ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Associated Students, Inc. California State University, Dominguez Hills
Carson, California

We have audited the accompanying financial statements of the business-type activities for Associated Students, Inc. California State University, Dominguez Hills, a component unit of California State University, Dominguez Hills, for the year ended June 30, 2019, which comprises the organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Associated Students, Inc. California State University, Dominguez Hills as of June 30, 2019, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

Other auditors audited Associated Students, Inc. California State University, Dominguez Hills' 2018 financial statements, and they expressed an unmodified audit opinion on those audited financial statements in their report dated September 17, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information, schedule of changes in net OPEB liability and related ratios, and schedule of plan contributions – GASB 75, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the 2019 financial statements that collectively comprise Associated Students, Inc. California State University, Dominguez Hills basic financial statements. The 2019 schedule of net position, the schedule of revenues, expenses, and changes in net position, and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of Associated Students, Inc. California State University, Dominguez Hills, referred to above, are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The 2018 schedule of net position, the schedule of revenues, expenses, and changes in net position, and other information as listed in the table of contents was subjected to the auditing procedures applied in the 2018 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2018 financial statements as a whole.

Board of Directors
Associated Students, Inc. California State University, Dominguez Hills

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 20, 2019, on our consideration of Associated Students, Inc. California State University, Dominguez Hills' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Associated Students, Inc. California State University, Dominguez Hills' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Associated Students, Inc. California State University, Dominguez Hills' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
September 20, 2019

This section of Associated Students, Inc. California State University, Dominguez Hills (ASI) annual financial report presents our discussion and analysis of the financial performance of ASI for the fiscal year ended June 30, 2019. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Introduction to Financial Statements

This annual report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board (GASB) Statements No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. For reporting purposes, the University is considered a special-purpose government engaged only in business-type activities, which best represent the activities of ASI.

The financial statements include the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. These statements are supported by the notes to the financial statements and this section. All sections must be considered together to obtain a complete understanding of the financial picture of ASI.

Statement of Net Position - The statement of net position includes all assets and liabilities. Assets and liabilities are reported at their book value, on an accrual basis, as of the statement date. It also identifies major categories of restrictions on the net position of ASI.

Statement of Revenues, Expenses, and Changes in Net Position - The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year on an accrual basis.

Statement of Cash Flows - The statement of cash flows presents the inflows and outflows of cash for the year and is summarized by operating, noncapital financing, capital and related financing, and investing activities. The statement is prepared using the direct method of cash flows and, therefore, presents gross rather than net amounts for the year's activities.

Reporting Entity - ASI is a nonprofit auxiliary organization of California State University, Dominguez Hills (the University). ASI sponsors various campus activities that complement the instructional programs of the University campus.

Summary

ASI operates under an Operating Agreement (the Agreement) with the Board of Trustees of the California State University System (Trustees) that expired on June 30, 2019. The ASI offices are housed in the Donald P. & Katherine B. Loker University Student Union (a separate auxiliary) at California State University, Dominguez Hills.

ASI is funded primarily through the receipt of mandatory student fees (identified as Student Activity Fee (SAF) in the University Fee Schedule) established through referenda by a vote of the students and collected by the University at the time of registration, which vary on a per student basis by academic term as follows:

Fall semester	$ 70.00
Spring semester	$ 65.00
Summer session	$ 3.00

Portions of the SAF revenues have been designated by various student referenda for support of specific student service programs (Technology Referendum Fee, Child Development Center, Toro Learning and Testing Center (formerly Center for Learning and Academic Support Services), Intercollegiate Athletics, and the Multicultural Affairs (formerly Multicultural Center)). The remainder of such revenues is treated as general funds, which have no restrictions and is used for operating expenses. A vote of the students in Spring 2005 reallocated $8 per student per Fall and Spring Semester of the Technology Referendum Fee funds to General Funds effective Fall 2005 which expired effective Fall 2011. Through Alternative Consultation, the University President approved continued redirection of this $8 per semester with an additional $4.50 per semester. Also approved by Presidential Alternative Consultation is the reallocation of the Technology Referendum Fee providing an additional $2.50 per semester to the ASI General Fund, an additional $1.00 per semester to the Child Development Center, an additional $3.50 per semester to the Toro Learning Center and a decrease of $7.00 per semester to Technology Referendum Fee. Each referendum supported area presents a proposed annual budget to the ASI Finance Commission for approval. The most recent Presidential Alternative Consultation sees the following notable changes as of July 1, 2018.

Students have designated their ASI fees as follows:

Technology Referendum Fee (TRF) -The Technology Referendum Fee was established through a student referendum vote in Fall 1997. A total of $5.50 per student each Fall and Spring Semester, the TRF revenue is designated for support of providing technology throughout the campus to improve technological skills of California State University, Dominguez Hills students. The Technology Referendum Fee has ended as of July 1, 2018, with its fee and ending balance reverting back to the ASI general funds.

Child Development Center (the Center) - The Child Development Center of California State University Dominguez Hills was founded in 1973. The Center is a campus child care and development program. The primary purpose of the program is to provide affordable and quality childcare and developmental services for children of University students, faculty, and staff. Currently as a flat fee of $104,589 per academic year, this revenue is designated for the support of the Center.

Toro Learning and Testing Center (TLTC) formerly Center for Learning and Academic Support Services (C.L.A.S.S.) - The Center provides tutorial support for academic programs throughout the campus. At previously $6.25 per student each Fall and Spring Semester, this revenue is designated for student tutor salaries of the TLTC. As of July 1, 2018, a progressive divestment of the Toro Learning and Testing Center annual fee starting at $8.25 per student in FY 2018-19 to $6 in FY 2019-20. It will end at $2 per student in the FY 2021-22. Its ending balance has been reverted back to the ASI general funds.

Intercollegiate Athletics (ICA) - Students voted to provide Grants-in-Aid to the University Athletic Program through a series of referenda. Currently $14.50 per student each Fall and Spring Semester, the ICA revenue is designated to enhance the University's Athletic Program.

