



Minutes

ASI Audit Committee

📅 Thu September 15th, 2022

🕒 1:00pm - 2:00pm PDT

📍 <https://fullerton.zoom.us/j/87685805362>

👥 In Attendance

1. **Call to Order**

Cooper Fox, Chair, called the meeting to order at 1:02 pm.

2. **Roll Call**

Members Present: Fox, Martin, Merida, Scialdone, Toh-Heng, Vences, Wong

Members Absent: None.

Management Present: Allen, Ehrlich, McDoniel

Internal Auditors: Spencer Kimball

External Auditors: Aldrich & Associates, Andy Maffia, Cyrus Ward

None-Members Absent: None.

According to the ASI Policy Concerning Board of Directors Operations, attendance is defined as being present prior to the announcement of Unfinished Business and remaining until the scheduled end of the meeting.

* Indicates that the member was in attendance prior to the start of Unfinished Business, but left before the scheduled end of the meeting.

** Indicates that the member was in attendance for a portion of the meeting, but not in attendance prior to the announcement of Unfinished Business.

3. Approval of Agenda

Decision: (Toh-Heng-m/Vences-s) The agenda was approved by unanimous consent.

4. Approval of Minutes

Decision: (Toh-Heng-m/Merida-s) The August 2, 2022, Audit Committee Minutes were approved by unanimous consent.

a. 08/02/2022 Audit Committee Minutes

5. Public Speakers

Members of the public may address the Audit Committee members on any item appearing on this posted agenda.

None.

6. Reports

a. Chair

No report.

7. Unfinished Business

None.

None.

8. New Business

a. Action: Acceptance of 2021-22 Audited Financial Statements

The committee will review and accept the 2021-22 Audited Financial Statements

AUDIT 22/23 001 (Martin-m/Vences-s) The committee will review and accept the 2021-22 Audited Financial Statements.

Fox yielded the floor to Carolyn Ehrlich to review the financial statements for acceptance.

Ehrlich introduced the auditors to the committee and yielded the floor to Andy Maffia and Cyrus Ward of Aldrich and Advisors to shared details from the audit report.

Maffia shared details from the audit.

Maffia shared the importance of completing an audit to be in compliance with the CSU System.

Maffia provided an overview of the information in the audit packet and highlighted important information for members to see.

Maffia explained that this copy is a draft because it has not been approved and accepted by the Board. Maffia said after it has been accepted they will remove the draft stamp and present the document as the final version.

Maffia shared details of the work they performed

- They performed the audit within the scope of the engagement letter they sent dated July 19, 2022
- They rendered an unmodified opinion on the previous fiscal year's financial statement
- Anything that was potentially a higher risk was dealt with early

Maffia yielded to Ward to share.

Ward said their goal is to get obtain assurance from the company and organization.

Maffia said the audit was smoother this cycle because they had been in contact with the organization during the year. Maffia also noted that they were much fewer findings in this report than in the previous one completed.

Maffia applauded the ASI Management Team for how helpful they were in helping them complete the audit.

Maffia shared that he is hopeful CSUF ASI will continue to improve in their work and yielded to Ehrlich to share.

Ehrlich seconded Maffia's statements about ASI improving its systems and all the work that they do.

Maffia went to go over the financial information and details of the audit.

Maffia asked if anyone had questions before he continued with the remainder of his report. There were no questions and he continued.

Maffia shared further financial breakdowns and provided explanations for the statements shared.

Maffia explained that the procedures he is following and the documents he is explaining are specific to non-profit organizations like ASI.

Maffia assured members that everything that is required to be included in the report is in the report.

Maffia provided a recap of the work they completed and the opinion they provided.

Maffia said by next Friday the 23rd they expect to be able to present this audit to the CSU Chancellor's Office when the Board has an opportunity to review and accept it on Tuesday the 20th.

Maffia asked if anyone has questions for him.

Cooper asked if there was anything that Maffia has seen that would result in structural changes that may be a challenge for our team to stay on top of or in front of. Maffia said things are always changing, but cannot think of anything specific for the team to keep an eye on since they are already in front of the ball and in communication with the firm year-round.

Maffia asked if Ehrlich would have anything to share.

Ehrlich said they will be looking for a new system to track transactions and stay to have items automated for ease.

Cooper opened the floor to discussion. There were no points of discussion.

Cooper asked if there were any objections to moving to a roll call vote. There were no objections.

Decision: AUDIT 22/23 (Martin-m/Vences-s) 7-0-0 The 2021-22 Audited Financial Statements have been accepted by the committee.

9. Announcements/Member's Privilege

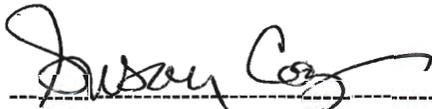
None.

10. Adjournment

Cooper Fox, Chair, adjourned the meeting at 1:52 pm.



Ramon Aquino, Board Secretary



Susan Collins, Recording Secretary

Approved by the ASI Board of Directors 10/04/2022



Roll Call 2022-2023

09/15/2022 ASI Audit Committee Special Meeting Roll Call

Attendance		COMMITTEE MEMBERS		
			Present	Absent
CHAIR (CBE)	FOX	COOPER	1	
ECS	MARTIN	BRAULIO	1	
CAMPUS MEMBER	MERIDA	CINDY	1	
CAMPUS MEMBER	SCIALDONE	ROB	1	
HSS	TOH-HENG	ALISA	1	
HHD	VENCES	BERENICE	1	
FINANCE (EDU)	WONG	JENNA	1	
			Present	Absent
			7	0

Attendance	Liaisons			
			Present	Absent
ASSOC EXEC DIR	ALLEN	KEYA	1	
DIR FINANCE	EHRlich	CAROLYN	1	
AED ADMIN	MCDONIEL	CAROL	1	
DIR STUD GOVT	NETTLES	ASHA	1	
PRESIDENT	KELLEY	LYDIA	1	
			Present	Absent
			5	0

*Recording Secretary: Crystaal Washington

Guest: Andy Maffia, Partner, Aldrich Advisors Inc.

Roll Call Votes	start 001		001 - Accept Audited Financial Statements		
			Yes	No	Abstain
CHAIR (CBE)	FOX	COOPER	1		
ECS	MARTIN	BRAULIO	1		
CAMPUS MEMBER	MERIDA	CINDY	1		
CAMPUS MEMBER	SCIALDONE	ROB	1		
HSS	TOH-HENG	ALISA	1		
HHD	VENCES	BERENICE	1		
FINANCE (EDU)	WONG	JENNA	1		
			Yes	No	Abstain
			7	0	0

Associated Students, Inc., California State University, Fullerton

Report to the Board of Directors

Year Ended June 30, 2022

DRAFT

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Report to the Board of Directors

Year Ended June 30, 2022

Table of Contents

	Page
Executive Summary	1
Communication with Those Charged with Governance	2
Status of Prior Year Control Deficiencies	4
Summary of Corrected Misstatements	5
Management Representation Letter	10

DRAFT

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Executive Summary

Year Ended June 30, 2022

To assist you in your responsibilities as a member of the Board of Directors, this section summarizes the most significant conclusions reached and issues addressed during our audit of Associated Students, Inc., California State University, Fullerton for the year ended June 30, 2022.

