

**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, 2021 and 2020

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REPORT OF INDEPENDENT AUDITORS

Report of Independent Auditors

To the Board of Directors
Associated Students of Humboldt State University

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Associated Students of Humboldt State University (Associated Students), a component unit of Humboldt State University, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Associated Students' 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.

Auditor's Responsibility

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

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

We believe 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 respective financial position of the business-type activities of Associated Students of Humboldt State University as of June 30, 2021 and 2020, 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 management's discussion and analysis 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Associated Students' basic financial statements. The schedule of net position, schedule of revenues, expenses, and changes in net position, other information, and note to supplementary information (collectively supplementary information) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary 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 September 13, 2021 on our consideration of Associated Students' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Associated Students' 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' internal control over financial reporting and compliance.

Moss Adams LLP

Medford, Oregon
September 13, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Management's Discussion and Analysis

Years ended June 30, 2021 and 2020

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, 2021 and 2020. This discussion has 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 and the Statements of Cash Flows. 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, 2021 and 2020

Analytical Overview

A summary of key financial statement information is presented below:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>FY20 to FY21</u>	<u>FY19 to FY20</u>
Assets:					
Current Assets	\$ 677,281	\$ 428,115	\$ 464,924	\$ 249,166	\$ (36,809)
Total assets	<u>677,281</u>	<u>428,115</u>	<u>464,924</u>	<u>249,166</u>	<u>(36,809)</u>
Liabilities:					
Current Liabilities	25,810	40,033	53,046	(14,223)	(13,013)
Total liabilities	<u>25,810</u>	<u>40,033</u>	<u>53,046</u>	<u>(14,223)</u>	<u>(13,013)</u>
Net Position:					
Unrestricted	651,471	388,082	411,878	263,389	(23,796)
Total Net Position	<u>\$ 651,471</u>	<u>\$ 388,082</u>	<u>\$ 411,878</u>	<u>\$ 263,389</u>	<u>\$ (23,796)</u>

Statement of Net Position Variance Analysis between 2021 and 2020

Current assets increased by \$249,166. Current assets can include: cash and cash equivalents, unreserved cash in LAIF, accounts receivable, prepaid expenses, and other current assets. Associated Students (AS) is funded by student fees. The increase in current assets was attributable to a decrease in operating and program expenses.

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

The Associated Students has a cash balance of \$443,990 in the checking account and \$233,264 held in LAIF, Local Agency Investment Fund. This combined total of unrestricted cash is \$677,254. The cash balance is 93.28% of the operating revenue of the 2020-21 fiscal year.

Current liabilities decreased by \$14,223. Current liabilities include: accounts payable, accrued liabilities, and other liabilities such as sales tax, use tax, state income tax withheld and escheated checks.

Net position increased by \$263,389, 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, 2021 and 2020

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

	2021	2020	2019	\$ Change from FY20 to FY21	\$ Change from FY19 to FY20
Operating revenues:					
Instructional related activities	\$ 11,413	\$ 32,389	\$ 1,497	\$ (20,976)	\$ 30,892
Associated student body fee	704,172	760,600	866,000	(56,428)	(105,400)
Other revenues	10,424	54,545	92,864	(44,121)	(38,319)
Total operating revenues	<u>726,009</u>	<u>847,534</u>	<u>960,361</u>	<u>(121,525)</u>	<u>(112,827)</u>
Operating expenses:					
Operating expenses	464,579	923,172	978,788	(458,593)	(55,616)
Total operating expenses	<u>464,579</u>	<u>923,172</u>	<u>978,788</u>	<u>(458,593)</u>	<u>(55,616)</u>
Operating (loss) income	<u>261,430</u>	<u>(75,638)</u>	<u>(18,427)</u>	<u>337,068</u>	<u>(57,211)</u>
Non-operating revenues:					
Revenue	-	46,525	-	(46,525)	46,525
Investment income	1,959	5,317	26,385	(3,358)	(21,068)
Net non-operating revenues	<u>1,959</u>	<u>51,842</u>	<u>26,385</u>	<u>(49,883)</u>	<u>25,457</u>
Increase (decrease) in net position	<u>263,389</u>	<u>(23,796)</u>	<u>7,958</u>	<u>287,185</u>	<u>(31,754)</u>
Net position at beginning of year	<u>388,082</u>	<u>411,878</u>	<u>403,920</u>	<u>(23,796)</u>	<u>7,958</u>
Net position at end of year	<u>\$ 651,471</u>	<u>\$ 388,082</u>	<u>\$ 411,878</u>	<u>\$ 263,389</u>	<u>\$ (23,796)</u>

