

**ASSOCIATED STUDENTS OF THE
CALIFORNIA MARITIME ACADEMY**

VALLEJO, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2020

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-4
Financial Statements:	
Statements of Financial Position	5
Statements of Activities	Exhibit A 6
Statements of Functional Expenses	Exhibit B 7
Statements of Cash Flows	Exhibit C 8
Notes to the Financial Statements	9-13
Supplemental Information:	
Schedule of Net Position - CSU Reporting Requirements for Auxiliary Organizations	Schedule 1 14
Schedule of Revenues, Expenses, and Changes in Net Position - CSU Reporting Requirements for Auxiliary Organizations	Schedule 2 15
Other Information - CSU Reporting Requirements for Auxiliary Organizations	Schedules 3-4 16-17
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 <i>Government Auditing Standards</i>	18-19

INDEPENDENT AUDITORS' REPORT

Board of Directors
Associated Students of the
California Maritime Academy
Vallejo, California

Report on the Financial Statements

We have audited the accompanying financial statements of Associated Students of the California Maritime Academy, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 organization'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 organization'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students of the California Maritime Academy as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Associated Students of the California Maritime Academy’s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 29, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 4 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary data in schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the 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 10, 2020 on our consideration of the Associated Students of the California Maritime Academy’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 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 of the California Maritime Academy’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 the California Maritime Academy’s internal control over financial reporting and compliance.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
September 10, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Associated Students of the California Maritime Academy's (the Organization) annual financial report presents management's overview and analysis of the financial activities of the Organization for the fiscal year ended June 30, 2020. We encourage the reader to consider the information presented here in conjunction with the financial statements taken as a whole.

Introduction to the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Organization's audited financial statements, which are comprised of the financial statements (pages 5-8) and the footnotes and supplemental schedules (pages 9-17). This annual report is prepared in accordance with the Governmental Accounting Standards Board Statement 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. This is designed to improve the usefulness of the report to the primary users of these documents. The Business-Type Activity (BTA) reporting model used is best to represent the activities of the California Maritime Academy (the Academy) and its auxiliaries. The Organization is one non-profit auxiliary of the Academy.

The required financial statements include the Schedule of Net Position and the Schedule of Revenues, Expenses and Changes in Net Position. These statements are supported by notes to the financial statements, supplementary detail and/or statistical information, and this summary. All sections must be considered together to obtain a complete understanding of the financial position of the Organization.

Schedule of Net Position:

This schedule includes all assets and liabilities using the accrual basis of accounting as of the schedule date. The difference between the two classifications is represented as "Net Position"; this section of the schedule identifies major categories of restrictions on these assets and reflects the overall financial position of the Organization as a whole.

Schedule of Revenues, Expenses and Changes in Net Position:

This schedule presents the revenues earned and the expenses incurred during the year using the accrual basis of accounting. Under the accrual basis, all increases or decreases in net position are reported as soon as the underlying events occur, regardless of the timing of the cash flow. Consequently revenues and/or expenses reported during this fiscal year may result in changes to cash flow in future periods.

Notes to the Financial Statements:

This additional information is essential to a full understanding of the data reported in the financial statements.

Supplemental Information:

This is offered to support the required financial statements, to fulfill understanding of the operating units within the Organization.

Reporting Entity

The financial statements of the California Maritime Academy will be separated between the Academy and its component units. The latter are separate I.R.C. 501(c)(3) non-profit auxiliary organizations whose financial information will be presented in a discrete column and in the footnotes of the Academy's financial statements. Consequently, these auxiliaries must comply with the same governmental rulings and must present their individual separate audited financial statements in the same format.

Analytical Overview

Summary

Total assets of the Organization have increased this year by \$40,415. This classification is comprised of Current Assets (Accounts Receivable and Due From Other Funds), which increased by \$40,415 and Non-Current Assets (Capital Assets), which have not changed from the prior year. The latter category is presented net of accumulated depreciation. The increase in total assets is due primarily to an increase in due from other funds.

Liabilities have decreased by \$148.

The overall change to Net Position is an increase of \$40,563 due primarily to a decrease in operating expenses. The Net Position balance at June 30, 2020 and June 30, 2019 was \$143,198 and \$102,635 respectively.

Comparative Analysis of Activities and Balances

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	
Operating revenue	\$ 199,553	\$ 232,942	\$ 254,011	Note 1
Operating expense	<u>158,990</u>	<u>235,162</u>	<u>265,854</u>	Note 2
Operating net income (loss)	<u>\$ 40,563</u>	<u>\$ (2,220)</u>	<u>\$ (11,843)</u>	

Note 1: Operating revenue for this year decreased by 14% overall from 2020 compared to 2019 due primarily to lower enrollment. Operating revenue decreased by 8% overall from 2019 compared to 2018 due to lower enrollment.