Multicultural Affairs (MCA) - formerly Multicultural Center (MCC) was created to enrich campus life by cultivating and coordinating student-centered multicultural initiatives that enhance understanding and appreciation of the diversity that distinguishes our campus community. At previously $5.00 per student each Fall and Spring Semester, this revenue is designated to enhance the University's Multicultural programming. As of July 1, 2018, the referendum entity has been reduced to a flat fee of $100,000 per academic year with its ending balance reverting back to the ASI general funds.

Analytical Overview

Overview of Changes that Affected ASI during 2018-19

During 2018-19, ASI continued to monitor its operational assets, revenues and expenditures. ASI will now be responsible for the tracking and accounting of assets. The University will no longer provide assets management. The ASI accounting software continues to provide checks and balances in relation to University Accounting which has helped provide better reconciliation and reporting capabilities. The organization is working on updating and improving the software in order to have access to more accounting tools. In order to have a better understanding of the CDC finances, the accounting and finance managers are now helping with the center's finances in various capacities, allowing the director to better focus on the center and the NAEYC accreditation. Based on the children enrollment and their ratio in each classroom, the hiring of additional teaching staff may be necessary in order to comply with the state and industry's standards. While the TRF program has been terminated, the grant recipients were allowed to spend down their available balance. The actuarial study completed last year guided the Board of Directors' decision to fund our postemployment benefits trust (VEBA) this year, and think of a long-term plan to continue funding it. The corporate bylaws were updated and approved. Significant changes include the detailed removal process for executive and non-executive members and the establishment of the CDC Standing Committee. Organizational spending continued to focus on strengthening of existing programs and services as well as offering new programs and services to students.

In full compliance with Section 89301 of the California Education Code, ASI utilizes California State University, Dominguez Hills as its accounting service provider. Independently funded student club accounts continue to be accounted for by the California State University, Dominguez Hills Foundation.

ASI's significant development for June 30, 2019 and 2018 are as follows:

	2019	2018	Change
Assets:			
Current Assets	$ 2,426,838	$ 2,678,953	$ (252,115)
Deferred Outflows of Resources	40,138	-	40,138
Liabilities:			
Current Liabilities	143,188	420,747	(277,559)
Other Noncurrent Liabilities	1,194,121	1,155,255	38,866
Total Liabilities	1,337,309	1,576,002	(238,693)
Deferred Inflows of Resources	66,774	11,669	55,105
Net Position:			
Unrestricted	$ 1,062,893	$ 1,091,282	$ (28,389)
Operating Revenues:			
Student Fees	$ 1,995,047	$ 1,922,359	$ 72,688
Grants and contracts	242,049	243,645	(1,596)
Other Operating Revenues	221,094	160,340	60,754
Nonoperating Revenues (Expenses):			-
Investment Income	70,830	44,951	25,879
Total Revenues	2,529,020	2,371,295	157,725
Operating Expenses:			
Student Services	2,557,409	2,624,842	(67,433)
Depreciation	-	986	(986)
Total Operating Expenses	2,557,409	2,625,828	(68,419)
Change in Net Position	(28,389)	(254,533)	226,144
Beginning Net Position	1,091,282	1,556,749	(465,467)
Restatement Adjustment	-	(210,934)	210,934
Beginning Net Position, as Restated	1,091,282	1,345,815	(254,533)
Ending Net Position	$ 1,062,893	$ 1,091,282	$ (28,389)

For the year ended June 30, 2019 net assets decreased by $28,389. Although there was an increase in revenues from student fees a number of factors influenced the overall decrease in net assets. Enactment of the GASB 75 requirement caused postemployment liabilities to increase by $38,866. ASI anticipates to continue designating funds towards this obligation in the current year. Operating expenses for the ASI Children's Center continue to increase in preparation for NAEYC accreditation.

The current ASI programs and services offered are consistent with the mission, vision, and purpose of the corporation. ASI is committed to providing programming that reflects the organization's emphasis on enhancing student life and has started the implementation of its new five-year strategic plan.

Factors Impacting Future Periods

ASI monitors enrollment numbers very closely to determine potential changes in the annual budgeted revenue. The campus continues to increase the headcount and higher FTES, and we adjust for these actual numbers at the midyear. CSU enrollment management and policy decisions appear to favor a more robust future. The ASI operational budget revenue has increased, and we will focus our spending on engaging our constituents to more fully to provide the services that will enhance student life, fund student growth initiatives, and allow for stronger advocacy efforts.

ASI continues to support campus programming through partnerships with campus entities or clubs and organizations. To maximize the sphere of programming offered to the CSUDH community ASI will host large scale events that will enhance pride and school spirit. ASI continues to focus on improved customer service while evaluating the programs and services that are provided to enhance the educational experience. As the ASI student internship program expands students will find added value in the organization. The Child Development Center (the Center) continues to monitor the Federal and State program changes that will have some significant impact in the delivery of services to assist students attending college with child care. ASI must look for opportunities in the university master plan to create new revenue streams. There has been several campus discussions around the Loker Student Union and ASI merging as well as a merger between the Foundation Infant Toddler Center and ASI Child Development Center.

Management will continue to monitor operating costs in both ASI and the Center and review its operations and make adjustments accordingly. In addition, ASI has set up an evaluation process to monitor programs, services and activities provided to the campus community and recently conducted a survey has identified both existing expansion of services needed as well as identified possible new services. ASI completed work on a referendum reallocation campaign. Through Presidential Consultation ASI will strategically divest from annual allocations to University departments and discontinue the Technology Resource Fee. Monies previously allocated to these initiatives will become a part of the ASI General Fund. This will help ASI fund programs and services that meet the needs of constituents, as well as funding opportunities for future years. ASI is striving to create new sources of revenues through various projects including the pursuit of a Consumer Price Index that will be affixed to the annual ASI fee. The approval of the index could only come from two sources: a presidential consultation or a referendum vote with the student population.

It has been a challenging year due to the increases in administrative expenses, but both ASI and the Center staff have reacted well to the challenges and continue to keep both organizations operating at optimal performance within the boundaries of the funding received.