SIGNIFICANT CONCLUSIONS AND ISSUES

We have completed our audit and issued our report, dated **DATE PENDING**. Based on our work performed:

- Our audit scope was in accordance with that communicated in our engagement letter dated July 19, 2022.
- We rendered an unmodified opinion on the June 30, 2022 financial statements.
- Audit areas designated as greater than normal risk have been addressed and resolved to our satisfaction, in the context of the overall fairness of the presentation of the financial statements.
- We received the full cooperation of management and staff throughout the audit and were kept informed as to developments and plans affecting our audit scope.

The following report includes required communications and additional information for the benefit of the Board of Directors.

DRAFT

9/15/2022

To the Board of Directors
Associated Students, Inc., California State University, Fullerton

We have audited the financial statements of Associated Students, Inc., California State University, Fullerton (ASI), for the year ended June 30, 2022, and have issued our report thereon dated **DATE PENDING**. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated July 19, 2022. Professional standards also require that we communicate to you the following information related to our audit:

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by ASI are described in Note 2 to the financial statements. As described in Note 2, ASI adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. Presentation within the financial statements is more rigorously stipulated as documented in Note 10.

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

Management's estimate of the collectability of outstanding receivables based on their assessment of the credit worthiness of the customer or entity. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the useful lives of furniture and equipment is based on management's estimate of the life of the assets. We evaluated the key factors and assumptions used to develop the useful life in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's determination of the assets that should be capitalized in the records of ASI versus those that should be transferred to the California State University, Fullerton (University) and capitalized by the University. We evaluated the key factors and assumptions used to determine which assets should be capitalized in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allocation of functional expenses, which is based on square footage, time and effort, and usage. We evaluated the key factors and assumptions used to develop the estimates related to the allocation of functional expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the pension and other post-employment benefits liability is based on the results of the actuarially determined liability. We evaluated key factors and assumptions used to develop the estimates related to the pension and other post-employment benefits liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the value of in-kind contribution of space from the University for the usage of buildings at no cost. We evaluated key factors and assumptions used to develop the estimate related to the in-kind calculation in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are two sensitive disclosures affecting the financial statements:

Note 3 which discloses ASI's cash management and available resources.

Notes 6 and 7 related to the pension plan and other post-employment benefit liability is sensitive as it is significant to the overall financial statements. This liability records a future liability for the pension and other post-employment benefits of ASI.

Note 8 which discloses the net assets and associated restrictions.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes corrected misstatements of the financial statements. There were no uncorrected misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **DATE PENDING**. A copy of the letter is included for your reference.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

With respect to the supplemental information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplemental information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Associated Students, Inc., California State University, Fullerton and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Aldrich CPAs + Advisors LLP

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Status of Prior Year Control Deficiencies

Year Ended June 30, 2022

Fund Accounting

ASI uses fund accounting to account for different departments (Instructionally Related Activities, ASI, Agency, and Titan Student Center). ASI has an agreement with the University to provide disbursement services for the CSU Fullerton Athletics Department (Athletics). During the audit we identified that expenses for this agreement are paid from ASI bank accounts and are then later reimbursed from the University. Recording the transactions in the ASI bank accounts increases the risk for error in accounting treatment and also makes it difficult to review and track the activity that is related to ASI and the activity related to Athletics.

Status: This is still an issue, but management does not have control over the decisions related to the operations of IRA and Athletics funds as this is determined by campus. They also are expected to help to cover the expenses with ASI funds as they manage the billing and collection process.

Prior Year Finding 2021-001

During the fiscal year ended June 30, 2021, we identified a deficiency in the review and approval of financial information. There was no consistent review of financial statements performed by management or the board during the fiscal year. There was no evidence of the review of investment activity being performed during the fiscal year, but the custodian did approve regular statements. There was also no consistent documentation of the timely review of bank reconciliations. It was understood that the accounting system does not facilitate the production of a complete set of financial statements which meant the process is manual and subject to errors.

Status: For fiscal year ended June 30, 2022, management has taken the necessary steps to create the monthly financial information with a review and approval process. The Executive Director, Assistant Executive Director and the Director of Finance review and approve the financial statements monthly. In addition, the Finance and Accounting System Implementation project has begun. Management has received four proposals in response to a Request for Quote from accounting software vendors. The selection of a vendor and implementation of the system is anticipated by July 1, 2023.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Summary of Corrected Misstatements

Year Ended June 30, 2022

Adjusting Journal Entries

Adjusting Journal Entries JE # 2

To record misc rev for contributed gift in 2014 which was recorded as a liability account until FY22. Moved to misc rev to agree equity to PY audited FS and to then close to Food Pantry Reserve after year end close.

14-3017	Food Pantry Reserve	16,655.00	
14-6022	Miscellaneous Revenue		16,655.00
Total		16,655.00	16,655.00

Adjusting Journal Entries JE # 3

To record adjustment to equity to agree to PY audited FS.

24-6022	Miscellaneous Revenue	2.00	
24-3011	Unrestricted Fund Balance		2.00
Total		2.00	2.00

Adjusting Journal Entries JE # 4

To agree beginning retained earnings to ending audited FS

14-3016	Cap Ex Reserve Fund	4.00	
14-8950	Miscellaneous Expense		4.00
Total		4.00	4.00

Adjusting Journal Entries JE # 5

To adjust beginning equity to agree to PY audited FS by moving through transfer accounts on statement of activities.

14-3016	Cap Ex Reserve Fund	680,943.00	
24-999999	Transfers	680,943.00	
14-999999	Transfers		680,943.00
24-3016	Cap Ex Reserve Fund		680,943.00
Total		1,361,886.00	1,361,886.00

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Summary of Corrected Misstatements

Year Ended June 30, 2022

Adjusting Journal Entries JE # 6

To record current year pension expense and to agree pension obligation to reports received from CalPERS for the year ended 6/30/2022.

14-2510	Pension Obligation	1,011,208.00	
14-9986	Pension Expenses - CalPERS Service Costs/Contributions	435,749.00	
24-2510	Pension Obligation	753,412.00	
24-9986	Pension Expenses - CalPERS Service Costs/Contributions	324,659.00	
14-9988	Pension Expenses - CalPERS Non-Service Costs		1,446,957.00
24-9988	Pension Expenses - CalPERS Non-Service Costs		1,078,071.00
Total		<u>2,525,028.00</u>	<u>2,525,028.00</u>

Adjusting Journal Entries JE # 7

To adjust OPEB Liability to actual per actuarial valuations

14-9985	Pension Expenses - OPEB Service Costs	117,732.00	
14-9987	Pension Expenses - OPEB Non-Service Costs	77,082.00	
24-9985	Pension Expenses - OPEB Service Costs	100,291.00	
24-9987	Pension Expenses - OPEB Non-Service Costs	65,662.00	
14-2500	Unfunded Post Retirement Lia		194,814.00
24-2170	Unfunded Post Retirement Lia		165,953.00
Total		<u>360,767.00</u>	<u>360,767.00</u>

Adjusting Journal Entries JE # 8

To record in-kind rent from university.