Revenue and Expense Variance Analysis between 2021 and 2020

Operating revenues is composed of Associated Students student body organization fees, Instructional Related Activities (IRA), and other. Operating revenues decreased by \$121,525 due to a decrease in enrollment from 6,983 for the Fall and 6,345 for the Spring in FY2019-20 to 6,431 for the Fall and 5,673 for the Spring in FY2020-21.

Operating expenses decreased by \$458,593 which was due to less programming available because of lower student enrollment and the closure of campus to students in March 2020. The total wages and benefits decreased by \$11,257. Student wage reimbursements, which are included in wages and benefits, decreased by \$189,680.

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Management's Discussion and Analysis

Years ended June 30, 2021 and 2020

Investment income was \$1,959, which was a decrease of \$3,358 over the prior year. Investment income is comprised of interest from LAIF, monies held with Local Agency Investment Fund.

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 2021-22 include an enrollment target that is about 14% lower than what was targeted for 2020-21. 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.

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

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY
Statements of Net Position
June 30, 2021 and 2020

	<u>June 2021</u>	<u>June 2020</u>
Assets		
Current Assets		
Cash on Hand (US Bank Checking)	\$ 443,990	\$ 196,810
Cash Invested in LAIF	<u>233,264</u>	<u>231,305</u>
Total Cash and Cash Equivalents	677,254	428,115
Accounts Receivable	<u>27</u>	<u>-</u>
Total Current Assets	<u>677,281</u>	<u>428,115</u>
Capital Assets, net	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 677,281</u>	<u>\$ 428,115</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ 5,136	\$ 20,483
Accrued Liabilities	18,805	17,750
Other Liabilities	<u>1,869</u>	<u>1,800</u>
Total Current Liabilities	25,810	40,033
Total Liabilities	<u>\$ 25,810</u>	<u>\$ 40,033</u>
Net Position		
Unrestricted	<u>651,471</u>	<u>388,082</u>
Total Net Position	<u>\$ 651,471</u>	<u>\$ 388,082</u>

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY
Statements Revenue, Expenses, and Changes in Net Position
Years ended June 30, 2021 and 2020

	<u>June 2021</u>	<u>June 2020</u>
Revenues:		
Operating Revenues:		
ASB Student Activity Fee	\$ 704,172	\$ 760,600
AS Programs	10,424	54,545
Instructional Related Activities (IRA)	<u>11,413</u>	<u>32,389</u>
Total Operating Revenues	<u>726,009</u>	<u>847,534</u>
Expenses:		
Operating Expenses:		
Salaries and Wages	233,978	429,738
Employee Benefits	45,497	50,674
Payment(s) per Agreement(s)/Contract(s)	66,250	120,550
Communications	3,522	2,638
Travel	4,891	39,643
Insurance	6,730	9,254
Program Expenditures	<u>103,711</u>	<u>270,675</u>
Total Operating Expenses	<u>464,579</u>	<u>923,172</u>
Operating Income (Loss)	<u>261,430</u>	<u>(75,638)</u>
Non-Operating Revenue:		
Other Revenue	-	46,525
Investment Income	<u>1,959</u>	<u>5,317</u>
Non-Operating Revenue	<u>1,959</u>	<u>51,842</u>
Increase (Decrease) in Net Position	<u>263,389</u>	<u>(23,796)</u>
Net Position:		
Net Position at Beginning of Year	<u>388,082</u>	<u>411,878</u>
Net Position at the End of the Year	<u>\$ 651,471</u>	<u>\$ 388,082</u>