Note 2: Current year operating expenses decreased this year by 32% from 2020 compared to 2019. This was primarily due to a decrease in student activities this year. Operating expenses decreased by 12% from 2019 compared to 2018. This was primarily due to a decrease in student activities that year.

Capital Assets and Long-Term Debt Obligations

Capital Assets

Capital assets as of June 30 are as follows:

	<u>Years</u>	<u>Balance</u> <u>6/30/20</u>	<u>Balance</u> <u>6/30/19</u>
Recreational equipment	5	\$ -	\$ 16,896
Accumulated depreciation		<u>-</u>	<u>(16,896)</u>
Capital assets, net		<u>\$ -</u>	<u>\$ -</u>

There was no depreciation expense for the years ended June 30, 2020 and June 30, 2019, respectively.

Long-Term Debt Obligations

The Organization does not use any long-term debt to fund operations or growth.

Contacting the Organization's Financial Management

These Financial Statements are intended to provide students, taxpayers, investors, and creditors with a general overview of the Organization's finances. Questions about this Report should be directed to the Associated Students of the California Maritime Academy at 200 Maritime Drive, Vallejo, California 94590.

Associated Students of the California Maritime Academy

STATEMENTS OF FINANCIAL POSITION

June 30, 2020

(With Comparative Totals for June 30, 2019)

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current assets:		
Due from other funds	\$ 143,199	\$ 102,889
Accounts receivable	<u>105</u>	<u>-</u>
Total current assets	<u>143,304</u>	<u>102,889</u>
Non-current assets:		
Fixed assets, net of accumulated depreciation	<u>-</u>	<u>-</u>
Total non-current assets	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 143,304</u>	 <u>\$ 102,889</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 106	\$ 254
Total current liabilities	<u>106</u>	<u>254</u>
Net assets - Exhibit A:		
Net assets without donor restrictions	<u>143,198</u>	<u>102,635</u>
Total net assets	<u>143,198</u>	<u>102,635</u>
 Total liabilities and net assets	 <u>\$ 143,304</u>	 <u>\$ 102,889</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Without Donor Restrictions</u>	
	<u>2020</u>	<u>2019</u>
Revenues:		
Associated Student Body fees	\$ 186,387	\$ 205,745
Miscellaneous fees/other	10,082	25,192
Investment return, net	<u>3,084</u>	<u>2,005</u>
Total revenues	<u>199,553</u>	<u>232,942</u>
Expenses:		
Program services	143,091	211,644
Supportive services:		
Management and general	<u>15,899</u>	<u>23,518</u>
Total expenses	<u>158,990</u>	<u>235,162</u>
Change in net assets	40,563	(2,220)
Net assets, beginning of period	<u>102,635</u>	<u>104,855</u>
Net assets, end of period	<u>\$ 143,198</u>	<u>\$ 102,635</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	Program	Supportive Services	Total	Total
	Services	Management & General	2020	2019
Expenses:				
Contracted services	\$ 33,879	\$ 3,764	\$ 37,643	\$ 52,537
Travel	17,018	1,891	18,909	21,705
Services from CMA	58,524	6,503	65,027	65,000
Supplies and services	4,663	518	5,181	23,388
Professional development	90	10	100	1,052
Insurance	3,773	419	4,192	9,946
Hospitality expense	13,236	1,471	14,707	14,328
Event registration fees	2,502	278	2,780	3,275
Student activities	7,104	789	7,893	28,230
Professional memberships and dues	724	81	805	4,112
Other expense	1,578	175	1,753	11,589
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	\$ 143,091	\$ 15,899	\$ 158,990	\$ 235,162

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 40,563	\$ (2,220)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in certain assets and liabilities:		
Due from other funds	(40,310)	3,565
Accounts receivable	(105)	50
Accounts payable	<u>(148)</u>	<u>(1,395)</u>
Net cash provided (used) by operating activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash during the year	-	-
Cash balance, beginning of period	<u>-</u>	<u>-</u>
Cash balance, end of period	<u>\$ -</u>	<u>\$ -</u>
Supplemental disclosures of cash flow information:		
Noncash activities:		
Disposition of fixed assets	<u>\$ 16,896</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

NOTE 1 - GENERAL

Organization

The Associated Students of the California Maritime Academy (the Organization) is a non-profit corporation, originally incorporated in 1966 as the “California Maritime Academy Midshipman’s Fund.” In 1995, the Organization amended its Articles of Incorporation to establish itself as an auxiliary organization of the California State University pursuant to Education Code Section 89300.