14-8999 ALD	In Kind Rent	2,737,139.00	
24-8999 ALD	In Kind rent	5,691,386.00	
14-6999 ALD	In Kind contribution of space		2,737,139.00
24-6999 ALD	In Kind contribution of space		5,691,386.00
Total		<u>8,428,525.00</u>	<u>8,428,525.00</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Summary of Corrected Misstatements

Year Ended June 30, 2022

Adjusting Journal Entries JE # 10001

To balance chargebacks between funds

14-8073	Chargeback Exp.	164,495.00	
24-8073	Chargeback Exp.	233,283.00	
14-6007	Service Chargebacks		164,495.00
24-8074	Contract Services		233,283.00
Total		397,778.00	397,778.00

Adjusting Journal Entries JE # 10002

To balance interfund payables and receivables

14-1214	TSC Chargeback Receivables	20,853.00	
14-6022	Miscellaneous Revenue		20,853.00
Total		20,853.00	20,853.00

DRAFT

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Summary of Corrected Misstatements

Year Ended June 30, 2022

Reclassifying Journal Entries

Reclassifying Journal Entries JE # 101

To eliminate interfund activity

14-6007	Service Chargebacks	976,823.00	
24-6036	TSC Chargeback	1,230,405.00	
24-6036	TSC Chargeback	743,540.00	
14-8073	Chargeback Exp.		1,973,945.00
24-8073	Chargeback Exp.		976,823.00
Total		2,950,768.00	2,950,768.00

Reclassifying Journal Entries JE # 10000

To reclassify credit balance expenses to revenue for presentation purposes

24A-6090	ATH Self-funded	96,950.00	
24-6022	Miscellaneous Revenue		96,950.00
Total		96,950.00	96,950.00

Reclassifying Journal Entries JE # 10003

To reclassify related party AP

14-2109	Accrued Liabilities	114,397.00	
22-2109	Accrued Liabilities	346,741.00	
24-2109	Accrued Liabilities	49,591.00	
14-2100 ALD	Related party payables		114,397.00
22-2100ALD	Related Party Payable		346,741.00
24-2100 ALD	Due to Campus		49,591.00
Total		510,729.00	510,729.00

Reclassifying Journal Entries JE # 10004

To reclassify related party AR

22-1299 ALD	Related Party AR	253,248.00	
22-2053	Cash Advance	300,000.00	
22-1213	Acct Receivable -Related Par		553,248.00
Total		553,248.00	553,248.00

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Summary of Corrected Misstatements

Year Ended June 30, 2022

Proposed Journal Entries

Proposed Journal Entries JE # 2001

Adjust LAIF balance to the YE FMV.

24-6072	INVESTMT UNREALIZED GAIN/LOS	176,805.00	
24-1117	Local Agency Investment Fund		176,805.00
Total		176,805.00	176,805.00

DRAFT

DATE PENDING

Aldrich CPAs + Advisors LLP
7676 Hazard Center Drive, Suite 1300
San Diego, CA 92108

This representation letter is provided in connection with your audit of the financial statements of Associated Students, Inc. California State University Fullerton (ASI), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of **DATE PENDING**, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 19, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which ASI is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- 11) As part of your audit, you assisted with the preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within ASI from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects ASI and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting ASI's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 17) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 18) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 19) We have disclosed to you the identity of ASI's related parties and all the related-party relationships and transactions of which we are aware.
- 20) ASI has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral. California State University Fullerton (University) owns all our buildings and all building improvements are to be transferred to the University when completed.
- 21) ASI is not responsible for reporting revenue and expenses associated with club activities and should not report any of the financial activities for Athletics as those activities are reported by the University.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 23) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 24) Associated Students, Inc. California State University Fullerton is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize ASI's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 25) We acknowledge our responsibility for presenting the supplemental information in accordance with U.S. GAAP, and we believe the supplemental information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplemental information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 26) Net asset components are properly classified and, if applicable, approved.
- 27) Provisions for uncollectible receivables have been properly identified and recorded.

- 28) Expenses have been appropriately directly charged to their various functions on the statement of functional expenses, and the allocation of expenses across functions is considered reasonable based on the nature of the supporting expenses that would be allocated.
- 29) Deposits and investment securities are properly classified as to risk, and investments are properly valued.
- 30) We have analyzed the accounting and reporting requirements and ASI is required to follow Financial Accounting Standards Board (FASB) standards.
- 31) We have determined that the financial transactions that are handled for Athletics from University funds should not be included in our financial statements.
- 32) We have no plans or intentions to discontinue the operations of any program or discontinue any significant services or activities.
- 33) We have implemented Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)* for the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the Organization.
- 34) In regard to the non-attest services performed by you, we have-
 - a) Assumed all management responsibilities.
 - b) Designated and individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the results of the services.

Signature: _____

Title: Executive Director

Signature: _____

Title: Director of Financial Services

Associated Students, Inc., California State University, Fullerton

Financial Statements and Supplemental Information

Years Ended June 30, 2022 and 2021

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
Independent Auditor's 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>	26
Supplemental Information:	
Schedules of Financial Position by Unit	28
Schedules of Activities by Unit	30
Supplemental Information for Inclusion in the California State University:	
Schedule of Net Position	32
Schedule of Revenues, Expenses, and Changes in Net Position	35
Other Information	37

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Associated Students, Inc., California State University, Fullerton

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Associated Students, Inc., California State University, Fullerton (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, Inc., California State University, Fullerton as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Associated Students, Inc., California State University, Fullerton and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Associated Students, Inc., California State University, Fullerton ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibility, continued

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Associated Students, Inc., California State University, Fullerton Internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Associated Students, Inc., California State University, Fullerton ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included on PAGES XX-XX is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits 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 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 DATE PENDING, on our consideration of Associated Students, Inc., California State University, Fullerton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Associated Students, Inc., California State University, Fullerton'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, Inc., California State University, Fullerton's internal control over financial reporting and compliance.

San Diego, California
DATE PENDING

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Statements of Financial Position**

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 1,066,060	\$ 1,220,699
Accounts receivable, net of allowance for doubtful accounts of \$1,000	2,631,487	93,380
Accounts receivable, related party	253,248	973,820
Investments	16,753,127	16,123,851
Furniture and equipment, net of accumulated depreciation	1,284,877	938,184
Other assets	<u>108,891</u>	<u>23,846</u>
Total Assets	<u>\$ 22,097,690</u>	<u>\$ 19,373,780</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 223,786	\$ 144,381
Related party payable	510,729	378,441
Accrued expenses	1,385,137	1,317,581
Deferred revenue	421,161	305,552
Funds held for others	743,722	851,623
Unfunded pension obligation	6,362,359	8,862,093
Unfunded post-retirement liability	<u>2,432,170</u>	<u>2,071,403</u>
Total Liabilities	12,079,064	13,931,074
Net Assets:		
Without donor restrictions:		
Undesignated (See Note 8)	7,269,857	2,686,937
Board designated	<u>2,680,943</u>	<u>2,680,943</u>
Total Without Donor Restrictions	9,950,800	5,367,880
With donor restrictions	<u>67,826</u>	<u>74,826</u>
Total Net Assets	<u>10,018,626</u>	<u>5,442,706</u>
Total Liabilities and Net Assets	<u>\$ 22,097,690</u>	<u>\$ 19,373,780</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Activities

