

Associated Students Board of Directors  
Humboldt State University  
Meeting on Thursday, September 14, 2017  
University Center Banquet Room  
12:00 p.m.  
Agenda #5

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda #5 dated September 14, 2017 – **Action Item**
- IV. Chair's Report
- V. Public Comments (As per the Gloria Romero Open Meeting Act of 2000 authorized by Section 89306.)

Every A. S. Board of Directors agenda for regular meetings shall provide an opportunity for members of the public to directly address the A.S. Board of Directors on any item affecting higher education at the campus or statewide level. Provided that no action shall be taken on any item not appearing on the agenda. However, the Board of Directors may briefly respond to statements made or questions posed by a person exercising their public testimony rights, may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. The A.S. Board of Directors may also provide a reference to resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or request that a matter of business be placed on a future agenda.

Persons recognized by the Chair should first identify themselves by name. Time limits will be established by the Chair depending on the number of people wishing to speak and the length of the Agenda. The maximum amount of time per speaker shall not exceed 10 minutes. Public comments regarding items on the agenda will be taken prior to each agenda item.
- VI. Appointments to the Board of Directors and Committees
  - 1) A. S. President
  - 2) A. S. Administrative Vice President
  - 3) A. S. Legislative Vice President
  - 4) A. S. Student Affairs Vice President
- VII. Old Business
- VIII. New Business
  - 1) 2016-17 Independent Audit Report Draft – **Action Item**

Each auxiliary is required to have an annual audit performed by a certified public accountant selected by the governing board. The Associated Students Board of Directors will receive a presentation on the Associated Students 2016-17 Independent Audit from the audit firm CliftonLarsonAllen LLP. After the presentation the Associated Students Board of Directors will take action to accept the 2016-17 Independent Audit Report.

- IX. Official Reports (10 minute limit each speaker, additional time at discretion of Chair)
- 1) Committee Reports from Students-at-Large (This is a time for committees/boards members to provide a report to the Board of Directors.)
  - 2) President (Joey Mularky)
  - 3) Administrative Affairs Vice President (Kassandra Rice)
  - 4) Student Affairs Vice President (Dana Carrillo)
  - 5) Legislative Vice President (Paola Valdovinos)
  - 6) A.S. Presents Representative (Jonathan Pena Centes)
  - 7) Social Justice and Equity Officer (Tzveta Stoimenova)
  - 8) Environmental Sustainability Officer (Desteny Gutierrez)
  - 9) Representative Reports
  - 10) Advisors Reports
- X. General Discussion (At this time the Board of Directors membership may follow-up with questions regarding reports.)
- XI. General Work Session
- XII. Announcements
- XIII. Adjournment

This event is wheelchair accessible. Persons who wish to request disability-related accommodations, including sign-language interpreters, should contact Patric Esh, A.S. Board Coordinator, at [patric.esh@humboldt.edu](mailto:patric.esh@humboldt.edu) or call (707) 826-4221. Some accommodations may take up to several weeks to arrange.



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Associated Students Council  
Associated Students of Humboldt State University  
Arcata, California

We have audited the financial statements of the business-type activities of the Associated Students of Humboldt State University, a component unit of Humboldt State University (HSU), as of and for the years ended June 30, 2017, and have issued our report thereon dated REPORT DATE. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### Significant audit findings

#### ***Qualitative aspects of accounting practices***

##### Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Associated Students of Humboldt State University are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2017.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management's estimate of the allowance for doubtful accounts is based on historical sales, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

##### Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- Related-party transactions with Humboldt State University and other auxiliaries and ancillaries of Humboldt State University.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as result of audit a procedures.

***Disagreements with management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated at the financial statement's issuance-REPORT DATE.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant findings or issues that were discussed, or the subject of correspondence, with management***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

**Other information in documents containing audited financial statements**

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

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This communication is intended solely for the information and use of the Associated Students Council and management of the Associated Students of Humboldt State University and is not intended to be, and should not be, used by anyone other than these specified parties.

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

**ASSOCIATED STUDENTS OF  
HUMBOLDT STATE UNIVERSITY**

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**Including Schedules Prepared for Inclusion  
in the Financial Statements of the  
California State University**

**Years Ended June 30, 2017 and 2016**

Tentative Report  
For Discussion Purposes Only  
Subject to Revision

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## INDEPENDENT AUDITORS' REPORT

Associated Students Council  
Associated Students of Humboldt State University  
Arcata, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Associated Students of Humboldt State University, a component unit of Humboldt State University (HSU), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the entity'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 opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Associated Students of Humboldt State University as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages as listed in the table of contents 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 financial statements that collectively comprise the Associated Students of Humboldt State University's basic financial statements. The schedule of net position, the schedule of revenues, expenses and changes in net position, and other information (supplementary 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. The supplementary information is the responsibility of management and was derived from and relate 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

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

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
REPORT DATE

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Tentative Report  
For Discussion Purposes Only  
Subject to Revision

## ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

### Management's Discussion and Analysis

Years ended June 30, 2017 and 2016

This section of Associated Students of Humboldt State University (Associated Students) annual financial report presents management's overview and analysis of the financial activities of Associated Students for the years ended June 30, 2016 and 2017. This discussion have been prepared by management and should be read in conjunction with the financial statements and notes.