Relative to Chancellor's Office Executive Order 1000 (EO 1000), the formula developed by the CFO to recover university costs has significantly increased ASI's reimbursement this year, and we anticipate that it will continue to increase in the current fiscal year. It has been a challenge throughout the year to obtain a formula and cost estimate that would allow ASI to meticulously budget for the expense. The fiscal impact of this on ASI continues to be monitored and has yet to be determined.

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ -	$ 156,831
Short-Term Investments	2,398,605	2,355,313
Accounts Receivable, Net	28,233	166,809
Total Current Assets	2,426,838	2,678,953
DEFERRED OUTFLOWS OF RESOURCES		
Net Other Postemployment Benefit Obligations	40,138	-
Total Deferred Outflows of Resources	40,138	-
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	104,972	293,894
Accrued Compensated Absences	1,525	1,328
Unearned Revenue	35,981	124,977
Other Liabilities	710	548
Total Current Liabilities	143,188	420,747
NONCURRENT LIABILITIES		
Accrued Compensated Absences, Net of Current Portion	23,886	20,621
Postemployment Benefits Other than Pensions	1,170,235	1,134,634
Total Noncurrent Liabilities	1,194,121	1,155,255
Total Liabilities	1,337,309	1,576,002
DEFERRED INFLOWS OF RESOURCES		
Net Other Postemployment Obligations	66,774	11,669
Total Deferred Inflows of Resources	66,774	11,669
NET POSITION		
Unrestricted	$ 1,062,893	$ 1,091,282

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019	2018
REVENUES		
Operating Revenues:		
Student Fees	$ 1,995,047	$ 1,922,359
Grants and Contracts, Noncapital:		
Federal	21,755	60,965
State	220,294	182,680
Other Operating Revenues	221,094	160,340
Total Operating Revenues	2,458,190	2,326,344
EXPENSES		
Operating Expenses:		
Student Services:		
Child Development Center	590,225	597,596
Technology	124,350	82,488
Student Events	111,458	174,049
Athletics	404,405	441,822
Tutorial	2,546	112,500
Administrative	1,324,425	1,216,387
Depreciation	-	986
Total Operating Expenses	2,557,409	2,625,828
OPERATING INCOME (LOSS)	(99,219)	(299,484)
NONOPERATING REVENUES (EXPENSES)		
Other Nonoperating Revenue	25,408	-
Investment Income	45,422	44,951
Total Nonoperating Revenues (Expenses)	70,830	44,951
CHANGE IN NET ASSETS	(28,389)	(254,533)
Net Assets - Beginning of Year	1,091,282	1,556,749
Restatement Adjustment	-	(210,934)
Net Position - Beginning of Year, as Restated	1,091,282	1,345,815
NET ASSETS - END OF YEAR	$ 1,062,893	$ 1,091,282

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Fees	$ 1,995,047	$ 1,891,334
Federal Grants and Contracts	21,755	50,489
State and Local Grants and Contracts	220,294	162,567
Payments to Suppliers	(1,414,373)	(1,336,080)
Payments to Employees	(1,075,487)	(1,081,320)
Other Revenues	160,340	156,054
Net Cash Used by Operating Activities	(92,424)	(156,956)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	45,422	44,951
Net Purchase of Investments	(109,829)	225,862
Net Cash Provided (Used) by Investing Activities	(64,407)	270,813
NET CHANGE IN CASH AND CASH EQUIVALENTS	(156,831)	113,857
Cash and Cash Equivalents - Beginning of Year	156,831	42,974
CASH AND CASH EQUIVALENTS - END OF YEAR	$ -	$ 156,831

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$ (99,219)	$ (299,484)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	-	986
Restatement Adjustment for Postemployment Benefits Obligations	-	(210,934)
Deferred Outflows of Resources	40,138	-
Deferred Inflows of Resources	66,774	11,669
Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	138,576	(34,129)
Accounts Payable	(188,922)	94,223
Accrued Compensated Absences	3,462	(7,656)
Unearned Revenue	(88,996)	(31,772)
Other Liabilities	162	-
Postemployment Benefits Other than Pensions	35,601	320,141
Net Cash Used by Operating Activities	$ (92,424)	$ (156,956)

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

Nature of Organization

Associated Students, Inc. California State University, Dominguez Hills (ASI), is a nonprofit auxiliary organization of California State University, Dominguez Hills (the University). ASI sponsors various campus activities that complement the instructional programs of the University campus.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Financial Reporting Entity

The financial statements include the accounts of ASI. ASI is a government organization under accounting principles generally accepted in the United States of America and is also a component unit of the University, a public university under the California State University system. ASI has chosen to use the reporting model for special-purpose governments engage only in business type activities.

Basis of Accounting and Reporting

ASI records revenue in part from registration fees and other charges for services to external users and, accordingly, has chosen to present its basic financial statements using the reporting model for special-purpose governments engaged only in business-type activities. This model allows all financial information for ASI to be reported in a single column in the basic financial statements. The effect of internal activity between funds or groups of funds has been eliminated from these basic financial statements.

Classification of Current and Noncurrent Assets and Liabilities

ASI considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net position date. Liabilities that reasonably can be expected, as part of normal ASI business operations, to be liquidated within 12 months of the statement of net position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

Deferred Outflows and Deferred Inflows

Deferred outflows and deferred inflows of resources related to postemployment benefit plan are certain changes in total liabilities and fiduciary net position that are to be recognized in future postemployment benefit plan expense.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

ASI considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. The deposits of ASI are maintained at financial institutions and are fully insured or collateralized. The carrying amount of the ASI's deposits represents the bank balance adjusted for outstanding checks and deposits in transit.

The ASI, through the University, maintains its cash balance at one financial institution and is exposed to credit risk for amounts exceeding federally insured limits ($250,000) in the event of nonperformance by the financial institution. The University has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash and cash equivalents. There is no cash balance exceeding the federally insured limits at June 30, 2019.

Short-Term Investments

Investments are reflected at fair value using quoted market prices. Gains and losses are included in the statements of revenues, expenses, and changes in net position as investment income.

