

Financial Statements and Report of

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material

Stockton Affiliated Services, Inc.
(A Component Unit of Stockton University)

STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 837,054	\$ 1,344,796
Accounts receivable, net	114,746	11,243
Due from University	98,221	467,862
Prepaid expenses	<u>113,940</u>	<u>162,418</u>
Total current assets	1,163,961	1,986,319
PROPERTY AND EQUIPMENT, NET	<u>1,853,527</u>	<u>2,056,795</u>
Total assets	<u><u>\$ 3,017,488</u></u>	<u><u>\$ 4,043,114</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 307,104	\$ 322,577
Due to University	11,346	191,317
Deferred revenue	7,170	58,312
Other liabilities	<u>732,344</u>	<u>838,299</u>
Total current liabilities	1,057,964	1,410,505
Long-term note payable	<u>1,314,683</u>	<u>1,314,683</u>
Total liabilities	2,372,647	2,725,188
NET ASSETS		
Without donor restrictions	<u>644,841</u>	<u>1,317,926</u>
Total net assets	<u>644,841</u>	<u>1,317,926</u>
Total liabilities and net assets	<u><u>\$ 3,017,488</u></u>	<u><u>\$ 4,043,114</u></u>

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

	2020	2019
Revenues:		
Food service	\$ 9,117,601	\$ 11,127,869
Transportation and safety	2,514,761	2,574,573
Vendor service	242,076	177,065
Bookstore	291,936	316,782
Rental properties	212,518	241,138
Other income	27,357	50,226
Azeez Museum	3,897	14,673
	12,410,146	14,502,326
Institutional support:		
Support for SASI functions (Azeez Museum)	313,465	315,079
Total revenues	12,723,611	14,817,405
Expenses:		
Program expenses:		
Food service	9,548,102	10,853,754
Transportation and safety	1,789,257	2,037,499
Rental properties	93,466	115,217
Rental properties managed for the University	7,447	7,747
Azeez Museum	317,362	329,751

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STATEMENTS OF CASH FLOWS

Years ended June 30,

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ (673,085)	\$ (1,254,759)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	203,268	209,120
Changes in assets and liabilities:		
Accounts receivable	(103,503)	125,360
Due to/from University	189,670	(1,122,759)
Prepaid expenses	48,478	(25,511)
Accounts payable and accrued expenses	(15,473)	49,638
Deferred revenue	(51,142)	15,803
Other liabilities	(105,955)	802,981
Net cash used in operating activities	(507,742)	(1,200,127)
Cash flows from investing activities:		
Purchase of property and equipment	-	(163,000)
Net cash used in investing activities	-	(163,000)
Net decrease in cash and cash equivalents	(507,742)	(1,363,127)
Cash and cash equivalents, beginning of year	1,344,796	2,707,923
Cash and cash equivalents, end of year	\$ 837,054	\$ 1,344,796
Supplementary cash flow information		
Cash paid for interest	\$ 48,067	\$ 57,670

**Stockton Affiliated Services, Inc.
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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE A - ORGANIZATION

Stockton Affiliated Services, Inc. ("SASI") was formed and incorporated within the State of New Jersey in

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE F - CONCENTRATIONS OF CREDIT RISK

SASI maintains its cash in bank deposits, which at times may exceed federally insured limits. SASI has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE G - RELATED PARTY TRANSACTIONS

The University owns the buildings that are utilized as office space by SASI for conducting business and employs the personnel that support its administrative, financial and operating activities. SASI reimburses the University for use of space and personnel through payment of an overhead charge. Reimbursements made to the University for the years ended June 30, 2020 and 2019 were \$97,482 and \$104,502, respectively.

SASI entered into a master management agreement with the University to provide for management services

**Stockton Affiliated Services, Inc.
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

The following balances as of June 30, 2020 and 2019 are expected to be settled during the normal course of operations:

	<u>2020</u>	<u>2019</u>
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Stockton Affiliated Services, Inc.
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

	Program expenses					Supporting, management and general expenses	Total expenses year ended June 30, 2019
	Food service	Transportation and safety	Rental properties	Rental properties managed for the University	Azeez Museum		
Salaries and benefits	\$ -	\$ 431,084	\$ -	\$ -	\$ 194,677	\$ -	\$ 625,761
Contracted services	10,852,790	1,307,416	3,035	-	956	-	12,164,197
Legal fees	-	-	-	-	-	90,126	90,126
Accounting fees	-	-	-	-	-	30,950	30,950
Utilities	-	805	27,736	-	22,589	-	51,130
Insurance	-	62,696	15,061	4,147	828	56,086	138,818
Depreciation	-	-	-	-	-	209,120	209,120
Property taxes	-	-	9,851	-	-	-	9,851
Occupancy/overhead	-	-	-	3,600	-	104,502	108,102
Support of University							
Mission/Fundraising	-	-	-	-	-	2,165,580	2,165,580
Travel conferences and meetings	-	5,124	-	-	13,954	137	19,215
Printing and advertising	-	1,279	-	-	21,395	1,013	23,687
Supplies and non-capital equipment	-	94,397	6,880	-	34,617	3,102	138,996
Maintenance	-	97,797	49,799	-	32,471	100	180,167
Loan interest	-	-	-	-	-	57,670	57,670
Other expenses	964	36,901	2,855	-	8,264	35,807	84,791
Total expenses	\$ 10,853,754	\$ 2,037,499	\$ 115,217	\$ 7,747	\$ 329,751	\$ 2,754,193	\$ 16,098,161

NOTE I - LIQUIDITY AND AVAILABILITY OF RESOURCES

SASI's financial assets available within one year of the statement of financial position date for general expenditures as of June 30, 2020 and 2019 are as follows:

	2020	2019
Cash and cash equivalents	\$ 837,054	\$ 1,344,796
Accounts receivable, net		