administrative expenses)	7.00%
Projected salary increases	0.40% - 8.5%
Inflation	2.50%
Overall payroll growth	2.75%

Actuarial information as of June 30, 2020 is currently unavailable.

In addition to the Active plans, the Organization has a pension plan which was transferred from ABS and assumed by the Organization. The plan had an outstanding pension obligation of \$126,253 at June 30, 2020. No comprehensive annual financial report is issued by CalPERS for the pension plan, and it is recorded at the value set upon transfer. The plan is inactive, and no new participants are added to the plan.

CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the PERS' annual financial report may be obtained from the CalPERS Headquarters Office, 400 Q Street, Sacramento, California 95811. Information about benefits and contributions expected to be paid in each of the next five fiscal years and the five years thereafter have not been provided by CalPERS.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Year Ended June 30, 2020

Note 9 – Post-Retirement Benefit Plan

The Organization provides lifetime post-retirement medical coverage to employees (and their dependents) who retire at age 50 or older with at least five years of service with ABS, ASI, Stanislaus or the Organization. The Organization pays a portion of the cost of the benefit, up to a predetermined maximum. Retirees are responsible for costs in excess of the maximum. At June 30, 2020, the Organization had 7 employees who were eligible to participate in the plan. The Organization made contributions to the plan of \$30,864 as of June 30, 2020.

Obligations and Funded Status at June 30

Change in Benefit Obligation:

Benefit obligation at beginning of year	\$	1,263,290
Service cost		30,700
Interest cost		44,749
Actuarial gain		63,428
Benefits paid		(30,864)
Benefit obligation at end of year	\$	<u>1,371,303</u>

Funded Status:

Benefit obligation	\$	1,371,303
Unrecognized net actuarial gain		541,462
Accrued benefit cost	\$	<u>829,841</u>

Measurement date June 30, 2020

Unfunded status at end of year \$ 1,371,303

Amounts recognized in the Statement of Financial Position:

Post-retirement benefit obligation \$ 1,371,303

Net Periodic Benefit Cost:

Service cost	\$	30,700
Interest cost		44,749
Amortization of net loss		51,473
Net periodic benefit cost	\$	<u>126,922</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumption about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point.

Actuarial Methods and Assumption

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumption used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS
Notes to Financial Statements
Year Ended June 30, 2020

Note 9 – Post-Retirement Benefit Plan, continued

Assumptions

Weighted-average assumptions used to determine benefit obligations	
Discount rate	2.70%
Expected long-term return on plan assets	N/A
Rate of compensation increase	N/A
Health care cost trend rate assumed for next year	6.00%
Rate to which the cost trend rate is assumed to decline (the	4.50%
Year that the rate reaches the ultimate trend rate	3 years

Expected Benefit Payments

2020	\$	41,614
2021		48,171
2022		55,074
2023		54,891
2024		45,267
2025-2029		271,958

SUPPLEMENTAL INFORMATION

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS
Schedule of Net Position
June 30, 2020
(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	715,597
Short-term investments	84,843
Accounts receivable, net	1,114,159
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	1,030
Total current assets	<u>1,915,629</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	4,293,811
Other assets	-
Total noncurrent assets	<u>4,293,811</u>
Total assets	<u>6,209,440</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	1,287,231
Accrued salaries and benefits	21,261
Accrued compensated absences, current portion	38,407
Unearned revenues	-
Capital lease obligations, current portion	115,000
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	29,092
Total current liabilities	<u>1,490,991</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	3,475,000
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	1,371,303
Net pension liability	297,378
Other liabilities	-
Total noncurrent liabilities	<u>5,143,681</u>
Total liabilities	<u>6,634,672</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	703,811
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	
Student services	(1,129,043)
Auxiliary enterprise	-
Non-Aux enterprise/Non-Student service	-
Total net position	<u>(425,232)</u>

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS
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	1,430,566
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	22,221
Scholarship allowances (enter as negative)	-
Other operating revenues	-
Total operating revenues	1,452,787
Expenses:	
Operating expenses:	
Instruction Total	-
Research Total	-
Public service Total	-
Academic support Total	-
Student services Total	862,643
Institutional support Total	127,454
Operation and maintenance of plant Total	82,351
Student grants and scholarships Total	-
Auxiliary enterprise expenses Total	332,247
Depreciation and amortization	25,877
Total operating expenses	1,430,572
Operating income (loss)	22,215
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	472,962
Investment income (loss), net	1,743
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	1,408
Net nonoperating revenues (expenses)	476,113
Income (loss) before other revenues (expenses)	498,328
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	498,328
Net positions at beginning of year, as previously reported	-
Net investment in capital assets	838
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	
Student services	(924,398)
Auxiliary enterprise	-
Non-Aux enterprise/Non-Student service	-
Total Net position at beginning of year, as previously reported	(923,560)
Restatements - Net investment in capital assets	-
Restatements - Restricted for Nonexpendable – endowments	-
Restatements - Restricted for Expendable - Scholarships and fellowships	-
Restatements - Restricted for Expendable - Research	-
Restatements - Restricted for Expendable - Loans	-
Restatements - Restricted for Expendable - Capital projects	-
Restatements - Restricted for Expendable - Debt service	-
Restatements - Restricted for Expendable - Others	-
Restatements - Unrestricted - Student services	-
Restatements - Unrestricted - Auxiliary enterprise	-
Restatements - Unrestricted - Non-Aux enterprise/Non-Student service	-
Total Restatements	-
Net position at beginning of year, as restated	(923,560)
Net position at end of year	(425,232)