Accounts Receivables, Net

Accounts receivables are primarily unsecured amounts due from grantors on cost reimbursement or performance grants, student fees, and parent fees. Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Capital Assets

Capital assets are stated at cost or estimated historical cost if purchased, or if donated at estimated fair value at date of donation. Capital assets with a value of less than $5,000 are not capitalized. ASI is required to capitalize infrastructure assets that have been acquired, or that have received major improvements, in fiscal years ending after June 30, 1980. Title to all assets is held by ASI. Depreciation is determined using the straight-line method over the estimated lives of the assets ranging from five to ten years. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful lives or the term of the lease. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Unearned Revenue

Unearned revenue consists primarily of fees collected in advance for summer school and fall semester.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences

Accrued compensated absences are accrued on a monthly basis based on length of service and job classification. Full-time employees accrue vacation time based upon job classification and years of service to ASI as follows:

Years Employed	Annualized Accrual
0 to 3 Years	10 Days
4 to 6 Years	15 Days
7 to 15 Years	20 Days
16 + Years	24 Days
Management Employees	24 Days

Accrued leave will be paid at the time of termination.

Classification of Revenues and Expenses

ASI considers operating revenues and expenses in the statements of revenues, expenses, and changes in net position to be the revenues and expenses that result from exchange transactions or from other activities that are connected directly to the ASI's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 33. These nonoperating activities consist of net investment income and the disposition of research equipment.

Government Revenue

Government revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Government revenue from federal agencies is subject to independent audit required by the Uniform Guidance and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, ASI's management believes that costs ultimately disallowed, if any, would not materially affect the net position of ASI.

Income Taxes

ASI is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASI has evaluated its tax positions and the certainty as to whether those tax positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to ASI's continued qualification as a tax-exempt organization and whether there is unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions will more likely than not be sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

Estimates

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Management also determines the accounting principles to be used in the preparation of the financial statements. A description of the significant accounting policies employed in the preparation of these financial statements follows.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ASI's financial statements for the year ended June 30, 2018 from which the summarized information was derived.

Fair Value Measurements

ASI reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value in accordance with GASB 72, *Fair Value Measurement and Application*. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices for identical assets or liabilities in active markets to which ASI has access at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in markets that are not active;
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents, accounts receivable and related party receivables approximate fair value because of the terms and relatively short maturity of these financial instruments. The investments are valued at quoted market prices, which represent the net asset value held by ASI at year-end.

The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, ASI measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

NOTE 3 INVESTMENTS

At June 30, 2019, the investment portfolio of the ASI consists of investments held in the California State University investment pool. Investments related to ASI are carried in the investment pool in the name of the University, but are distinguished from investments of the University in the University's financial records. Gains and losses on the investments of the ASI are recorded separately from those related to the investments of the University.

None of ASI's investments are represented by specific identifiable investment securities and, accordingly, are not subject to custodial risk categorization as prescribed by GASB Statement No. 3, and as amended by GASB No. 40.

NOTE 3 INVESTMENTS (CONTINUED)

ASI measures fair value in accordance with GASB 72, *Fair Value Measurement and Application*. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires the ASI to develop its own assumptions. ASI uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, ASI measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Assets reported at fair value at June 30, 2019, are Level 1 and Level 2 inputs.

Investments consist of the following at June 30, 2019:

		Fair Value Measurements at Report Date Using			
	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)
Asset Backed Securities	$ 100,139	$ -	$ 100,139	$ -	$ -
Certificates of Deposit	99,346	-	99,346	-	-
Corporate Bonds	663,095	-	663,095	-	-
Money Market Funds	16,939	-	-	-	16,939
Mortgage Backed Securities	133	-	133	-	-
Municipal Bonds	32,801	-	32,801	-	-
Mutual Fund	-	-		-	-
Repurchase Agreement	6,803	-	6,803	-	-
U.S. Agency Securities	692,100	-	692,100	-	-
U.S. Treasury Securities	787,250	-	787,250	-	-
Total	$ 2,398,606	$ -	$ 2,381,667	$ -	$ 16,939

NOTE 3 INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the University manages its exposure to interest rate risk is by purchasing a combination of short-term and mid-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or nearing maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The University monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The weighted average maturity of the University's investment portfolio for each investment type as of June 30, 2019 is presented in the table below.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following table presents the fair value, weighted average maturity, and actual rating by investment type of the University's investment portfolio as of June 30, 2019:

Investment Type	Fair Value	Weighted Average Maturity in Years	AAA	AA	A	BBB	B+	B	Not Rated
Asset Backed Securities	$ 100,139	$ -	$ 100,139	$ -	$ -		$ -	$ -	$ -
Certificates of Deposit	99,346	-	38,772	$ 2,263.75	58,311		-	-	-
Corporate Bonds	663,095	-	5,112	$ 74,784.18	576,550	6,649	-	-	-
Money Market Funds	16,939	-	-	$ -	-		-	-	16,939
Mortgage Baked Securities	133	-	-	$ 132.56	-		-	-	-
Municipal Bonds	32,801		13,021	$ 18,088.65	1,691				
Mutual Funds	-	-	-	$ -	-		-	-	-
Repurchase Agreement	6,803	-	6,803	$ -	-		-	-	-
U.S. Agency Securities	692,100	-	24,894	$ 667,205.43	-		-	-	-
U.S. Treasury Securities	787,250	-	-	$ 787,250.06	-		-	-	-
Total	$ 2,398,606	$ -	$ 188,742	$ 1,549,724.63	$ 636,552	$ 6,649	$ -	$ -	$ 16,939

NOTE 4 ACCOUNTS RECEIVABLE, NET

Accounts Receivable, Net at June 30, 2019 consisted of the following:

Student Receivables	$	36,449
Child Development Center Receivables		6,541
Less Allowance for Doubtful Accounts		(14,757)
Total	$	28,233

NOTE 5 COMPENSATED ABSENCES

Accrued compensated absences at year-end are included in accrued expenses and other liabilities in the Statement of Net Position and consists of the following activity during the year ended June 30, 2019:

	Beginning Balance. as of July 1, 2018	Additions	Reductions	Ending Balance as of June 30, 2019	Current Portion
Liabilities:					
Compensated Absences	$ 21,949	$ 29,962	$ (26,500)	$ 25,411	$ 1,525
Total Current Liabilities, Net	$ 21,949	$ 29,962	$ (26,500)	$ 25,411	$ 1,525

Accrued compensated absences will paid at the time of termination.