#### Introduction to the Basic Financial Statements

The annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standard Board (GASB) Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities. This standard is applicable to Associated Students because it is a component unit of Humboldt State University (HSU). Consistent with HSU, Associated Students has adopted the business-type activity (BT) reporting model to represent its activities.

The financial statements include the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; the Statements of Cash Flows, and the Statements of Fiduciary Net Position. These statements are supported in the annual report by the notes to the financial statements and this section. All sections should be considered together to obtain complete understanding of the financial picture of Associated Students.

**Statements of Net Position** - The Statements of Net Position includes all assets, liabilities and net position. Assets and liabilities are generally reported on an accrual basis as of the statement date. They also identify major categories of restrictions on the net position of Associated Students.

**Statements of Revenues, Expenses, and Changes in Net Position** - The Statements of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year, on an accrual basis.

**Statements of Cash Flows** - The Statements of Cash Flow presents the inflows and outflows of cash, 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, present gross rather than net amounts for the year's activities.

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

Management's Discussion and Analysis

Years ended June 30, 2017 and 2016

**Analytical Overview**

A summary of key financial statement information is presented below:

**Condensed Summary of Net Position**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>\$ Change from FY16 to FY17</u>	<u>\$ Change from FY15 to FY16</u>
<b>Assets:</b>					
Current assets	\$ 549,645	\$ 618,769	\$ 501,861	\$ (69,124)	\$ 116,908
Capital assets, net of accumulated depreciation	-	-	-	-	-
<b>Total assets</b>	<u>549,645</u>	<u>618,769</u>	<u>501,861</u>	<u>(69,124)</u>	<u>116,908</u>
<b>Liabilities:</b>					
Current liabilities	<u>25,519</u>	<u>95,084</u>	<u>42,811</u>	<u>(69,565)</u>	<u>52,273</u>
<b>Total liabilities</b>	<u>25,519</u>	<u>95,084</u>	<u>42,811</u>	<u>(69,565)</u>	<u>52,273</u>
<b>Net position:</b>					
Net investment in capital assets	-	-	-	-	-
Unrestricted	<u>524,126</u>	<u>523,685</u>	<u>459,050</u>	<u>441</u>	<u>64,635</u>
<b>Total net position</b>	<u>\$ 524,126</u>	<u>\$ 523,685</u>	<u>\$ 459,050</u>	<u>\$ 441</u>	<u>64,635</u>

**Statement of Net Position Variance Analysis between 2017 and 2016**

Current assets decreased by \$69,124. Current assets include: cash and cash equivalents, unreserved cash in LAIF, accounts receivable, prepaid expenses, and other current assets. The decrease in current assets was attributable to the Business Services change from University Center to Humboldt State. With the transition, activity not applicable to Associated Students were reclassified appropriately. Ultimately, the decrease in current assets is due to the decrease in liabilities.

Capital assets, *net* remains unchanged. There were no new capital equipment additions.

The Associated Students has a cash balance of \$129,808 in the checking account and \$413,430 held in LAIF, Local Agency Investment Fund. This combined total of unrestricted cash is \$543,238. The remaining cash balance is 55.61% of the operating revenue of the 2016-17 fiscal year.

Current liabilities decreased by \$69,565. Current liabilities include: accounts payable, accrued liabilities, and other liabilities. The decrease is in conjunction with the transfer of Business Services. Accounts Payable processes have become more efficient resulting in a 72% decrease since 2015-16 fiscal year.

Net position increased by \$441, reflecting the cumulative net change in assets and liabilities for the year.

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

Management's Discussion and Analysis

Years ended June 30, 2017 and 2016

**Operating Results**

Associated Students' condensed summary of revenues, expenses, and changes in net position is as follows:

**Condensed Summary of Revenues, Expenses, and Changes in Net Position**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>\$ Change from FY17 to FY16</u>	<u>\$ Change from FY16 to FY15</u>
<b>Operating revenues:</b>					
Instructional related activities	\$ 37,960	\$ 512,668	\$ 504,812	\$ (474,708)	\$ 7,856
Associated student body fee	938,825	972,329	903,093	(33,504)	69,236
Other revenues	-	137,643	96,057	(137,643)	41,586
<b>Total operating revenues</b>	<u>976,785</u>	<u>1,622,640</u>	<u>1,503,962</u>	<u>\$ (645,855)</u>	<u>\$ 118,678</u>
<b>Operating expenses:</b>					
Operating expenses	980,478	1,561,930	1,503,120	(581,452)	58,810
Depreciation expense	-	-	453	-	(453)
<b>Total operating expenses</b>	<u>980,478</u>	<u>1,561,930</u>	<u>1,503,573</u>	<u>(581,452)</u>	<u>58,357</u>
<b>Operating (loss) income</b>	<u>(3,693)</u>	<u>60,710</u>	<u>389</u>	<u>(64,403)</u>	<u>60,321</u>
<b>Non-operating revenues (expenses):</b>					
Investment income	4,134	3,925	3,003	209	922
<b>Net non-operating revenues (expenses)</b>	<u>4,134</u>	<u>3,925</u>	<u>3,003</u>	<u>209</u>	<u>922</u>
<b>Increase in net position</b>	<u>441</u>	<u>64,635</u>	<u>3,392</u>	<u>(64,194)</u>	<u>61,243</u>
<b>Net position at beginning of year</b>	<u>523,685</u>	<u>459,050</u>	<u>455,658</u>	<u>64,635</u>	<u>3,392</u>
<b>Net position at end of year</b>	<u>\$ 524,126</u>	<u>\$ 523,685</u>	<u>\$ 459,050</u>	<u>\$ 441</u>	<u>64,635</u>