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY
Statements of Cash Flows
Years ended June 30, 2021 and 2020

	June 2021	June 2020
Cash flows from operating activities:		
Cash received from students	\$ 704,172	\$ 760,600
Cash received for general and administrative expenses	21,879	86,735
Cash payments to suppliers for operations	(200,452)	(453,747)
Cash payments to employees for services	(278,419)	(482,239)
Net cash provided by (used in) operating activities	247,180	(88,651)
Cash flows from investing activities:		
Other income	-	46,525
Investment income (loss) proceeds (payments)	1,959	5,317
Net cash provided by (used in) investing activities	1,959	51,842
Net increase (decrease) in cash and cash equivalents	249,139	(36,809)
Cash and cash equivalents at beginning of year	428,115	464,924
Cash and cash equivalents at end of year	\$ 677,254	\$ 428,115
Reconciliation to cash per statement of net position		
Cash on hand and commercial accts	\$ 443,990	\$ 196,810
Cash invested in LAIF	233,264	231,305
Total cash and cash equivalents at end of year	\$ 677,254	\$ 428,115
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 261,430	\$ (75,638)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
Accounts receivable	(27)	-
Accounts payable	(15,347)	(10,987)
Accrued salaries and benefits	347	(329)
Accrued compensated absences	708	(1,497)
Other liabilities	69	(200)
Total adjustments	(14,250)	(13,013)
Net cash provided by (used in) operating activities	\$ 247,180	\$ (88,651)

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Notes to Financial Statements
Years Ended June 30, 2021 and 2020

(1) Operations and 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*

AS 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 Foundation. These auxiliaries and Humboldt State 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
Years Ended June 30, 2021 and 2020

(d) *Revenue Recognition*

Student fees, investment income and revenues (which includes AS programs and IRA) are recorded when earned.

(e) *Allowance for Doubtful Accounts*

AS 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.

(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.

(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
Years Ended June 30, 2021 and 2020

(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 increased by balances of deferred outflows of resources related to those assets. The assets currently owned by AS are fully depreciated.

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 and Cash invested in LAIF

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, 2021 and 2020 the uninsured and uncollateralized cash balance was \$233,264 and \$231,305, respectively.

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 custodial 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
Years Ended June 30, 2021 and 2020

(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. AS does not believe it has any uncertain tax positions requiring accrual.

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, 2021 and 2020.

(4) Capital Assets

The change in capital assets for the year ended June 30, 2021, is as follows:

	Balance 6/30/2020	Additions	Deletions	Balance 6/30/2021
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, 2020, is as follows:

	Balance 6/30/2019	Additions	Deletions	Balance 6/30/2020
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>

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Notes to Financial Statements
Years Ended June 30, 2021 and 2020

(5) Functional Allocation of Expenses

The functional allocation of expenses is allocated based on the functional group as defined by the department and program code that was used with the expense. Expenses by functional classification are as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
AS Programs Expenses		
Cultural affairs	\$ 3,212	\$ 41,668
Student services	130,099	367,756
Community services	1,117	5,045
Intramural recreation	2,748	51,406
Student government	53,769	76,419
Total AS Program Expenses	<u>190,945</u>	<u>542,294</u>
General and administrative expenses	<u>273,634</u>	<u>380,878</u>
Total operating expenses	<u><u>\$ 464,579</u></u>	<u><u>\$ 923,172</u></u>

(6) Unrestricted Net Position

Unrestricted net position consists of the following board designated classifications as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
General Operating Reserve	\$ 521,177	\$ 310,317
Discretionary	-	149
Facilities/Special Projects Reserve	65,147	38,808
Capital Purchase Reserve	65,147	38,808
Subtotal	<u><u>\$ 651,471</u></u>	<u><u>\$ 388,082</u></u>

The \$149 of discretionary funding that was unspent during the 20-21 fiscal year rolled back into the operating reserve in the current year.

(7) Accounts and Other Receivables

As of June 30, 2021, accounts receivable totaled \$27.