NOTE 6 PENSION PLAN

ASI provides a variable annuity plan (the Plan) which covers ASI's management and other qualifying participants after the first year of employment. The Plan is a defined contribution plan which provides for an employer contribution in an amount determined from year to year at the employer's discretion to individual accounts of qualifying participants. Matching contributions were $25,127 for the year ended June 30, 2019. The Plan is administered by various carriers including Metlife, Vanguard and TIAA-CREF.

NOTE 7 POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

ASI sponsors a single-employer defined benefit postretirement health care plan to pay a portion of the retiree's insurance premiums. ASI participates in the Auxiliaries Multiple Employer VEBA (Voluntary Employees Beneficiary Association). The auxiliaries Multiple Employer VEBA is a separate 501(c)9 organization established in August 2010 to assist in funding post-retirement healthcare benefits for recognized auxiliaries of the California State University System. The Auxiliaries Multiple Employer VEBA issues separate audited financial statements. Copies of the annual report may be obtained from Keenan Associates, 2355 Crenshaw Blvd. Suite 200, Torrance, CA 90501

NOTE 7 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Plan Description (continued)

ASI provides retiree medical, dental and vision benefits to employees who retire from ASI at age 50 or later with at least 5 years of service. ASI pays the CalPERS monthly medical premiums for eligible retirees, subject to a cap, which increases each year. This benefit continues for the life of the retiree and then for the life of a surviving spouse, if any. Retirees may select any retiree medical plan offered by CalPERS, including spouse or family coverage, but must incur the cost of premiums exceeding the cap.

Total OPEB Liability, Fiduciary Net Position, and Net OPEB Liability

In accordance with the parameters of Government Accounting Standards Board Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 75), the OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB that are required to be reported by an employer primarily result from changes in the components of the net OPEB liability-that is, changes in the total OPEB liability and in the OPEB plan's fiduciary net position.

This statement requires that most changes in the net OPEB liability be included in OPEB expense in the period of the change. For example, changes in the total OPEB liability resulting from current-period service cost, interest on the total OPEB liability, and changes of benefit terms are required to be included in OPEB expense immediately. Projected earnings on the OPEB plan's investments also are required to be included in the determination of OPEB expense immediately.

In circumstances in which the net OPEB liability is determined based on the results of an actuarial valuation, the effects of certain other changes in the net OPEB liability are required to be included in OPEB expense over the current and future periods. The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

NOTE 7 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Information about the OPEB Plan

The following is a table of plan participants:

Inactive Employees with Deferred Benefits	-
Number of retired Members	3
Participating Active Employees	10
Total Number of Participants	13

Actuarial Methods and Assumptions

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 includes the types of benefits provided at the time of each valuation. The actuarial methods and assumptions 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.

ASI's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Discount Rate	3.63%
Inflation	2.0%
Salary Increases	3.25%
Net Investment Rate of Return	3.63%
Healthcare Costs Trend Rate	Varies from 3.95% to 7.64%
Mortality Rate	CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover	CalPERS Active Mortality for Miscellaneous Employees

NOTE 7 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Changes in the OPEB Liability

ASI invoked Paragraph 244 of GASB 75 and used a "roll-back" technique to determine the beginning Net OPEB Liability as of June 30, 2017. The following table shows the results of the rollback:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Rollback Balance - June 30, 2017	$ 1,206,761	$ 72,127	$ 1,134,634
Service Cost	81,590	-	81,590
Interest on total OPEB Liability	46,310	-	46,310
Change in Benefit Terms	-	-	-
Diferrences between expected and actual experience	(1,917)	-	(1,917)
Changes of assumptions	(60,261)	-	(60,261)
Employer Contributions	-	25,408	25,408
Employee Contributions	-	-	-
Actual Investment Income	-	5,245	5,245
Administrative Expense	-	(532)	(532)
Benefit Payments	-	(25,408)	(25,408)
Other	-	-	-
Net Change	40,314	4,713	45,027
Balance at June 30, 2018	$ 1,247,075	$ 76,840	$ 1,170,235

The Net OPEB Liability is shown as a noncurrent liability on the Schedule of Net Position.

Sensitivity of the Net OPEB Liability to Changes in the Discount and Trend Rate

The following presents the net OPEB liability of ASI if it were calculated using a discount rate and trend table that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	NOL	Change	Percent Change
Discount Rate:			
+1%	$ 990,266	$ (179,969)	15 %
Base	$ 1,170,235	$ -	- %
-1%	$ 1,397,234	$ 226,999	19 %
Trend Rate:			
+1%	$ 1,401,521	$ 231,286	20 %
Base	$ 1,170,235	$ -	- %
-1%	$ 993,192	$ (177,043)	(15)%

NOTE 7 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Long-Term Expected Rate of Return

As of June 30, 2018, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

Investment Class	Target Allocation	Strategy Expected Real Rate of Return [1]	Secular Expected Real Rate of Return [1]
Equity	43.00 %	3.59 %	6.78 %
REITs	7.00 %	2.80 %	5.30 %
Fixed Income	50.00 %	0.80 %	2.60 %

[1] Morgan Stanley Wealth Management Global Investment Committee/Special Report capital market assumptions (expected inflation of 2.2%).