**Revenue and Expense Variance Analysis between 2017 and 2016**

Operating revenues is composed of Instructionally Related Activities (IRA), Associated Students student body organization fees, and other. Operating revenues decreased by \$645,855. The student enrollment and AS Fee decrease contributed to the revenue decrease along with the transition of Accounting to Humboldt State Financial Services. The reclassification of Student Clubs, IRA and Associated Student Programs fundraising revenues to stateside accounting are also other factors to take into account.

Operating expenses decreased by \$581,452. The total wages and benefits increased by \$94,928, reflecting the hiring of an Interim Executive Director in the beginning of the fiscal year and hiring of the Executive Director in April, causing an overlap due to training purposes. Student Assistants were also paid through the state, causing the reimbursement account to increase. IRA activity has been moved to Humboldt State University accounting, however, the IRA Agreement for FY 16-17 was still in effect until June 2017, which correlates with the IRA revenues.

## ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

### Management's Discussion and Analysis

Years ended June 30, 2017 and 2016

Investment income was \$4,134 which was an increase of \$209 over the prior year. Investment income is comprised of interest from LAIF, monies held with Local Agency Investment Fund.

Net position increased by \$441, reflecting the cumulative net change in assets and liabilities for the year.

#### Factors Impacting Future Periods

As an auxiliary, any state budget cuts to CSU funding affects enrollment and could have a negative impact on AS revenue and funding for its operational needs. Also, freezes or cuts to HSU enrollment or CSU funding could put strain on the AS budget by increasing demand for current AS services or propagate the need to expand AS programs. Highlights of Humboldt State University's budget for 2017-18 include an enrollment target that is 3% higher than HSU's target for 2016-17. Lower enrollment numbers than projected would likely have a negative impact on the revenue of the Associated Students of HSU. Management continues to monitor operating costs in Associated Students, review its operations, and make adjustments accordingly.

With the transition of Associated Students' Business Services moving from University Center to Humboldt State Administrative Affairs mid-year, due to Student Board vote, caused an analysis of where funding activities were supposed to be accounted for. Once transitioned, Management made the executive decision to transfer Clubs and IRA activities to the Humboldt State University business unit. Doing this has made Associated Students accounting become clearer and more transparent.

#### Contact Information

This financial report is designed to provide a general overview of the auxiliary's finances. If you have questions about this report or need additional financial information, contact the Associated Students of Humboldt State University, 1 Harpst Street, Arcata, CA 95521.

**BASIC FINANCIAL STATEMENTS**

Tentative Report  
For Discussion Purposes Only  
Subject to Revision

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

**Statements of Net Position**

**June 30, 2017 and June 30, 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash on Hand (US Bank Checking)	\$ 129,808	\$ 130,718
Cash Invested in LAIF	413,430	450,492
Total Cash	<u>543,238</u>	<u>581,210</u>
Accounts Receivable	6,408	37,328
Prepaid Expenses	-	231
Total Current Assets	<u>549,645</u>	<u>618,769</u>
Capital Assets, net	-	-
<b>Total Assets</b>	<u>\$ 549,645</u>	<u>\$ 618,769</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 17,018	\$ 61,663
Accrued Liabilities	7,364	10,691
Unearned Revenue	-	22,730
Other Liabilities	1,137	-
Total Current Liabilities	<u>25,519</u>	<u>95,084</u>
<b>Total Liabilities</b>	<u>\$ 25,519</u>	<u>\$ 95,084</u>
<b>Net Position</b>		
Net Investment in Capital Assets	\$ -	\$ -
Unrestricted	524,126	523,685
<b>Total Net Position</b>	<u>\$ 524,126</u>	<u>\$ 523,685</u>