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended 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

Total

-
715,597
\$ 715,597

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 types			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)	84,843		84,843
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
Total Other investments	-	-	-
Total investments	84,843	-	84,843
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ 84,843	-	84,843

See independent auditors' report.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended June 30, 2020

(for inclusion in the California State University)

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 types	-				
Other external investment pools	-				
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	
State of California Local Agency Investment Fund (LAIF)	84,843	-	-	-	84,843
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	
Other investments:	-				
	-				
	-				
	-				
	-				
Total other investments:	-	-	-	-	-
Total investments	\$ 84,843	\$ -	\$ -	\$ -	84,843

2.3 Investments held by the University under contractual agreements:

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

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

See independent auditors' report.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended June 30, 2020

(for inclusion in the California State University)

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	-	-	-	-	-	4,293,603	-	-	4,293,603
Personal property:									
Equipment	45,368	-	-	-	45,368	25,247	-	-	70,615
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	45,368	-	-	-	45,368	4,318,850	-	-	4,364,218
Total capital assets	45,368	-	-	-	45,368	4,318,850	-	-	4,364,218
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	-	-	-	-	-	(24,087)	-	-	(24,087)
Personal property:									
Equipment	(44,530)	-	-	-	(44,530)	(1,790)	-	-	(46,320)
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	(44,530)	-	-	-	(44,530)	(25,877)	-	-	(70,407)
Total capital assets, net	\$ 838	-	-	-	838	4,292,973	-	-	4,293,811

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 25,877
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 25,877

See independent auditors' report.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended June 30, 2020

(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2019	Prior Period Adjustments/Recla ssifications	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 32,014		32,014	31,125	(24,732)	38,407	38,407	-
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations:								
Gross balance	-		-	3,590,000		3,590,000	115,000	3,475,000
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations	-	-	-	3,590,000	-	3,590,000	115,000	3,475,000
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	\$ 32,014	-	32,014	3,621,125	(24,732)	3,628,407	153,407	3,475,000

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended June 30, 2020

(for inclusion in the California State University)

5 Capital lease obligations schedule:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and	Principal Only	Interest Only	Principal and	Principal Only	Interest Only	Principal and
			Interest			Interest			Interest
Year ending June 30:									
2021	\$ 115,000	166,425	281,425	-	-	-	115,000	166,425	281,425
2022	125,000	160,425	285,425	-	-	-	125,000	160,425	285,425
2023	130,000	154,050	284,050	-	-	-	130,000	154,050	284,050
2024	140,000	147,300	287,300	-	-	-	140,000	147,300	287,300
2025	145,000	140,175	285,175	-	-	-	145,000	140,175	285,175
2026 - 2030	2,935,000	1,021,075	3,956,075	-	-	-	2,935,000	1,021,075	3,956,075
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	\$ 3,590,000	1,789,450	5,379,450	-	-	-	3,590,000	1,789,450	5,379,450
Less: amounts representing interest									(1,789,450)
Present value of future minimum lease payments									3,590,000
Unamortized net premium/(discount)									-
Total capital lease obligations									3,590,000
Less: current portion									(115,000)
Capital lease obligations, net of current portion									\$ 3,475,000

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			
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									\$ -

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended June 30, 2020

(for inclusion in the California State University)

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	
Payments to University for other than salaries of University personnel	170,445
Payments received from University for services, space, and programs	990,063
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)	(13,890)
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	1,096,787
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:

		Debit/(Credit)
Transaction #1	Enter transaction description	
		-
Transaction #2	Enter transaction description	
		-
		-

9 Natural classifications of operating expenses:

See independent auditors' report.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended June 30, 2020

(for inclusion in the California State University)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	349,938	103,598	180,490	(21,949)	-	250,566	-	862,643
Institutional support	-	-	-	-	-	127,454	-	127,454
Operation and maintenance of plant	-	-	-	-	-	82,351	-	82,351
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	177,894	56,428	6,068	-	-	91,857	-	332,247
Depreciation and amortization	-	-	-	-	-	-	25,877	25,877
Total operating expenses	\$ 527,832	160,026	186,558	(21,949)	-	552,228	25,877	1,430,572

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:
 - 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	-
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:
 - 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	-
Total deferred inflows of resources	\$ -