Discount Rate

The discount rate is based on a blend of (a) the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Above are the arithmetic long-term expected real rates of return by asset class for the next 20+ years as provided by Morgan Stanley Wealth Management The Strategic return is based on a seven-year time horizon while the Secular return is based on a 20-year-plus time horizon. Investment expenses were assumed to be 25 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20- Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

	June 30, 2018	June 30, 2017
Discount Rate	3.94 %	3.00 %
Bond Buyer 20-Bond GO Index	3.87 %	3.58 %

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 Years
All other amounts	Expected average remaining service lifetime

NOTE 7 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

As of fiscal year ended June 30, 2019, ASI reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience in the Measurement of the TOL	$ -	$ 8,765
Changes in Assumptions	-	54,918
Net Difference Between Projected and Actual Earnings of OPEB Plan Investments	-	3,091
Contribution of OPEB Plan After Measurement Date	40,136	-
Total	$ 40,136	$ 66,774

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2020	$ (7,287)
2021	(7,287)
2022	(7,285)
2023	(6,312)
2024	(6,270)
Thereafter	(32,333)
Total	$ (66,774)

NOTE 7 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

For the fiscal year ended June 30, 2019, ASI recognized OPEB expense of $116,114.

Service Cost	$ 81,590
Interest on the Total OPEB Liability	46,310
Changes on Benefit Terms	-
Recognized Changes of Assumptions	(5,343)
Employee Contributions	-
Projected Earnings on OPEB Plan Investment	(5,031)
Recognized Differences Between Projected and Actual Earnings on Plan Investments	(1,017)
Administrative Expense	532
Differences between Projected Actual Earnings on Assets	(927)
Aggregate OPEB Expense	$ 116,114

Interest on the Total OPEB Liability

As of fiscal year ended June 30, 2019, ASI reported interest on the total OPEB liability from the following:

	Amount for Period a	Portion of Period b	Interest Rate c	Interest on the Total OEB Liability a*b*c
Beginning Total OPEB Liability	$ 1,206,761	100 %	3.63 %	$ 43,805
Service Cost	81,590	100 %	3.63 %	2,962
Benefit Payments, Including Refunds of Employee Contribution	(25,408)	50 %	3.63 %	(457)
Total				$ 46,310

NOTE 7 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Earnings on Plan Fiduciary Net Position

As of fiscal year ended June 30, 2019, ASI reported earnings on plan fiduciary net position from the following:

	Amount For Period a	Portion of Period b	Projected Rate of Return c	Projected Earnings a*b*c
Beginning Plan Fiduciary Net Position	$ 72,127	100 %	7.00 %	$ 5,049
Employer Contributions	25,408	50 %	7.00 %	874
Employee Contributions	-	50 %	7.00 %	-
Benefits Payments, Including Refunds of Employee Contributions	(25,408)	50 %	7.00 %	(874)
Administrative Expense and Other	(532)	50 %	7.00 %	(18)
Total Projected Earnings				$ 5,031

C

omparison of Projected and Actual Earnings on Investments:

Total Projected Earnings	$ 5,031
Actual Net Investment Income	5,245
Net Difference Between Projected and Actual Earnings on Investments	$ 10,276

Funding Status and Funding Progress

In fiscal year ended June 2011, ASI participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association) and contributed $40,139 in fiscal year ended June 30, 2019. The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding postretirement health care benefits for recognized auxiliaries of the California State University System.

Trust assets are invested and held in custody by Benefit Trust Company serving as the Corporate Trustee, in a mix that includes approximately 41.2% equity, 44.2% fixed income, 8.9% international equity, and 5.7% real estate. As of June 30, 2019, the market value of ASI's VEBA account was $121,995. As of July 1, 2017, the most recent actuarial valuation date, the actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was $1,134,634.

NOTE 8 TRANSACTIONS WITH RELATED ENTITIES

ASI leases certain facilities from the Donald P. and Katherine B. Loker University Student Union (Student Union) for a nominal amount. In lieu of rent, ASI administers various student programs. The ASI recognizes expenses related to student programs in student services expense. The current ASI lease expired on June 30, 2019.

The University bills ASI for financial administration and other costs including utilities, maintenance, postage, and other reimbursable expenses. For the year ended June 30, 2019, ASI paid $769,385 to the University. ASI received $8,725 from the University for services, space, and programs. ASI provided $129,898 in contributions for the University for student events, functions, capital projects, and other programs during the year ended June 30, 2019. In addition, amounts due to the University at June 30, 2019 was $16.

NOTE 9 SUBSEQUENT EVENTS

ASI has evaluated events subsequent to June 30, 2019, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 20, 2019, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT PERIODS

	June 30, 2018 Measurement Date	June 30, 2017 Measurement Date
Total OPEB Liability		
Service Cost	$ 81,590	$ 81,590
Interest on the Total OPEB Liability	46,310	42,904
Change in Benefit Terms	-	-
Differences Between Expected and Actual Experience	(1,917)	(8,532)
Changes of Assumptions	(60,261)	-
Benefit Payments, Including Employee Contribution Refunds	(25,408)	(18,909)
Net Change in Total Pension Liability	40,314	97,053
Total Pension Liability - Beginning (a)	1,206,761	1,109,708
Total Pension Liability - Ending (b)	1,247,075	1,206,761
Plan Fiduciary Net Position		
Employer Contributions	25,408	18,909
Employee Contributions	-	-
Net Investment Income	5,245	7,232
Benefit Payments, Including Employee Contribution Refunds	(25,408)	(18,909)
Administrative Expenses	(532)	(477)
Other Changes	-	-
Net Change in Fiduciary Net Position	4,713	6,755
Fiduciary Net Position - Beginning (c)	72,127	65,372
Fiduciary Net Position - Ending (d)	76,840	72,127
Total OPEB Liability - Beginning (a) - (c)	1,134,634	1,044,336
Total OPEB Liability - Ending (b) - (d)	$ 1,170,235	$ 1,134,634
Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.16%	6%
Covered Payroll	425,164	N/A *
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	275%	N/A

Notes to Schedule:

* Covered payroll not available

Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS

	2018	2017
Actuarially Determined Contribution (ADC)**	$ 91,199	$ 137,995
Covered Employee Payroll ***	425,164	N/A
Contributions as a Percentage of Covered Employee Payroll	-	N/A
Contributions in the Trust	-	-
Pay-Go Payments by Employer Unreimbursed by the Trust	25,408	18,909
Total OPEB Contributions *	-	-
Contribution Deficiency (Excess)	$ 65,791	$ 18,909
Covered-Employee Payroll	425,164	N/A
Contributions as a Percentage of Covered Employee Payroll	6%	N/A

Notes to Schedule:
* ADC and Contributions are for the measurement period July 1, 2017 to June 30, 2018.