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Notes to Financial Statements
Years Ended June 30, 2021 and 2020

(8) Related Party Transactions

(a) Management Services with Humboldt State University

The current Business Services agreement between Humboldt State University and AS commenced July 1, 2020 and ended June 30, 2021. In the agreement, Associated Students agreed to pay HSU for the Business Services in the amount of \$61,000 for fiscal year 2020-21 and \$86,000 for fiscal year 2019-20. HSU invoices Associated Students at the end of each quarter.

(b) Reimbursement and other services with Humboldt State University

For the year ending June 30, 2021 and 2020 reimbursements and other services with Humboldt State University were as follows:

	<u>2021</u>	<u>2020</u>
Payments to University for salaries of University personnel on contracts, grants and other programs	\$ 104,878	\$ 275,710
Payments to University for other than salaries of University personnel	124,899	193,487
Payments received from University for services, space, and programs	6,029	21,325
Accounts (payable to) Humboldt State University	(5,136)	(20,483)
Accounts receivable from Humboldt State University	-	-

(9) Other Factors

In January 2020, an outbreak of a novel coronavirus (COVID-19) occurred in the United States, along with various other countries globally. On March 11, 2020, the World Health Organization assessed the COVID-19 outbreak and characterized it as a pandemic. Although this was expected to be temporary, given the dynamic nature of these circumstances, the duration and intensity of the impact of COVID-19 and resulting impact to the market value changes, losses, and related financial impacts cannot be reasonably estimated at this time. Management is not currently able to reasonably estimate the potential financial impacts, and the financial statements have not been adjusted related to this matter.

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2021
(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	10,424
Sales and services of auxiliary enterprises, gross	11,413
Scholarship allowances (enter as negative)	-
Other operating revenues	704,172
Total operating revenues	726,009

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	464,579
Depreciation and amortization	-
Total operating expenses	464,579
Operating income (loss)	261,430

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	1,959
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	-
Net nonoperating revenues (expenses)	1,959
Income (loss) before other revenues (expenses)	263,389

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	263,389

Net position:

Net position at beginning of year, as previously reported	388,082
Restatements	-
Net position at beginning of year, as restated	388,082
Net position at end of year	651,471

See accompanying notes to supplementary information

Schedule of Net Position
June 30, 2021
(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	443,990
Short-term investments	233,264
Accounts receivable, net	27
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-

Total current assets	677,281
-----------------------------	----------------

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	-
Other assets	-

Total noncurrent assets	-
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Total assets	677,281
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Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-

Total deferred outflows of resources	-
---	----------

Liabilities:

Current liabilities:

Accounts payable	5,136
Accrued salaries and benefits	5,329
Accrued compensated absences, current portion	13,476
Unearned revenues	-
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	1,869

Total current liabilities	25,810
----------------------------------	---------------

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-

Total noncurrent liabilities	-
-------------------------------------	----------

Total liabilities	25,810
--------------------------	---------------

Deferred inflows of resources:

Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-

Total deferred inflows of resources	-
--	----------

Net position:

Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	651,471

Total net position	651,471
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See accompanying notes to supplementary information

Other Information
June 30, 2021
(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalent:

Noncurrent restricted cash and cash equivalent:

Current cash and cash equivalent:

Total

	-
	443,990
	<u>443,990</u>

2.1 Composition of investments

Investment Type	Current	Noncurrent	Total
Money market funds	-	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	-	-
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	-	-	-
Exchange traded funds	-	-	-
Equity securities	-	-	-
Alternative investments	-	-	-
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	233,264	-	233,264
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Other investment	-	-	-
Total investments	233,264	-	233,264
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ 233,264	-	233,264

2.2 Fair value hierarchy in investments

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -	-	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	-	-	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	-	-	-	-	-
Alternative investments	-	-	-	-	-
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	233,264	-	-	-	233,264
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other investments	\$ -	-	-	-	-
Total investments	233,264	-	-	-	233,264

See accompanying notes to supplementary information

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

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3.2 Detail of depreciation and amortization expense