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Student activity fees	\$ 18,728,188	\$ -	\$ 18,728,188
In-kind contribution of facilities	8,428,525	-	8,428,525
Student center fees	861,586	-	861,586
Children's Center tuition	334,062	-	334,062
Grants and contributions	776,577	-	776,577
Administrative fees	323,855	-	323,855
Other	771,474	-	771,474
Net assets released from restrictions	7,000	(7,000)	-
Total Revenue and Support	30,231,267	(7,000)	30,224,267
Expenses:			
Program services:			
Student services	12,135,395	-	12,135,395
Student recreation center	3,380,440	-	3,380,440
Children's Center	2,445,153	-	2,445,153
Total Program Expenses	17,960,988	-	17,960,988
Supporting services:			
Building services	2,527,847	-	2,527,847
Public services	53,396	-	53,396
Administrative	7,083,238	-	7,083,238
Total Supporting Services	9,664,481	-	9,664,481
Total Operating Expenses	27,625,469	-	27,625,469
Change in Net Assets from Operations	2,605,798	(7,000)	2,598,798
Non-operating income (expense):			
Pension and postretirement related changes other than service cost	2,382,284	-	2,382,284
Investment return	(405,162)	-	(405,162)
Total Non-Operating Income	1,977,122	-	1,977,122
Change in Net Assets	4,582,920	(7,000)	4,575,920
Net Assets, beginning	5,367,880	74,826	5,442,706
Net Assets, ending	\$ 9,950,800	\$ 67,826	\$ 10,018,626

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Statement of Activities**

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Student activity fees	\$ 14,967,782	\$ -	\$ 14,967,782
In-kind contribution of facilities	8,428,525	-	8,428,525
Student center fees	58,338	-	58,338
Children's Center tuition	5,894	-	5,894
Grants and contributions	629,221	20,018	649,239
Administrative fees	261,236	-	261,236
Other	14,908	-	14,908
Net assets released from restrictions	10,000	(10,000)	-
Total Revenue and Support	24,375,904	10,018	24,385,922
Expenses:			
Program services:			
Student services	10,750,770	-	10,750,770
Student recreation center	3,008,138	-	3,008,138
Children's Center	1,909,631	-	1,909,631
Total Program Expenses	15,668,539	-	15,668,539
Supporting services:			
Building services	1,636,397	-	1,636,397
Public services	3,388	-	3,388
Administrative	4,292,883	-	4,292,883
Total Supporting Services	5,932,668	-	5,932,668
Total Operating Expenses	21,601,207	-	21,601,207
Change in Net Assets from Operations	2,774,697	10,018	2,784,715
Non-operating income (expense):			
Pension and postretirement related changes other than service cost	(461,577)	-	(461,577)
Investment return	884,205	-	884,205
Total Non-Operating Expense	422,628	-	422,628
Change in Net Assets	3,197,325	10,018	3,207,343
Net Assets, beginning	2,170,555	64,808	2,235,363
Net Assets, ending	\$ 5,367,880	\$ 74,826	\$ 5,442,706

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services				Supporting Services			
	Student Services	Student Recreation Center	Children's Center	Total Program	Building Services	Public Services	Administrative	Total
Salaries	\$ 1,481,189	\$ 1,197,433	\$ 1,242,310	\$ 3,920,932	\$ 556,495	\$ -	\$ 2,860,036	\$ 7,337,463
Employee benefits and taxes	382,852	213,149	384,716	980,717	289,972	-	1,741,787	3,012,476
Total Personnel	1,864,041	1,410,582	1,627,026	4,901,649	846,467	-	4,601,823	10,349,939
Awards and scholarships	2,561,923	-	-	2,561,923	-	-	-	2,561,923
Communications	39,021	25,986	831	65,838	3,122	60	29,521	98,541
Contracts and rentals	1,261,119	57,325	11,139	1,329,583	268,560	52,205	149,394	1,799,742
Depreciation	-	-	3,936	3,936	-	-	216,481	220,417
In-kind rent for facilities	5,907,365	1,642,284	468,700	8,018,349	148,150	-	262,026	8,428,525
Insurance	7,571	929	18,464	26,964	-	-	210,807	237,771
Office and supplies	258,109	134,029	68,116	460,254	76,977	-	35,376	572,607
Other	58,988	50,821	10,079	119,888	459	1,131	412,940	534,418
Professional fees	151	10,696	18,600	29,447	972,582	-	41,023	1,043,052
Repairs and maintenance	71,147	19,027	191,869	282,043	211,251	-	523,763	1,017,057
Staff development	6,543	7,815	-	14,358	279	-	55,642	70,279
Travel	99,417	20,946	(2,197)	118,166	-	-	19,059	137,225
Utilities	-	-	28,590	28,590	-	-	525,383	553,973
Total Operating Expenses	12,135,395	3,380,440	2,445,153	17,960,988	2,527,847	53,396	7,083,238	27,625,469
Pension and postretirement related changes other than service cost	(475,226)	(145,829)	(497,750)	(1,118,805)	(154,438)	-	(1,109,040)	(2,382,284)
Total Expenses	\$ 11,660,169	\$ 3,234,611	\$ 1,947,403	\$ 16,842,183	\$ 2,373,409	\$ 53,396	\$ 5,974,198	\$ 25,243,185

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services				Supporting Services			
	Student Services	Student Recreation Center	Children's Center	Total Program	Building Services	Public Services	Administrative	Total
Salaries	\$ 1,072,545	\$ 488,974	\$ 841,091	\$ 2,402,610	\$ 517,835	\$ -	\$ 2,179,701	\$ 5,100,146
Employee benefits and taxes	687,492	271,132	509,244	1,467,868	413,753	-	822,002	2,703,623
Total Personnel	1,760,037	760,106	1,350,335	3,870,478	931,588	-	3,001,703	7,803,769
Awards and scholarships	2,205,731	-	-	2,205,731	-	-	-	2,205,731
Communications	23,018	16,962	7,824	47,804	2,862	129	17,386	68,181
Contracts and rentals	412,669	31,472	9,146	453,287	226,240	245	90,447	770,219
Depreciation	86,727	115,250	964	202,941	305	-	538	203,784
In-kind rent for facilities	5,907,365	1,642,284	468,700	8,018,349	148,150	-	262,026	8,428,525
Insurance	-	3,366	5,000	8,366	-	-	122,051	130,417
Office and supplies	94,014	84,847	44,601	223,462	65,504	1,733	25,391	316,090
Other	51,954	41,615	5,201	98,770	193	1,281	392,566	492,810
Professional fees	(31)	66,071	14,578	80,618	191,142	-	65,169	336,929
Repairs and maintenance	5,996	7,525	-	13,521	68,906	-	289,529	371,956
Staff development	2,275	2,427	-	4,702	574	-	23,917	29,193
Travel	15,133	2,848	330	18,311	-	-	511	18,822
Utilities	185,882	233,365	2,952	422,199	933	-	1,649	424,781
Total Operating Expenses	10,750,770	3,008,138	1,909,631	15,668,539	1,636,397	3,388	4,292,883	21,601,207
Pension and postretirement related changes other than service cost	92,077	28,255	96,441	216,773	29,923	-	214,881	461,577
Total Expenses	\$ 10,842,847	\$ 3,036,393	\$ 2,006,072	\$ 15,885,312	\$ 1,666,320	\$ 3,388	\$ 4,507,764	\$ 22,062,784