** Employers setting a discount rate based on the assumption that assets will be sufficient to cover all future benefit payments under the plan are assumed to annually make contributions equal to the actuarially determined contribution. Annual contributions made that are substantially less than the ADC would require additional support for use of a discount rate equal to the long-term expected return on trust assets.

*** Covered-Employee Payroll represented above is based on covered-employee payroll provided by the employer. GASB 75 defines covered-employee payroll as the total payroll of employees that are provided benefits through the OPEB plan. Accordingly, if OPEB covered-employee payroll shown above is different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry age Normal
Amortization Method/Period	Straight-line amortization. Certain gain and losses can be deferred over a period of five years
Asset Valuation Method	Market Value
Discount Rate	3.63%
Net Investment Return	3.63%
Inflation	2.00%
Salary Increases	3.25%
Healthcare Cost Trend Rate	Varies between 3.95% to 7.64%
Retirement Age	2% 55 for employees hired before January 1, 2013 and 2% @ 62 for employees hired after January 1, 2013. Probability of retirement are based on CapPERS Experience Study.
Mortality Rate	CapPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover	CapPERS Active Mortality for Miscellaneous Employees

Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available

OTHER SUPPLEMENTARY INFORMATION

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
GASB SCHEDULE OF NET POSITION
JUNE 30 2019

ASSETS	
Current assets:	
Cash and cash equivalents	$ -
Short-term investments	2,398,605
Accounts receivables, net	28,233
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
Total current assets	2,426,838
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loan receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	-
Other assets	-
Total noncurrent assets	-
Total assets	2,426,838
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on debt refunding	-
Net pension obligation	0
Net OPEB liability	40,138
Others	-
Total deferred outflows of resources	40,138
LIABILITIES	
Current liabilities:	
Accounts payable	104,972
Accrued salaries and benefits	0
Accrued compensate absences, current portion	1,525
Unearned revenues	35,981
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Other liabilities	710
Total Current Liabilities	143,188
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	23,886
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claim liability or losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	1,170,235
Net pension liability	-
Other liabilities	-
Total non current liabilities	1,194,121
Total liabilities	1,337,309
DEFERRED INFLOWS OF RESOURCES	
Service concession arrangements	
Net pension liability	-
Net OPEB liability	66,774
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	66,774
NET POSITION	
Net investment in capital assets	-
Restricted for:	-
Nonexpendable - endowments	-
Expendable:	-
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	1,062,893
Total net position	$ 1,062,893

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
GASB SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2019

REVENUES	
Operating Revenues:	
Student Tuition and Fees, Gross	$ 1,995,047
Scholarship Allowances (enter as negative)	-
Grants and Contracts, Noncapital:	
Federal	21,755
State	220,294
Local	-
Nongovernmental	-
Sales and Services of Educational Activities	-
Sales and Services of Auxiliary Enterprises, Gross	-
Scholarship Allowances (enter as negative)	-
Other Operating Revenues	221,094
Total Operating Revenues	2,458,190
EXPENSES	
Operating Expenses:	
Instruction	-
Research	-
Public Service	-
Academic Support	-
Student Services:	
Child Development Center	590,225
Technology	124,350
Student Events	111,458
Athletics	404,405
Tutorial	2,546
Administrative	1,324,425
Institutional Support	-
Operation and Mantenance of Plant	-
Student Grants and Scholarships	-
Auxiliary Enterprise Solutions	-
Depreciation and Amortization	-
Total Operating Expenses	2,557,409
OPERATING LOSS	(99,219)
NONOPERATING REVENUES (EXPENSES)	
State Appropriations, Noncapital	-
Federal Financial Aid Grants, Noncapital	-
State Financial Aid Grants, Noncapital	-
Local Financial Aid Grants, Noncapital	-
Nongovernment and Other Financial Aid Grants, Noncapital	-
Other Federal Nonoperating Grants, Noncapital	-
Gifts, Noncapital	-
Investment Income (Loss), Net	45,422
Endowment Income (Loss), Net	-
Interest Expense	-
Other Nonoperating Revenues (Expenses) - excl. Interagency Transfers	25,408
Other Nonoperating Revenues (Expenses) - Interagency Transfers	-
Total Nonoperating Revenues (Expenses)	70,830
Income (Loss) Before Other Revenues (Expenses)	
State Appropriations, Capital	-
Grants and Gifts, Capital	-
Additions (Reductions) to permanent Endowments	-
Increase (decrease) in Net Position	(28,389)
NET POSITION	
Net Position at Beginning of Year, as previously reported	1,091,282
Restatements	-
Net Position at Beginning of Year, as restated	1,091,282
Net Position at End of Year	1,062,893

1 Cash and cash equivalents at June 30, 2019:

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	$ -

2.1 Composition of investments at June 30, 2019:

	Current	Noncurrent	Total
Money Market funds	$ 16,939	$ -	$ 16,939
Repurchase agreements	6,803	-	6,803
Certificates of deposit	99,346	-	99,346
U.S. agency securities	692,100	-	692,100
U.S. treasury securities	787,250	-	787,250
Municipal bonds	32,801	-	32,801
Corporate bonds	663,095	-	663,095
Asset backed securities	100,139	-	100,139
Mortgage backed securities	132	-	132
Commercial paper	-	-	-
Mutual funds	-	-	-
Equity securities	-	-	-
Exchange traded funds (ETFs)	-	-	-
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 major investments:			
State of California Surplus Money Investment Fund (SMIF)	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-
Total investments	2,398,605	-	2,398,605
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	$ 2,398,605	$ -	$ 2,398,605