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

**Statements Revenue, Expenses, and Change in Net Position**

**June 30, 2017 and June 30, 2016**

	<u>2017</u>	<u>2016</u>
Revenues:		
Operating Revenues:		
ASB Student Activity Fee	\$ 938,826	\$ 972,329
AS Programs	-	137,643
Instructional Related Activities (IRA)	37,960	512,668
Total Operating Revenues	<u>976,785</u>	<u>1,622,640</u>
Expenses:		
Operating Expenses:		
Salaries and Wages	204,692	131,862
Employee Benefits	30,373	8,275
Payment(s) per Agreement(s)/Contract(s)	381,127	443,949
Reimbursement to Other Agencies (HSU/UC)		111,055
Repairs and Maintenance		4,631
Communications	2,551	3,104
Travel	63,692	59,850
Insurance	9,844	8,024
Audit		6,903
Program Expenditures	288,199	270,612
Instructional Related Activities (IRA)	-	513,665
Total Operating Expenses	<u>980,478</u>	<u>1,561,930</u>
Operating Income (Loss)	<u>(3,693)</u>	<u>60,710</u>
Non-Operating Revenue (Expenses):		
Investment Income/Other	4,134	3,925
Non-Operating Revenue (Expenses), net	<u>4,134</u>	<u>3,925</u>
Increase in Net Position	<u>441</u>	<u>64,635</u>
Net Position:		
Net Position at Beginning of Year	523,685	459,050
Net Position at the End of the Period	<u>\$ 524,126</u>	<u>\$ 523,685</u>

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Statements of Cash Flows

Years ended June 30, 2017 & 2016

	2017	2016
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 948,000	\$ 1,633,243
Cash payments to suppliers for operations	(792,265)	(1,097,850)
Cash payments to employees for services	(227,472)	(140,135)
Cash payments for general and administrative expenses	29,636	(276,259)
<b>Net cash provided by (used in) operating activities</b>	<b>(42,102)</b>	<b>118,999</b>
<b>Cash flows from noncapital financing activities:</b>		
Nongovernmental and other financial aid grants	32	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>32</b>	<b>-</b>
<b>Cash flows from investing activities:</b>		
Purchase of investments	4,092	3,925
Investment income (loss) proceeds (payments)	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>4,092</b>	<b>3,925</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(37,978)</b>	<b>122,924</b>
Cash and cash equivalents at beginning of year	581,210	458,286
<b>Cash and cash equivalents at end of year</b>	<b>\$ 543,232</b>	<b>\$ 581,210</b>
<b>Reconciliation to cash per statement of net position</b>		
Cash on hand and commercial accts	\$ 129,802	\$ 130,718
Cash invested in LAIF	413,430	450,492
<b>Total cash and cash equivalents at end of year</b>	<b>\$ 543,232</b>	<b>\$ 581,210</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ (3,693)	\$ 60,710
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	-	-
Change in assets and liabilities:		
Accounts receivable	30,931	5,587
Prepaid expenses	231	429
Accounts payable	(47,083)	53,178
Accrued salaries and benefits	4,355	
Accrued compensated absences	2,101	
Unearned revenue	(22,730)	(5,025)
Agency fund liability		
Other liabilities	(6,214)	(5,930)
Total adjustments	(38,409)	48,668
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (42,102)</b>	<b>\$ 109,378</b>

## ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Notes to Financial Statements

Year Ended June 30, 2017

### (1) Summary of Significant Accounting Policies

The financial statements of Associated Students of Humboldt State University (AS) have been prepared to conform with Accounting Principles Generally Accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The summary of significant accounting policies is presented to assist in understanding the AS financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

#### (a) Nature of Operations

AS is an auxiliary organization of Humboldt State University (HSU) and a component unit of the California State University (CSU), organized and operated in accordance with the Education Code of the State of California and the California Code of Regulations. The function of the Organization is to provide essential activities which are an integral part of the Humboldt State University Campus Programs. Such activities include student government, cultural programs, and various other services.

#### (b) Related Organizations

The Organization is related to other auxiliaries of Humboldt State University, including the Humboldt State University Center, the Humboldt State University Sponsored Programs Foundation, and the Humboldt State University Advancement Foundation. These auxiliaries and the University periodically provide various services for one another.

#### (c) Basis of Presentation

After reassessing its articles of incorporation and bylaws, and considering that AS is a component unit of Humboldt State University, AS determined that it should apply generally accepted accounting principles applicable to governmental entities.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, as prescribed by the GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The financial statements required by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities* include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. AS has elected to use the proprietary fund reporting model for special-purpose governments engaged only in business-type activities. In accordance with the business-type activities reporting model, AS prepares its statement of cash flows using the direct method.

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Notes to Financial Statements

Year Ended June 30, 2017

**(d) Revenue Recognition**

Student fees, investment income and revenues are recorded when earned.

**(e) Allowance for Doubtful Accounts**

The organization has established an allowance for bad debt based upon management's estimate as to the collectability of accounts receivable.

**(f) 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.

**(g) Capital Assets**

Capital assets are recorded at cost less depreciation calculated by the straight-line method over the assets' estimated useful lives. AS capitalizes purchases over \$5,000. However, sensitive property, defined as any highly desirable and portable item, will be capitalized if the cost is \$1,000 or greater.

In addition, AS uses office facilities and equipment that are the property of the California State University. No lease payments are required for the use of these facilities.

**(h) Cash and Cash Equivalents**

For the purpose of the statement of cash flows, all cash on hand, commercial accounts, and cash invested in LAIF, are considered cash and cash equivalents.