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Statements of Cash Flows**

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flow from Operating Activities:		
Change in net assets	\$ 4,575,920	\$ 3,207,343
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	220,417	203,784
Unrealized (gain) loss on investments	728,521	(702,506)
Change in assets and liabilities:		
Receivables, net	(2,538,107)	485,973
Related party receivables	720,572	(551,112)
Other assets	(85,045)	31,332
Accounts payable	79,405	(97,599)
Related party payables	132,288	(153,445)
Accrued expenses	67,556	282,299
Deferred revenue	115,609	273,777
Funds held for others	(107,901)	142,533
Pension obligation	(2,499,734)	531,566
Unfunded post-retirement liability	360,767	71,952
Net Cash Provided by Operating Activities	<u>1,770,268</u>	<u>3,725,897</u>
Cash Flow from Investing Activities:		
Purchase of equipment	(567,110)	(118,739)
Sale of investments	10,682,006	5,517,704
Purchase of investments	<u>(12,039,803)</u>	<u>(9,032,155)</u>
Net Cash Used by Investing Activities	<u>(1,924,907)</u>	<u>(3,633,190)</u>
Net Increase (Decrease) in Cash	(154,639)	92,707
Cash, beginning	<u>1,220,699</u>	<u>1,127,992</u>
Cash, ending	<u>\$ 1,066,060</u>	<u>\$ 1,220,699</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 1 - Organization

Associated Students, Inc., California State University, Fullerton (ASI), is a California public benefit corporation which is an auxiliary organization to California State University, Fullerton (University). The purpose of ASI is to further educational services and related activities of the students of the University. Student activity fees and other revenue are collected to support student-related programs and to acquire assets for the benefit of the student body. ASI consists of two departments, Associated Students and Titan Student Center.

ASI's financial statements are presented by major program activities. The major programs are:

Student Services

ASI advises, supports and oversees the functions of student government, as well as a variety of student programs. Additionally, ASI plans and implements a variety of student leader development, training, and retreat programs hosted throughout the year. The Leader and Program Development (LPD) department aids student government and student leaders, including the Board of Directors, Executive Officers, the Titan Student Center Board of Trustees, and the Inter-Club Councils, in navigating their experiences in ASI and serving the students of the University.

ASI provides expertise in event and activity planning and implementation. Additionally, ASI advises student leaders on budget and finance, and monitors the campus funding/funded councils, organizations, and clubs receiving funding from ASI. ASI is also responsible for administering and overseeing a variety of programs and services, including the University recognized club offices and storage, Student Research Grants, and a legal referral services program provided by the College Legal Clinic.

Student Recreation Center

The Student Recreation Center (SRC) features a cardio floor, weight room, 35-foot-high rock wall, indoor jogging track, outdoor swimming pool, and 22,000 square feet of gymnasium space. Titan Recreation, the recreational arm of ASI, offers aquatics, personal training, instructional fitness, rock climbing training, and intramural sports. With the addition of the F45 fitness classes and Outdoor Adventure programs, the SRC continues to expand to meet the needs of a growing student population.

University students who have paid the Student Center fee receive access to the SRC and all the programs offered by Titan Recreation. Memberships are also available to the rest of the campus community and alumni.

Children's Center

The Children's Center (Center) provides top-quality care and an exceptional educational program for the children of University students, faculty, and staff. It serves the fundamental purpose of making higher education accessible to student parents by offering affordable and quality childcare. The Center also provides subsidized childcare for low-income students, which enables many to attend who otherwise could not afford or arrange for childcare.

For fiscal year ended June 30, 2022, the Center provided in person childcare services for 86 children. The Center provided subsidized childcare for 32 children, and 24 families. The Center operated 4 classrooms and provided childcare to children from 3 months through 6 years of age. The Center employed 14 full time staff and 61 university students whom were all appropriately trained in early childhood education practices. The Center also provided internship hours for 42 student interns whom earned academic credit for interning on site during fiscal year ended June 30, 2022. In addition, Center staff provided a professional development and training program to students both in person and via zoom sessions to ensure they receive training needed for future career success. The Center also offered virtual training sessions and advising to CSUF students and local community members as a way to continue training and providing resources to those interested in working in the field.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 1 - Organization, continued

Children's Center, continued

For fiscal year ended June 30, 2021, the Center provided a mix of programming services, in person childcare for 11 children and distance learning for 10 subsidized children. Zoom sessions and written resources were provided to an additional 29 children for parts of the fiscal year. This programming mix allowed us to service various families in ways that worked best for them. The Center employed 13 full time staff and due to the COVID-19 pandemic, the Center was only able to employ three university students whom were all appropriately trained in early childhood education practices. Due to the COVID-19 restrictions the Center did not have any internship students or volunteers during the fiscal year ended June 30, 2021. The Center offered virtual training sessions and advising to students and the community as a way to continue training and providing resources to those interested in working in the field.

With University support, the Center was able to provide care to children of faculty and staff. Many of the children's parents volunteer for eight hours or more per semester. The parent volunteers provide approximately 1,200 hours of service each year.

ASI's financial statements also include supporting services in the following categories:

Building Services

Provides all maintenance of ASI's three facilities and surrounding grounds as delineated in the campus agreement. The Building Engineering department is responsible for maintenance of facilities and building systems, custodial services, landscape maintenance, and leaseholder improvements. The Building Engineering coordinates with University Facilities to oversee appropriate maintenance of fire/life safety systems, elevator maintenance, and access to utilities. ASI reimburses the University for any costs associated with facility maintenance, improvement, and utilities.

Public Services

ASI supports the University Arboretum, which is the botanical garden located on campus, by providing financial support to employ student employees. Additionally, ASI provides programming services to external stakeholders through our summer youth camp programs as well as Camp Titan and Learn to Swim programs year-round.

Administrative

Administration of ASI includes oversight of all departments as well as risk management, strategic planning, assessment, and compliance with California State University (CSU) and University regulations and California non-profit corporate law. ASI administration includes Human Resources, Financial Services, Building Engineering, and IT Services.

ASI and the University have entered into a Memorandum of Understanding (MOU) to provide accounting services to the Intercollegiate Athletic Program. The services provided by ASI under the terms of the agreement include, but are not limited to: NCAA audit assistance, process and issue payments for scholarships, travel, student grants, personnel expenses, and the issuance of financial reports. Funds are advanced by ASI to cover expenses and are reimbursed monthly. At the end of the fiscal year there may be a "Due from the University" balance shown on ASI's financial statements reflecting a balance owed to ASI and collected in the following fiscal year. ASI processes payments that are generated and approved by the University and Athletics, therefore ASI does not record expenses related to this activity.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 1 - Organization, continued

ASI and the University have entered into a MOU to provide accounting services to the University's Instructionally Related Activities (IRA). The services provided by ASI under the terms of the agreement include, but are not limited to: promotional, operational, and general services and materials. Such services and materials include budget preparation and coordination, accounting services, administrative and fiscal support to IRA accounts and the University IRA Advisory Committee. It is management's belief that ASI is acting as an agent for these transactions therefore, these activities are not recorded in the statement of activities. At the end of the fiscal year there may be a "Due from the University" balance shown on ASI's financial statements reflecting a balance owed to ASI and collected in the following fiscal year. The remaining balance of these funds is included in Funds Held for Others on the statement of financial position.

Note 2 - Summary of Significant Accounting Policies

New Accounting Pronouncement

In September 2020, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The purpose of ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the Organization. During the year ended June 30, 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*.

Management has analyzed the provisions of the FASB's ASU Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* and has included the necessary disclosure in Note 10.

Basis of Presentation

The financial statements of ASI have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which requires ASI to report information regarding its financial position and activities according to the following net asset classifications:

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 ASI. These net assets may be used at the discretion of ASI's management and the Board of Directors.