2.2 Fair value hierarchy in investments at June 30, 2019:

		Fair Value Measurements Using			
	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	$ 16,939	$ -	$ -	$ -	$ 16,939
Repurchase agreements	6,803	-	6,803	-	-
Certificates of deposit	99,346	-	99,346	-	-
U.S. agency securities	692,100	-	692,100	-	-
U.S. treasury securities	787,250	-	787,250	-	-
Municipal bonds	32,801	-	32,801	-	-
Corporate bonds	663,095	-	663,095	-	-
Asset backed securities	100,139	-	100,139	-	-
Mortgage backed securities	132	-	132	-	-
Commercial paper	-	-	-	-	-
Mutual funds	-	-	-	-	-
Equity securities	-	-	-	-	-
Exchange traded funds (ETFs)	-	-	-	-	-
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 major investments					
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
Total investments	$ 2,398,605	$ -	$ 2,381,666	$ -	$ 16,939

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
2.3 Investments held by the University under contractual agreements: Instruction: Amounts should agree with University's investments held on behalf of Discretely Presented Component Units.							
Investments held by the University under contractual agreements (e.g CSU Consolidated SWIFT Inv pool):	$ 2,398,605	$ -	$ 2,398,605	$ -	$ -	$ -	$ 2,398,605

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2019

3.1 Composition of capital assets at June 30, 2019:

	Balance June 30, 2018	Prior period Adjustments	Reclassifications	Balance June 30, 2018 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2019
Nondepreciable/nonamortizable 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	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements		-	-	-		-	-	-
Personal property:								
Equipment	40,818	-	-	40,818		-	-	40,818
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	18,484	-	-	18,484	-	-	-	18,484
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Total intangible assets	18,484	-	-	18,484	-	-	-	18,484
Total depreciable/amortizable capital assets	59,302	-	-	59,302	-	-	-	59,302
Total capital assets	59,302	-	-	59,302	-	-	-	59,302
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-		-
Improvements, other than buildings	-	-	-	-	-	-		-
Infrastructure	-	-	-	-	-	-		-
Leasehold improvements	-	-	-	-	-			-
Personal property:								
Equipment	(40,818)	-	-	(40,818)	-			(40,818)
Library books and materials	-	-	-	-	-	-		-
Intangible assets:								
Software and websites	(18,484)	-	-	(18,484)	-	-		(18,484)
Rights and easements	-	-	-	-	-	-		-
Patents, copyright and trademarks	-	-	-	-	-	-		-
Licenses and permits	-	-	-	-	-	-		-
Other intangible assets:								
Add description	-	-	-	-	-	-		-
Add description	-	-	-	-	-	-		-
Add description	-	-	-	-	-	-		-
Add description	-	-	-	-	-	-		-
Add description	-	-	-	-	-	-		-
Total intangible assets	(18,484)	-	-	(18,484)	-	-	-	(18,484)
Total accumulated depreciation/amortization	(59,302)	-	-	(59,302)	-	-	-	(59,302)
Total capital assets, net	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2019:

Depreciation and amortization expense related to capital assets	$ -
Amortization expense related to other assets	-
Total depreciation and amortization	$ -

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2019

4 Long-term liabilities activity schedule:

	Balance June 30, 2018	Prior period adjustments	Reclassifications	Balance June 30, 2018 (restated)	Additions	Reductions	Balance June 30, 2019	Current portion	Long-term portion
Accrued compensated absences	$ 21,949	$ -	$ -	$ 21,949	$ 29,962	$ (26,500)	$ 25,411	$ 1,525	$ 23,886
Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-	-
Capital lease obligations:									
Gross balance	-	-	-	-	-	-	-	-	-
Unamortized premium / (discount) on capital lease obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-	-
Long-term debt obligations:									
Auxiliary revenue bonds	-	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-
Notes payable related to SRB		-	-	-	-		-		-
Others: (list by type)									
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-	-
Unamortized bond premium / (discount)	-	-	-	-	-		-	-	-
Total long-term debt obligations, net	-	-	-	-	-	-	-	-	-
Total long-term liabilities	$ 21,949	$ -	$ -	$ 21,949	$ 29,962	$ (26,500)	$ 25,411	$ 1,525	$ 23,886

5 Future minimum lease payments - Capital lease obligations:

	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	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-
2055 - 2059	-	-	-	-	-	-	-	-	-
2060 - 2064	-	-	-	-	-	-	-	-	-
2065 - thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	-	-	-	-	-	-	-	-	-
Less amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium (discount)									-
Total capital lease obligations									-
Less: current portion									-
Capital lease obligations, net of current portion									$ -

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds			All other long-term deb obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2020	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-
2055 - 2059	-	-	-	-	-	-	-	-	-
2060 - 2064	-	-	-	-	-	-	-	-	-
2065 - 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									-
Long-term debt obligations, net of current portion									$ -

7 Transaction with related entities

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	$ -
Payment to University for other than salaries of University personnel	769,385
Payment received from University for service, space and programs	8,725
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University form discretely presented component units	129,898
Accounts (payable to) University (enter as negative number)	(16)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	-
Other amount receivable from University	-

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

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

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 support	-	-	-	-	-	-	-	-
Student services	798,417	398,311	-	116,114		1,244,567	-	2,557,409
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-
Total	$ 798,417	$ 398,311	$ -	$ 116,114	$ -	$ 1,244,567	$ -	$ 2,557,409

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	40,138
Deferred outflows - others:	
Total deferred outflows - others	-
Total deferred outflows of resources	**$ 40,138**
2. Deferred Inflows of Resources	
Deferred inflows - service concession arrangements	
Deferred inflows - net pension liability	
Deferred inflows - net OPEB liability	66,774
Deferred inflows - unamortized gain on debt refunding(s)	
Deferred inflows - nonexchange transactions	
Deferred inflows - others:	
Total deferred inflows - others	-
Total deferred inflows of resources	**$ 66,774**

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

Board of Directors
Associated Students, Inc. California State University, Dominguez Hills
Carson, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Associated Students, Inc. California State University, Dominguez Hills, which collectively comprise Associated Students, Inc. California State University, Dominguez Hills' basic financial statements, as of and for the year ended June 30, 2019, and the related statement of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2019.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Associated Students, Inc. California State University, Dominguez Hills' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Associated Students, Inc. California State University, Dominguez Hills' internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students, Inc. California State University, Dominguez Hills' internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
September 20, 2019