**(i) Classification of Revenues and Expenses**

AS considers operating revenues and expenses in the statement of revenues, expenses, and changes in net position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the primary functions of AS. 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. 35. These nonoperating activities include net investment income and changes in campus program fund liabilities.

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Notes to Financial Statements

Year Ended June 30, 2017

(j) **Net Position**

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. AS reports two categories of net position, as follows:

**Net Investment in Capital Assets** - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.

**Unrestricted Net Position** - consists of all other net position that does not meet the definition of the above component and is available for general use by AS.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position.

(2) **Cash Investments**

AS maintains cash in the State of California Local Agency Investment Fund (LAIF), an investment pool. The investment is not insured. However, these funds are invested in accordance with California Government Code Sections 16430 and 16480, the stated investment authority for the Pooled Money Investment Account. At June 30, 2017, the uninsured and uncollateralized cash balance was \$413,430.

Custodial credit risk is the risk that in the event of the failure of a counterparty, AS would not be able to recover the value of its investments that are in the possession of an outside party. Financial instruments that potentially subject AS to custodial risk are investments in excess of amounts insured by the FDIC. No policy exists related to custodial risk specifically. The AS investment policy does not prohibit deposits in single institutions that expose AS to custodial credit risk. Management believes the organization is not exposed to any significant credit risk related to cash.

The AS cash investment portfolio consists entirely of investments in LAIF, a voluntary program created by statute as an alternative for California's local governments and special districts that allow affiliates to participate in a major investment portfolio. It is under the administration of the California State Treasurer's Office. There are no significant interest rate risks or credit risks to be disclosed in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*.

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

Notes to Financial Statements

Year Ended June 30, 2017

**(3) Exempt Status**

AS is exempt from federal income tax under Internal Revenue Code 501(c)(3), and California franchise tax under California Revenue and Taxation Code Section 23701. Accordingly, no provision for income taxes has been reflected in these financial statements.

**Unrelated business income tax:** The Tax Reform Act of 1969 imposes a corporate income tax on the unrelated business taxable income (UBIT) of an otherwise tax-exempt organization. A provision, if necessary, for applicable federal and state income taxes is made in accordance with these statutes. There was no income tax expense related to UBIT for the years ended June 30, 2017 and 2016.

**(4) Capital Assets**

The change in capital assets for the year ended June 30, 2017, is as follows:

	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017
Improvements	\$ 35,418	\$ -	\$ -	\$ 35,418
Equipment	9,568			9,568
Accumulated Depreciation	(44,986)			(44,986)
Capital Assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The change in capital assets for the year ended June 30, 2016, is as follows:

	Balance 6/30/2015	Additions	Deletions	Balance 6/30/2016
Improvements	\$ 35,418	\$ -	\$ -	\$ 35,418
Equipment	11,716		(2,148)	9,568
Accumulated Depreciation	(47,134)		2,148	(44,986)
Capital Assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

Notes to Financial Statements

Year Ended June 30, 2017

**(5) Functional Allocation of Expenses**

Expenses by functional classification are as follows:

	<u>2017</u>	<u>2016</u>
AS Programs Expenses		
Cultural affairs	\$ 38,141	\$ 41,129
Student services	496,782	470,154
Community services	33,097	66,020
Intramural rec	63,202	50,337
Student government	<u>75,856</u>	<u>103,552</u>
Total AS Program Expenses	707,079	731,192
 Instucltional related activities (IRA) Expenses	 <u>-</u>	 <u>513,665</u>
 Total program expenses	 <u>707,079</u>	 <u>1,244,857</u>
 General and administrative expenses	 <u>273,399</u>	 <u>317,073</u>
 Total operating expenses	 <u>\$ 980,478</u>	 <u>\$ 1,561,930</u>

**(6) Unrestricted Net Position**

Unrestricted net position consists of the following board designated classifications as of June 30, 2017:

	<u>2017</u>	<u>2016</u>
General Operating Reserve	\$ 350,441	\$ 394,064
Discretionary	86,075	-
Facilities/Special Projects Reserve	43,805	67,857
Capital Purchase Reserve	43,805	61,764
Subtotal	<u>\$ 524,126</u>	<u>\$ 523,685</u>

The AS Council approved an expenditure of up to \$11,540 from the Facilities/Special Projects Reserve fund in April 2012 for costs associated with purchase of supplies and materials for a campus community garden shed, bedding materials, fencing and a rainwater catchment system. The funds were not expended as of June 30, 2016. In 2016-17 the AS Council approved \$100,000 of the unrestricted net position to be classified as discretionary funding. Of the \$100,000, \$13,925 was spent in fiscal year 16/17 and \$30,000 was allotted to Scholars without Borders \$20,000, Empowerment Series \$5,000 and Programming Grants \$5,000, leaving \$56,075 to be spent in 2017-2018 and on.

**(7) Accounts and Other Receivables**

After the Business Services transition from Humboldt State University Center to Humboldt State University Financial Services, the Accounts Receivable and Accounts Payable business processing have become more streamlined. In result of the streamline, invoices are paid timely causing the outstanding Accounts Receivable and Accounts Payable balances to decrease greatly.