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 ASI or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. ASI did not have any donor restrictions that were perpetual in nature for the years ended June 30, 2022 and 2021.

Estimates

In preparing financial statements in conformity with US GAAP liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

ASI's financial instruments, none of which are held for trading purposes, include cash, accounts receivable, and accounts payable. ASI estimates that the fair value of all of these nonderivative financial instruments at June 30, 2022 and 2021 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies, continued

Accounts Receivable

Account receivables are stated at unpaid balances, less an allowance for doubtful accounts. ASI provides for losses on account receivables using the allowance method. The allowance is based on the length of time the receivable has been outstanding and management's estimate of collectability.

Investment Valuation and Income Recognition

ASI's investments are stated at fair value in the statements of financial position, with all gains and losses included in the statements of activities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the statement of financial position date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains or losses on the sale of marketable securities are calculated using the specific-identification method. Unrealized gains and losses represent the change in the fair value of the individual investments for the year, or since the acquisition date, if acquired during the year.

Furniture and Equipment

Legal title to the Titan Student Union building, Recreational Center, and Children's Center building are retained by the California State University Board of Trustees. Initial furnishings and equipment were purchased by the University. Accordingly, the related assets and liabilities are excluded from ASI's financial statements. Any purchases following the opening that are for building or building improvements are paid for by ASI and subsequently transferred to the University for capitalization according to the University policy. Any purchases of equipment or furniture are purchased by ASI and recorded as furniture and equipment on ASI's financial statement according to ASI's capitalization policy.

ASI capitalizes all furniture and equipment with a normal useful life of at least one year and costing \$5,000 or more if purchased, or at fair value as of the date of receipt, if donated. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets, which range from 3 to 20 years. Repairs and maintenance expenses are capitalized if they extend the useful life or enhance the value of the asset and are over \$5,000.

Funds Held for Others

Funds held for others consists of amounts that are included in cash and investments of ASI but belong to other related organizations. The amounts are reported as an asset and a liability for the same amount. No revenue or expenses are recognized for these activities.

Pension

For purposes of measuring the net pension obligation related to pensions, and pension expense, information about the fiduciary net position of the California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are deposited in the plan. Investments are reported at fair value.

Revenue Recognition

Student activity fees – Students are required to pay an Associated Student Body (ASB) fee each semester. Of these fees, specific amounts are designated for Associated Students, the Titan Student Center, and Athletics. The ASB fees are recognized as revenue when they are received from the University, net of any University fees and bond payments. The CSU Board of Trustees has the right of first call on these funds for revenue bond debt service requirements and repairs and replacement of assets. The remaining funds are available for use in the operations of ASI. Any fees that are received in advance of the school year are recorded as deferred revenue.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 2 - Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

In-kind contribution of facilities – As noted in Note 10, ASI is provided the use of the Titan Student Union, Recreation Center, and Children’s Center at no cost. US GAAP requires an estimate of the value of the space contributed to ASI be recorded as revenue and expense. The amount recorded was based on the total square footage of each facility and a cost per square foot estimate.

Grants and contributions – Grant revenue is recognized in the period in which the related work is performed in accordance with the terms of the grant. Grants receivable are recorded when revenue earned under a grant or contract exceeds the cash received. Deferred revenue is recorded when cash received under a grant or contract exceeds the revenue earned. No allowance for doubtful accounts has been recorded as management believes that all amounts are collectible.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Functional Expense Allocations

The cost of providing program and other activities has been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Such allocations are determined by management on an equitable basis. All other expenses are directly charged to the programs or support services benefitted.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Pension benefits	Full time salaries
Insurance and utilities	Square footage
Depreciation	Function usage
Custodial services (included in Professional Fees)	Square footage

Income Taxes

ASI is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, ASI remains subject to taxes on any net income, which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

ASI follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. ASI recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that ASI has no uncertain tax positions at June 30, 2022 and 2021 and therefore, no amounts have been accrued.

Subsequent Events

ASI has evaluated subsequent events through **DATE PENDING**, which is the date the financial statements were available to be issued.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 3 - Liquidity and Availability

The following reflects ASI's financial assets at June 30, less amounts not available for general use due to donor or board restrictions.

	2022	2021
Financial assets at year end:		
Cash	\$ 1,066,060	\$ 1,220,699
Accounts receivable	2,884,735	1,067,200
Investments	16,753,127	16,123,851
Total financial assets	20,703,922	18,411,750
Less amounts not available for general use:		
Cash held for others	(291,139)	(158,390)
Investments held for others	(629,691)	(629,691)
Donor restricted for non-operating purposes	(67,826)	(74,826)
IRA receivables	(285,234)	(555,627)
Board designated funds	(2,680,943)	(2,680,943)
Financial assets available to meet cash needs for general expenditures due within one year	\$ 16,749,089	\$ 14,312,273

ASI reserve funds are maintained to address the long-term financial needs of the organization and include Undesignated, Children Center, Working Capital, and Restricted (Scholarships) Funds. In addition, ASI continues to meet the need to fund ASI's unfunded pension obligations through the maintenance of the reserve funds. ASI has a goal to have the working capital reserve fund balance equal to 15% of the operating budget. These funds can be re-designated upon the approval of the board of directors should the funds be needed for other purposes. There are also funds held by the University that can be used for repairs and maintenance of ASI's facilities.

Note 4 - Investments

Fair Value Measurements

ASI defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. ASI applies fair value measurements to assets and liabilities that are required to be recorded at fair value under US GAAP. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 4 - Investments, continued

Following is a description of the valuation methodologies used for assets measured at fair value:

Local Agency Investment Fund (LAIF) – Invested with the State of California which pools these funds with other governmental agencies and invests in various investment vehicles. These pooled funds approximate fair value and are carried at NAV. Regulatory oversight is provided by the State Pooled Money Investment Board and the Local Investment Advisory Board.

Cash and Equivalents – Includes cash and money market funds valued at cost plus accrued interest.

Mutual Funds – Valued at quoted market prices in active markets, which approximates fair value.

Fixed Income – Valued at cost plus interest, which approximates fair value.

	Assets at Fair Value as of June 30, 2022				
	Level 1	Level 2	Level 3	NAV	Total
Cash and Cash Equivalents	\$ 206,466	\$ -	\$ -	\$ -	\$ 206,466
Fixed Income:					
U.S. government and agency bonds	709,390	-	-	-	709,390
Corporate bonds	337,371	-	-	-	337,371
Mortgage backed gov't issued	96,144	-	-	-	96,144
Equities:					
Technology	407,859	-	-	-	407,859
Healthcare	658,984	-	-	-	658,984
Communication services	222,811	-	-	-	222,811
Financial	401,963	-	-	-	401,963
Credit Services	27,724	-	-	-	27,724
Industrial	216,562	-	-	-	216,562
Consumer cyclical	155,325	-	-	-	155,325
Consumer defensive	141,698	-	-	-	141,698
Basic Materials	27,093	-	-	-	27,093
Travel services	14,509	-	-	-	14,509
Utilities	29,754	-	-	-	29,754
Internet retail	21,242	-	-	-	21,242
Real estate	26,281	-	-	-	26,281
LAIF	-	-	-	13,051,951	13,051,951
	<u>\$ 3,701,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,051,951</u>	<u>\$ 16,753,127</u>

Commitments and redemption schedules for those investments' value based on net asset values are as follows:

Description	Fair Value	Unfunded Commitments	Frequency	Redemption Notice
Local Agency Investment Fund	\$ 13,051,951	\$ -	n/a	n/a

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 4 - Investments, continued

	Assets at Fair Value as of June 30, 2021				
	Level 1	Level 2	Level 3	NAV	Total
Cash and Cash Equivalents	\$ 131,571	\$ -	\$ -	\$ -	\$ 131,571
Fixed Income:					
U.S. government and agency bonds	738,193	-	-	-	738,193
Corporate bonds	288,336	-	-	-	288,336
Financial bonds	37,990	-	-	-	37,990
Municipal bonds	25,240	-	-	-	25,240
Foreign bonds	21,783	-	-	-	21,783
Mortgage backed gov't issued	10,377	-	-	-	10,377
Equities:					
Technology	644,477	-	-	-	644,477
Healthcare	843,742	-	-	-	843,742
Communication services	355,828	-	-	-	355,828
Financial	323,599	-	-	-	323,599
Industrial	256,899	-	-	-	256,899
Consumer staples	186,580	-	-	-	186,580
Consumer discretionary	119,683	-	-	-	119,683
Utilities	85,190	-	-	-	85,190
Internet retail	34,402	-	-	-	34,402
Real estate	32,104	-	-	-	32,104
Other	20,596	-	-	-	20,596
LAIF	-	-	-	11,967,261	11,967,261
	<u>\$ 4,156,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,967,261</u>	<u>\$ 16,123,851</u>

Commitments and redemption schedules for those investments' value based on net asset values are as follows:

Description	Fair value	Unfunded Commitments	frequency	Redemption notice
Local Agency Investment Fund	\$ 11,967,261	\$ -	n/a	n/a

Note 5 - Furniture and Equipment

The following is a summary of furniture and equipment as of June 30:

	2022	2021
Furniture and equipment	\$ 3,756,828	\$ 3,189,718
Less accumulated depreciation	(2,471,951)	(2,251,534)
	<u>\$ 1,284,877</u>	<u>\$ 938,184</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 6 - Pension Plan

ASI participates in a cost sharing multiple-employer defined benefit plan through the CalPERS which covers substantially all regular full-time employees of ASI. CalPERS acts as a common investment and administrative agent for participating public entities with the state of California and reports information to ASI.

CalPERS released information providing ASI with a net pension liability measured as of June 30, 2021 and 2020. This estimate was used to record the unfunded liability at June 30, 2022 and 2021, respectively.

Plan Description

Qualified employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. Individual employers may sponsor more than one Miscellaneous or Safety plan. ASI sponsors three Miscellaneous Risk Pool plans, however, the information presented represents the sum of the allocated pension amounts for each of ASI's respective plans (the Plan). The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to eligible plan members. Benefits are based on years of service credit, a benefit factor and the member's final compensation. All members are eligible for employment related disability benefits regardless of length of service and non-duty disability benefits after five years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is a lump sum paid to any member's beneficiary if the member dies while actively employed. The spouse or registered domestic partner of a deceased member, who was eligible to retire for service at the time of death, may elect to receive the Pre-Retirement Option 2W Death Benefit in lieu of the Basic Death Benefit lump sum. The Pre-Retirement Option 2W Death Benefit is a monthly allowance equal to the amount the member would have received if he/she had retired for service on the date of death and elected Option 2W, the highest monthly allowance a member can leave a spouse or domestic partner. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The First Tier Plan closed to new entrants on or after June 26, 2011. The Second Tier Plan was closed to new entrants on or after December 31, 2012.

The Plan provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous Risk Pool		
	First Tier Plan	Second Tier Plan	PEPRA Misc. Plan
Hire date	On or before June 25, 2011	June 26, 2011 - December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	60	62
Required employee contribution rate	5.000%	5.000%	7.000%
Required employer contribution rate	13.381%	11.668%	7.831%

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 6 - Pension Plan, continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1, following notice of a change in the rate. Total plan contributions are determined annually through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

ASI is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2022 are presented above and the total ASI contributions were \$787,688 (\$675,056 in 2021). These contributions are not included in the liability as they were made after the valuation date.

Pension Liabilities and Pension Expense

As of June 30, 2022, ASI reported net pension liabilities totaling \$6,362,359 (\$8,862,093 in 2021). The net pension liability was measured as of June 30, 2021. ASI's net pension liability was based on a projection of ASI's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022 and 2021, ASI's proportion was 0.13%.

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2021. The collective total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2020. The June 30 total pension liability was based on the following actuarial methods and assumptions:

	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount rate	6.80%	7.15%
Consumer price inflation	2.30%	2.50%
Salary increases	Varies by Entry Age and Service	Varies by Entry Age and Service
	Derived using CalPERS' Membership	Derived using CalPERS' Membership
Mortality rate table	Data for all Funds	Data for all Funds

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of mortality improvement using Scale BB published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 6 - Pension Plan, continued

Actuarial Methods and Assumptions, continued

The target allocation and best estimates of long-term expected real rate of return by asset class are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Years 11+</u>
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 6.80% for the measurement period ended June 30, 2021 and 7.15% for the measurement period ended June 30, 2020. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents ASI's proportionate share of the net pension liability as of June 30, 2022, calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (5.80%)	\$ 10,604,508
Current discount rate (6.80%)	\$ 6,362,359
1% increase (7.80%)	\$ 2,890,794

ASI's proportion of the Plan: 0.13%

The following presents ASI's proportionate share of the net pension liability as of June 30, 2021, calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.00%)	\$ 12,725,883
Current discount rate (7.00%)	\$ 8,862,093
1% increase (8.00%)	\$ 5,686,788

ASI's proportion of the Plan: 0.13%

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 6 - Pension Plan, continued

Plan Fiduciary Net Position

Detailed information about CalPERS Miscellaneous Risk Plan fiduciary net position is available in a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Note 7 - Postretirement Health Benefit Plan

In addition to providing pension benefits, ASI sponsors a defined benefit postretirement medical plan. Employees are eligible for certain medical benefits under the plan if they meet certain age and service requirements at the time of retirement. ASI accrues actuarially determined costs ratably to the date an employee becomes eligible for such benefits. The following tables set forth further information about ASI's postretirement health benefit plan obligation and funded status as of June 30:

	<u>2022</u>	<u>2021</u>
Projected benefit obligation	\$ 6,867,214	\$ 7,333,229
Plan assets at fair value	<u>(4,435,044)</u>	<u>(5,261,826)</u>
Funded status at end of year	\$ <u>2,432,170</u>	\$ <u>2,071,403</u>
Benefits paid	\$ <u>276,173</u>	\$ <u>252,178</u>
Postretirement benefit payable	\$ <u>(2,432,170)</u>	\$ <u>(2,071,403)</u>

Amounts recognized in the statements of activities at June 30 consist of:

	<u>2022</u>	<u>2021</u>
Service cost	\$ 218,023	\$ 115,372
Interest cost	197,892	157,325
Actuarial gain (loss)	(605,757)	883,127
Asset return	<u>550,609</u>	<u>(1,083,872)</u>
	\$ <u>360,767</u>	\$ <u>71,952</u>

The components of net periodic postretirement benefit cost, other than the service cost component, are included in the line item pension and postretirement related changes other than service cost in the statements of activities and functional expenses.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 7 - Postretirement Health Benefit Plan, continued