The Organization conducts its operations in conformity with regulations established by the Board of Trustees of the California State University and as an integral part of the California Maritime Academy (the Academy) under the supervision of the President of the Academy. The Organization is governed by the Student Board of Directors and is a member of the California State Student Association.

The specific purpose of the Organization is to sponsor, promote, and conduct essential activities closely related to, but not normally included as a part of the instruction program of the Academy. The specific objectives are to serve the needs of the Academy students, to develop leadership skills through participation in self governance, enhance the quality of campus life, and provide a forum for representing the interest of the entire student body.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements and records of the Organization are prepared on the accrual basis of accounting and, therefore, include all support and revenues when earned and all expenses when incurred, regardless of whether the support and revenues or expenses were received or paid as of the end of a period.

B. Basis of Presentation

On August 18, 2016, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and the provisions of the American Institute of Certified Public Accountants (AICPA) *Audit and Accounting Guide for Not-for-Profit Organizations*. ASC 958-205 is effective for the Organization for the fiscal year ended June 30, 2019.

Under the provisions, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets with Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

C. Allocation of Expenses

Expenses related to more than one function are charged to program services and supportive services on the basis of periodic time and expense studies. 90% of the expenses are allocated to program services and 10% of expenses are allocated to management and general. Management and general expenses include those expenses that provide for the overall support and direction of the Organization.

D. Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, cash and cash equivalents include cash on deposit with financial institutions.

E. Investments

Investments are recorded at fair market value. Investment return is presented net of investment fees.

F. Due From Other Funds

Due from other funds represent cash and cash equivalents maintained by the California Maritime Academy.

G. Allowances for Uncollectible Receivables

The Organization has not accrued a loss for allowances for uncollectible receivables since it is the opinion of management that it is highly probable that all receivables will be collected.

H. Fixed Assets

The aggregate cost of assets over \$5,000 is capitalized in the statement of financial position. Property, plant and equipment are stated at cost and depreciation is computed on the straight-line basis of accounting over the estimated useful lives of the assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

I. Use of Estimates

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

J. Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Organization carries commercial insurance.

K. Concentrations of Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash. The Organization places its cash and money market accounts with creditworthy, high-quality financial institutions. A significant portion of the funds, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

Financial instruments which potentially expose the Organization to concentrations of investment risk consist primarily of marketable securities. Management does not consider this risk a particular concern at this time.

L. CSU Reporting Requirements for Auxiliary Organizations

The Organization, as an auxiliary of the Academy, has prepared the following required information under the California State University (CSU) reporting requirements: the schedule of net position (Schedule 1), the schedule of revenues, expenses, and changes in net position (Schedule 2), and other information (Schedules 3-4).

M. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 10, 2020, the date the financial statements were available to be issued.

N. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Associated Students of the California Maritime Academy's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Associated Students of the California Maritime Academy

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 3 - INCOME TAXES

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from California franchise taxes under Section 23701(d) of the Revenue and Taxation Code and, therefore, has made no provision for Federal or California income taxes.

The Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2020. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 4 - FIXED ASSETS

Fixed assets as of June 30 are as follows:

	<u>Years</u>	<u>Balance 6/30/20</u>	<u>Balance 6/30/19</u>
Recreational equipment	5	\$ -	\$ 16,896
Less accumulated depreciation		<u>-</u>	<u>(16,896)</u>
Fixed assets, net		<u>\$ -</u>	<u>\$ -</u>

There was no depreciation expense for the years ended June 30, 2020 and June 30, 2019, respectively.

NOTE 5 - TRANSACTIONS WITH RELATED ENTITIES

The Organization is an auxiliary organization of the Academy. The Organization had the following transactions with the Academy as of and for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 25,027	\$ 25,000
Payments to University for other than salaries of University personnel	40,000	40,000

Associated Students of the California Maritime Academy

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 6 - AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, reduced by amounts not available for general use within one year of the year end date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for long-term investing in the operating and other reserves that could be drawn upon if the governing board approves that action.

	<u>2020</u>	<u>2019</u>
Due from other funds	\$ 143,199	\$ 102,889
Accounts receivable	<u>105</u>	<u>-</u>
Total financial assets	143,304	102,889
Donor-imposed restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 143,304</u>	<u>\$ 102,889</u>

NOTE 7 - CORONAVIRUS PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began to spread among various countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including California, have declared a state of emergency and issued shelter-in-place orders in response to the outbreak. The immediate impact to the Organization's operations includes restrictions on employees' and volunteers' ability to work, and it is anticipated that the impacts from this pandemic will continue for some time. As of the report date, the financial impact of the coronavirus outbreak cannot be measured.