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Notes to Financial Statements

Year Ended June 30, 2017

**(8) Related Party Transactions**

***(a) Management Services with Humboldt State University Center (UC) switching to Humboldt State University***

AS had an agreement with the Humboldt State University Center (UC) for the UC to provide accounting and administrative services. During the second quarter 2016-2017 Associated Students initiated a bid for new business services that Humboldt State University Business Services applied and presented for. In November, the AS council chose Humboldt State University Business Services to take over the services that University Center had provided before. The agreement commenced January 1, 2017 and is due to end June 30, 2018. In the agreement, Associated Students agreed to pay HSU for the Business Services in the amount of \$57,610 for January 1, 2017 through June 30, 2017 and \$115,220 for fiscal year 2017-18. HSU will invoice Associated Students at the end of each quarter.

***(b) Reimbursement and other services with Humboldt State University***

For the year ending June 30, 2017 and 2016, AS paid HSU \$278,133 and \$491,904, respectively, for a wide range of services, including business management, business services, reimbursement, reimbursement of salary and benefits of HSU personnel working for AS. At June 30, 2017, AS had \$15,904 payable to HSU and \$6,802 receivable from HSU, and \$21,599 and \$28,260, respectively, at June 30, 2016. A large portion of the payments, \$190,284 of \$195,144, received from the University for services, space and programs occurred in the first half of the 16-17 fiscal year, when University Center was still providing Business Services to AS. The payments consisted of IRA fees being delegated to the various programs selected to receive IRA funding, which AS manages and facilitates per the IRA contract.

**SUPPLEMENTARY INFORMATION**

Tentative Report  
For Discussion Purposes Only  
Subject to Revision

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Schedule of Net Position

June 30, 2017

(for inclusion in the California State University)

Assets:

Current assets:		
Cash and cash equivalents	\$	129,808
Short-term investments		413,430
Accounts receivable, net		6,407
Leases receivable, current portion		—
Notes receivable, current portion		—
Pledges receivable, net		—
Prepaid expenses and other current assets		—
Total current assets		<u>549,645</u>

Noncurrent assets:		
Restricted cash and cash equivalents		—
Accounts receivable, net		—
Leases 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		—
Other assets		—
Total noncurrent assets		—
Total assets		<u>549,645</u>

Deferred outflows of resources:		
Unamortized loss on debt refunding		—
Net pension liability		—
Others		—
Total deferred outflows of resources		—

Liabilities:

Current liabilities:		
Accounts payable		17,018
Accrued salaries and benefits		5,263
Accrued compensated absences, current portion		2,101
Unearned revenue		—
Capitalized lease obligations, current portion		—
Long-term debt obligations, current portion		—
Claims liability for losses and loss adjustment expenses, current portion		—
Depository accounts		—
Other liabilities		1,137
Total current liabilities		<u>25,519</u>

Noncurrent liabilities:		
Accrued compensated absences, net of current portion		—
Unearned revenue		—
Grants refundable		—
Capitalized lease obligations, net of current portion		—
Long-term debt obligations, net of current portion		—
Claims liability for losses and loss adjustment expenses, net of current portion		—
Depository accounts		—
Other postemployment benefits obligations		—
Net pension liability		—
Other liabilities		—
Total noncurrent liabilities		—
Total liabilities		<u>25,519</u>

Deferred inflows of resources:		
Service concession arrangements		—
Net pension liability		—
Unamortized gain on debt refunding		—
Nonexchange transactions		—
Others		—
Total deferred inflows of resources		—

Net Position:

Net investment in capital assets		—
Restricted for:		
Nonexpendable – endowments		—
Expendable:		
Scholarships and fellowships		—
Research		—
Loans		—
Capital projects		—
Debt service		—
Others		—
Unrestricted		524,126
Total net position	\$	<u>524,126</u>

For Dispersive Report  
Subject to Revision Only

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2017

(for inclusion in the California State University)

Revenues:

Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$ _____)	\$	938,826
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$ _____)		37,959
Other operating revenues		—
Total operating revenues		<u>976,785</u>

Expenses:

Operating expenses:		
Instruction		—
Research		—
Public service		—
Academic support		—
Student services		—
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		—
Auxiliary enterprise expenses		980,478
Depreciation and amortization		—
Total operating expenses		<u>980,478</u>
Operating income (loss)		<u>(3,693)</u>

Nonoperating revenues (expenses):

State appropriations, noncapital		—
Federal financial aid grants, noncapital		—
State financial aid grants, noncapital		—
Local financial aid grants, noncapital		—
Nongovernmental and other financial aid grants, noncapital		—
Other federal nonoperating grants, noncapital		—
Gifts, noncapital		—
Investment income (loss), net		4,134
Endowment income (loss), net		—
Interest expense		—
Other nonoperating revenues (expenses)		—

Net nonoperating revenues (expenses)		<u>4,134</u>
--------------------------------------	--	--------------

Income (loss) before other revenues (expenses)		441
--	--	-----

State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		441

Net position:

Net position at beginning of year, as previously reported		523,685
Restatements		—
Net position at beginning of year, as restated		<u>523,685</u>
Net position at end of year	\$	<u>524,126</u>





ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY  
Other Information  
June 30, 2017  
(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2017:

	Balance June 30, 2016	Prior period Adjustments	Reclassifications	Balance June 30, 2016 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2017
<b>Nondepreciable/nonamortizable capital assets:</b>								
Land and land improvements	\$ --	--	--	--	--	--	--	--
Works of art and historical treasures	--	--	--	--	--	--	--	--
Construction work in progress (CWIP)	--	--	--	--	--	--	--	--
<b>Intangible assets:</b>								
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	--	--	--	--	--	--	--	--
Total intangible assets	--	--	--	--	--	--	--	--
<b>Total nondepreciable/nonamortizable capital assets</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Depreciable/amortizable capital assets:</b>								
Buildings and building improvements	35,418	--	--	35,418	--	--	--	35,418
Improvements, other than buildings	--	--	--	--	--	--	--	--
Infrastructure	--	--	--	--	--	--	--	--
Leaschold improvements	--	--	--	--	--	--	--	--
Personal property:								
Equipment	9,568	--	--	9,568	--	--	--	9,568
Library books and materials	--	--	--	--	--	--	--	--
<b>Intangible assets:</b>								
Software and websites	--	--	--	--	--	--	--	--
Rights and easements	--	--	--	--	--	--	--	--
Patents, copyright and trademarks	--	--	--	--	--	--	--	--
Licenses and permits	--	--	--	--	--	--	--	--
Other intangible assets:								
Add description	--	--	--	--	--	--	--	--
Add description	--	--	--	--	--	--	--	--
Add description	--	--	--	--	--	--	--	--
Add description	--	--	--	--	--	--	--	--
Total intangible assets	--	--	--	--	--	--	--	--
<b>Total depreciable/amortizable capital assets</b>	<b>44,986</b>	<b>--</b>	<b>--</b>	<b>44,986</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>44,986</b>
<b>Total capital assets</b>	<b>44,986</b>	<b>--</b>	<b>--</b>	<b>44,986</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>44,986</b>
<b>Less accumulated depreciation/amortization:</b>								
Buildings and building improvements	(35,418)	--	--	(35,418)	--	--	--	(35,418)
Improvements, other than buildings	--	--	--	--	--	--	--	--
Infrastructure	--	--	--	--	--	--	--	--
Leaschold improvements	--	--	--	--	--	--	--	--
Personal property:								
Equipment	(9,568)	--	--	(9,568)	--	--	--	(9,568)
Library books and materials	--	--	--	--	--	--	--	--
<b>Intangible assets:</b>								
Software and websites	--	--	--	--	--	--	--	--
Rights and easements	--	--	--	--	--	--	--	--
Patents, copyright and trademarks	--	--	--	--	--	--	--	--
Licenses and permits	--	--	--	--	--	--	--	--
Other intangible assets:								
Add description	--	--	--	--	--	--	--	--
Add description	--	--	--	--	--	--	--	--
Add description	--	--	--	--	--	--	--	--
Add description	--	--	--	--	--	--	--	--
Total intangible assets	--	--	--	--	--	--	--	--
<b>Total accumulated depreciation/amortization</b>	<b>(44,986)</b>	<b>--</b>	<b>--</b>	<b>(44,986)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(44,986)</b>
<b>Total capital assets, net</b>	<b>\$ --</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**  
 Other Information  
 June 30, 2017  
 (for inclusion in the California State University)

**3.2 Detail of depreciation and amortization expense for the year ended June 30, 2017:**

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

**4 Long-term liabilities activity schedule:**

	Balance June 30, 2016	Prior period adjustments	Reclassifications	Balance June 30, 2016 (restated)	Additions	Reductions	Balance June 30, 2017	Current portion	Long-term portion
Accrued compensated absences	\$	—	—	—	2,101	—	2,101	2,101	—
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
<b>Total capitalized lease obligations</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
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	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
<b>Total long-term debt obligations</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
<b>Total long-term debt obligations, net</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total long-term liabilities</b>	<b>\$</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,101</b>	<b>—</b>	<b>2,101</b>	<b>2,101</b>	<b>—</b>

**5 Future minimum lease payments - capitalized lease obligations:**

	Capitalized lease obligations related to SRB			All other capitalized lease obligations			Total capitalized 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:									
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023 - 2027	—	—	—	—	—	—	—	—	—
2028 - 2032	—	—	—	—	—	—	—	—	—
2033 - 2037	—	—	—	—	—	—	—	—	—
2038 - 2042	—	—	—	—	—	—	—	—	—
2043 - 2047	—	—	—	—	—	—	—	—	—
2048 - 2052	—	—	—	—	—	—	—	—	—
2053 - 2057	—	—	—	—	—	—	—	—	—
2058 - 2062	—	—	—	—	—	—	—	—	—
2063 - 2067	—	—	—	—	—	—	—	—	—
<b>Total minimum lease payments</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Less amounts representing interest	—	—	—	—	—	—	—	—	—
<b>Present value of future minimum lease payments</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Unamortized net premium (discount)	—	—	—	—	—	—	—	—	—
<b>Total capitalized lease obligations</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Less: current portion	—	—	—	—	—	—	—	—	—
<b>Capitalized lease obligation, net of current portion</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>\$</b>