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

4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/Reclassifications	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 12,768		12,768	708		\$ 13,476	\$ 13,476	\$ -
2. Claims liability for losses and loss adjustment expense	-		-			-		-
3. Capital lease obligations:								
Gross balance	-		-			-	-	-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligation:	\$ -	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -		-			\$ -	-	-
4.2 Commercial paper	-		-			-	-	-
4.3 Notes payable (SRB related)	-		-			-	-	-
4.4 Others:								
	-		-			-	-	-
	-		-			-	-	-
	-		-			-	-	-
	-		-			-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	\$ -	-	-	-	-	\$ -	-	-
4.5 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 12,768	-	12,768	708	-	\$ 13,476	13,476	\$ -

5 Capital lease obligations schedule

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2022			-			-	-	-	-
2023			-			-	-	-	-
2024			-			-	-	-	-
2025			-			-	-	-	-
2026			-			-	-	-	-
2027 - 2031			-			-	-	-	-
2032 - 2036			-			-	-	-	-
2037 - 2041			-			-	-	-	-
2042 - 2046			-			-	-	-	-
2047 - 2051			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum lease payment	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payment									-
Unamortized net premium/(discount)									-
Total capital lease obligation:									-
Less: current portion									-
Capital lease obligations, net of current portion									\$ -

6 Long-term debt obligations schedule

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2022			-			-	-	-	-
2023			-			-	-	-	-
2024			-			-	-	-	-
2025			-			-	-	-	-
2026			-			-	-	-	-
2027 - 2031			-			-	-	-	-
2032 - 2036			-			-	-	-	-
2037 - 2041			-			-	-	-	-
2042 - 2046			-			-	-	-	-
2047 - 2051			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum payment:	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payment									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									-

See accompanying notes to supplementary information

7 Transactions with related entities

Payments to University for salaries of University personnel working on contracts, grants, and other programs	104,878
Payments to University for other than salaries of University personnel	124,899
Payments received from University for services, space, and programs	6,029
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)	(5,136)
Other amounts (payable to) University ^(enter as negative number)	
Accounts receivable from University ^(enter as positive number)	
Other amounts receivable from University ^(enter as positive number)	

8 Restatements

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

	Debit/(Credit)
Restatement #1	Enter transaction description

Restatement #2	Enter transaction description
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9 Natural classifications of operating expenses

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expense	233,978	45,497	-	-	-	185,104	-	464,579
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	\$ 233,978	45,497	-	-	-	185,104	-	464,579

10 Deferred outflows/inflows of resources:**1. Deferred Outflows of Resources**

Deferred outflows - unamortized loss on refunding(s)
Deferred outflows - net pension liability
Deferred outflows - net OPEB liability
Deferred outflows - others:
Sales/intra-entity transfers of future revenue
Gain/loss on sale leaseback
Loan origination fees and cost
Change in fair value of hedging derivative instrument
Irrevocable split-interest agreement

Total deferred outflows - others	-
Total deferred outflows of resources	\$ -

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangement
Deferred inflows - net pension liability
Deferred inflows - net OPEB liability
Deferred inflows - unamortized gain on debt refunding(s)
Deferred inflows - nonexchange transaction
Deferred inflows - others:
Sales/intra-entity transfers of future revenue
Gain/loss on sale leaseback
Loan origination fees and cost
Change in fair value of hedging derivative instrument
Irrevocable split-interest agreement

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

11 Other nonoperating revenues (expenses):

Other nonoperating revenue	-
Other nonoperating (expenses)	-
Total other nonoperating revenues (expenses)	\$ -

See accompanying notes to supplementary information

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Note to Supplementary Information
Year Ended June 30, 2021

NOTE 1 – SUPPLEMENTARY INFORMATION

As an auxiliary organization of the California State University (CSU), Associated 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.

ADDITIONAL INFORMATION



Report of Independent Auditors 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*

To the Board of Directors
Associated Students of Humboldt State University

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 (Associated Students), a component unit of Humboldt State University as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Associated Student's basic financial statements, and have issued our report thereon dated September 13, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Associated Student's internal control over financial reporting (internal control) as a basis for designing 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 Student's internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Student'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 Student'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 financial statements. 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.

Moss Adams LLP

Medford, Oregon
September 13, 2021