Associated Students of the California Maritime Academy
SCHEDULE OF NET POSITION
 CSU Reporting Requirements for Auxiliary Organizations
 June 30, 2020

Schedule 1

ASSETS

Current assets:

Due from other funds	\$ 143,199
Accounts receivable, net	105
Total current assets	143,304

Non-current assets:

Capital assets, net	-
Total non-current assets	-

Total assets	\$ 143,304
--------------	------------

LIABILITIES AND NET POSITION

Current liabilities:

Accounts payable	\$ 106
Total current liabilities	106

Net position:

Net investment in capital assets	-
Unrestricted for:	
Auxiliary enterprise	143,198
Total net position	143,198

Total liabilities and net position	\$ 143,304
------------------------------------	------------

Associated Students of the California Maritime Academy
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
 CSU Reporting Requirements for Auxiliary Organizations
 For the Year Ended June 30, 2020

Schedule 2

Revenues:	
Operating revenues:	
Student tuition and fees, gross	\$ 186,387
Other operating revenues	<u>10,082</u>
Total operating revenues	<u>196,469</u>
Expenses:	
Operating expenses:	
Student services	<u>158,990</u>
Total operating expenses	<u>158,990</u>
Operating income (loss)	<u>37,479</u>
Nonoperating revenues (expenses):	
Investment income (loss), net	<u>3,084</u>
Net nonoperating revenues (expenses)	<u>3,084</u>
Increase (decrease) in net position	<u>40,563</u>
Net position:	
Net position at beginning of year	<u>102,635</u>
Net position at end of year	<u>\$ 143,198</u>

Associated Students of the California Maritime Academy
OTHER INFORMATION
 CSU Reporting Requirements for Auxiliary Organizations
 June 30, 2020

Schedule 3

NOTE 1 - CASH AND CASH EQUIVALENTS

None

NOTE 2.1 - COMPOSITION OF INVESTMENTS

None

NOTE 2.2 - FAIR VALUE HIERARCHY IN INVESTMENTS

None

NOTE 2.3 - INVESTMENTS HELD BY THE UNIVERSITY UNDER CONTRACTUAL AGREEMENTS

None

NOTE 3.1 - COMPOSITION OF CAPITAL ASSETS

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Depreciable/amortizable capital assets:				
Personal property:				
Equipment	\$ 16,896	\$ -	\$ (16,896)	\$ -
Total depreciable/amortizable capital assets	16,896	-	(16,896)	-
Total capital assets	16,896	-	(16,896)	-
Less accumulated depreciation/amortization:				
Personal property:				
Equipment	(16,896)	-	16,896	-
Total accumulated depreciation/amortization	(16,896)	-	16,896	-
Total capital assets, net	\$ -	\$ -	\$ -	\$ -

NOTE 3.2 - DETAIL OF DEPRECIATION AND AMORTIZATION EXPENSE

None

NOTE 4 - LONG-TERM LIABILITIES

None

NOTE 5 - CAPITAL LEASE OBLIGATIONS SCHEDULE

None

NOTE 6 - LONG-TERM DEBT OBLIGATION SCHEDULE

None

Associated Students of the California Maritime Academy
OTHER INFORMATION
 CSU Reporting Requirements for Auxiliary Organizations
 June 30, 2020

Schedule 4

NOTE 7 - TRANSACTIONS WITH RELATED ENTITIES

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$	25,027
Payments to University for other than salaries of University personnel		40,000
Payments received from University for services, space, and programs		-
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)		-
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)		-

NOTE 8 - RESTATEMENTS/PRIOR PERIOD ADJUSTMENTS

None

NOTE 9 - NATURAL CLASSIFICATIONS OF OPERATING EXPENSES

	Salaries	Benefits - Other	Scholarships and Fellowships	Supplies and Other Services	Depreciation and Amortization	Total Operating Expenses
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research	-	-	-	-	-	-
Public service	-	-	-	-	-	-
Academic support	-	-	-	-	-	-
Student services	-	-	-	158,990	-	158,990
Institutional support	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-
Total operating expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,990</u>	<u>\$ -</u>	<u>\$ 158,990</u>

NOTE 10 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

None

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

Board of Directors
Associated Students of the
California Maritime Academy
Vallejo, 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 Associated Students of the California Maritime Academy, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 10, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Associated Students of the California Maritime Academy'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Associated Students of the California Maritime Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students of the California Maritime Academy'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization'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 the California Maritime Academy'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*.

Board of Directors
Associated Students of the
California Maritime Academy – Page 2

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
September 10, 2020