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6 Long-term debt obligation schedule

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2018	\$ ---	---	---	---	---	---	---	---	---
2019	---	---	---	---	---	---	---	---	---
2020	---	---	---	---	---	---	---	---	---
2021	---	---	---	---	---	---	---	---	---
2022	---	---	---	---	---	---	---	---	---
2023 - 2027	---	---	---	---	---	---	---	---	---
2028 - 2032	---	---	---	---	---	---	---	---	---
2033 - 2037	---	---	---	---	---	---	---	---	---
2038 - 2042	---	---	---	---	---	---	---	---	---
2043 - 2047	---	---	---	---	---	---	---	---	---
2048 - 2052	---	---	---	---	---	---	---	---	---
2053 - 2057	---	---	---	---	---	---	---	---	---
2058 - 2062	---	---	---	---	---	---	---	---	---
2063 - 2067	---	---	---	---	---	---	---	---	---
Total minimum payments	---	---	---	---	---	---	---	---	---
Less amounts representing interest									---
Present value of future minimum payments									---
Unamortized net premium (discount)									---
Total long-term debt obligations									---
Less: current portion									---
Long-term debt obligations, net of current portion									\$ ---

7 Calculation of net position

7.1 Calculation of net position - net investment in capital assets

Capital assets, net of accumulated depreciation	\$ ---
Capitalized lease obligations, current portion	---
Capitalized lease obligations, net of current portion	---
Long-term debt obligations, current portion	---
Long-term debt obligations, net of current portion	---
Portion of outstanding debt that is unspent at year-end	---
Other adjustments: (please list)	
Add description	---
Net position - net investment in capital asset	\$ ---

7.2 Calculation of net position - restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowment	\$ ---
Endowment investments	---
Other adjustments: (please list)	
Add description	---
Net position - Restricted for nonexpendable - endowments per SNP	\$ ---

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**8 Transactions with related entities**

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 58,436
Payments to University for other than salaries of University personnel	219,677
Payments received from University for services, space, and programs	195,144
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)	(15,904)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	6,802
Other amounts receivable from University	—

**9 Other postemployment benefits obligation (OPEB)**

Annual required contribution (ARC)	\$	—
Contributions during the year	—	—
Increase (decrease) in net OPEB obligation (NOO)	—	—
Other adjustments	—	—
NOO - beginning of year	—	—
NOO - end of year	\$	—

**10 Pollution remediation liabilities under GASB Statement No. 49:**

Description		Amount
Add description	\$	—
Add description		—
Total pollution remediation liabilities		—
Less: current portion		—
Pollution remediation liabilities, net of current portion		—

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11 The nature and amount of the prior period adjustment(s) recorded to beginning net position

	Net Position Class	Amount	
		Dr.	Cr.
Net position as of June 30, 2016, as previously reported		\$	523,685
Prior period adjustments:			
1 (list description of each adjustment)			—
2 (list description of each adjustment)			—
3 (list description of each adjustment)			—
4 (list description of each adjustment)			—
5 (list description of each adjustment)			—
6 (list description of each adjustment)			—
7 (list description of each adjustment)			—
8 (list description of each adjustment)			—
9 (list description of each adjustment)			—
10 (list description of each adjustment)			—
Net position as of June 30, 2016, as restated		\$	523,685

Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjustment:

	Debit	Credit
Net position class: _____		
1 (breakdown of adjusting journal entry)	\$	—
Net position class: _____		
2 (breakdown of adjusting journal entry)		—
Net position class: _____		
3 (breakdown of adjusting journal entry)		—
Net position class: _____		
4 (breakdown of adjusting journal entry)		—
Net position class: _____		
5 (breakdown of adjusting journal entry)		—
Net position class: _____		
6 (breakdown of adjusting journal entry)		—
Net position class: _____		
7 (breakdown of adjusting journal entry)		—
Net position class: _____		
8 (breakdown of adjusting journal entry)		—
Net position class: _____		
9 (breakdown of adjusting journal entry)		—
Net position class: _____		
10 (breakdown of adjusting journal entry)		—

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Note to Supplementary Information

Year Ended June 30, 2016

**NOTE 1 – SUPPLEMENTARY INFORMATION**

As an auxiliary organization of the California State University (CSU), Associate Students of Humboldt State University (Associated Students) is required to include audited supplementary information in its financial statements in the form and content specified by CSU. As a result, there are differences in reporting format between Associated Students' financial statements and the supplementary schedules for CSU.

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**ADDITIONAL INFORMATION**

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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**

Associated Student Council  
Associated Students of Humboldt State University  
Arcata, 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 of Humboldt State University, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Associated Students of Humboldt State University's basic financial statements, and have issued our report thereon dated REPORT DATE.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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**

Minneapolis, Minnesota  
REPORT DATE

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