Actuarial assumptions that were utilized in the calculation of the unfunded liability for the years ended June 30:

Expected future benefit payments expected to be paid during the year ending:

Year ending June 30,	
2023	\$ 273,990
2024	275,467
2025	284,981
2026	291,283
2027	297,386
2028	305,990
2029	315,547
2030	330,202
2031	345,236
2032	362,885

The following presents ASI's accrued postretirement benefit obligation calculated using the current medical cost trend rate as well as what the accrued postretirement benefit obligation would be if it were calculated using a rate that is one percent lower or higher than the current rate at June 30, 2022:

Discount Rate	Projected Benefit Obligation
1% decrease (1.75%)	\$ 6,053,069
Current discount rate (2.75%)	\$ 6,867,214
1% increase (3.75%)	\$ 7,859,090

The following presents ASI's accrued postretirement benefit obligation calculated using the current medical cost trend rate as well as what the accrued postretirement benefit obligation would be if it were calculated using a rate that is one percent lower or higher than the current rate at June 30, 2021:

Discount Rate	Projected Benefit Obligation
1% decrease (1.75%)	\$ (7,155,159)
Current discount rate (2.75%)	\$ (7,333,229)
1% increase (3.75%)	\$ (7,716,381)

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 8 - Net Assets

Included in ASI's net assets without donor restrictions are Board designated reserve funds. Reserve funds are accounts that have been created by the Board of Directors for specific purposes.

The following are net assets without donor restrictions that are reserved for a specific purpose by the Board of Directors as of June 30:

	2022	2021
Children's Center Building Fund	\$ 2,000,000	\$ 2,000,000
Working Capital Reserve	680,943	680,943
Total Designations	\$ 2,680,943	\$ 2,680,943

The Children's Center Building Fund was established by ASI's Board of Directors to address the future repairs and equipment replacement needs of the Children's Center. Funds in this reserve are invested, according to ASI policy, and governed by ASI's Board of Directors and Investment Committee. The minimum fund balance is set at \$2,000,000.

Net assets with donor restrictions consist of contributions that have been restricted to the following purposes as of June 30:

	2022	2021
Camp Titan	\$ 31,303	\$ 31,303
Scholarships	32,904	39,904
Children's Center	3,619	3,619
	\$ 67,826	\$ 74,826

Note 9 - Related Parties

ASI entered into transactions during the fiscal year with the University, which is considered a related party. There were also transactions between the University and the IRA and Athletics activity for which ASI manages but does not record in the statement of activities as noted in Note 1.

Total receipts, disbursements, receivables, and payables for the ASI portion of these activities for the year ended June 30 were as follows:

	2022	2021	
Revenues from:			
University	Student activity fees	\$ 17,857,121	\$ 14,967,782
University	Services, space, and programs	\$ -	\$ 192,000
CSU Fullerton Auxiliary Services Corporation	Rent and commissions	\$ 239,867	\$ 119,401
Expenses to:			
University	Salaries of University personnel	\$ 395,138	\$ 193,951
University	Other than salaries	3,125,359	2,334,341
		\$ 3,520,497	\$ 2,528,292

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 9 - Related Parties, continued

The amounts received and paid by ASI to the University for the activities of IRA and Athletics are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Transfers to the University for Athletics	\$ (61,083)	\$ (61,026)
Transfers from the University for Athletics	\$ 3,569,468	\$ 1,036,826
Transfers to the University for IRA	\$ (895,035)	\$ (775,048)
Transfers from the University for IRA	\$ 2,434,219	\$ 2,432,393

Amounts due to and due from related parties at June 30 consist of the following:

	<u>2022</u>	<u>2021</u>	
Due from:			
University	IRA activities	\$ -	\$ 807,902
University	Athletics	-	10,073
University	Various services	553,248	455,845
		<u>553,248</u>	<u>1,273,820</u>
University	less cash advance for	<u>(300,000)</u>	<u>(300,000)</u>
		<u>\$ 253,248</u>	<u>\$ 973,820</u>
Due to:			
University	IRA activities	\$ 337,852	\$ 247,686
University	Athletics	8,890	10,577
University	Various services	163,987	120,178
		<u>\$ 510,729</u>	<u>\$ 378,441</u>

Any difference in receivables and payables balances between ASI and the University's independent accounting records are a result of timing differences.

ASI has entered into a contractual agreement with the University to provide promotional, operational, and general services and materials for IRA accounts. Such services and materials include budget preparation and coordination, accounting services, administrative and fiscal support to IRA and the campus IRA Advisory Committee. ASI receives an administrative fee from the University for managing the IRA funds. For the year ended June 30, 2022, this fee was \$323,855 (\$261,236 in 2021) and is included in the statements of activities.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 10 - University In-kind Rent

ASI leases the Titan Student Union, Student Recreation Center, and the Children's Center facilities from the University and acts as its operator under a lease in effect through June 30, 2025. Rent is not charged to ASI and ASI reimburses the University for utilities and certain other costs. There was in-kind revenue and expense recorded for the years ended June 30, 2022 and 2021, to reflect the market value of the space utilized, \$8,428,525 for each year. The revenue and expense are calculated by the University on a biennial basis. ASI will also pay for building maintenance and improvements which are expensed as assets transferred to campus in the statements of activities.

From time to time, ASI becomes involved in legal proceedings incidental to ASI. If and when a loss is deemed probable and reasonably estimable, ASI records the liability or expense in the financial statements.

Note 11 - Lease Receivable

ASI leases space to ASC, banks for ATMs, and to Amazon for its lockers. The leases generate approximately \$7,750 in lease revenue per month and expire on dates ranging from 2022 through 2025.

Future lease receivables are as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ 101,451
2024	101,938
2025	<u>85,224</u>
Total	\$ <u>288,614</u>

Note 12 - Concentration of Credit Risk

ASI maintains bank accounts which may, at times, exceed depository insurance limits and therefore expose ASI to credit risk. ASI maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. ASI monitors the cash balances regularly and evaluates the risk due to balances in excess of insurance limits.

ASI is exposed to credit loss for the amount of investments in the event of nonperformance by LAIF or the state investment pools. However, management of ASI does not anticipate nonperformance by LAIF or the state investment pools. In accordance with ASI's cash management policy, all excess cash is invested in LAIF or state investment pools.

ASI has some exposure to investment risk, including interest rate, market, and credit risk for both marketable and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the accompanying financial statements.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 13 - Economic Uncertainty

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders.

In the fiscal year ending June 30, 2021, California State University, Fullerton continued to provide virtual instruction almost exclusively with enrollment remaining steady. However, students were not allowed on campus which resulted in the Student Recreation Center and The Titan Student Union being closed for the entire year. For several months, the Children's Center was closed and only returned to operations with significantly reduced class size. While there were reductions in revenue there was also parallel decreases in expense. With the student fee revenue in place, ASI was able to provide virtual instruction, operations, and limited programming throughout the year. The organization was able to retain all full-time profession staff for the full year.

In the fiscal year ending June 30, 2022, California State University, Fullerton welcomed students back to campus after a prior year of offsite learning as a result of the COVID-19 pandemic. The campus still provided options for classroom hybrid learning allowing for in person and online attendance. All student gatherings, events and meetings outside the classroom were permissible following state health guidelines. ASI saw a return to near normal operation with some limitations in revenues. With concerns still surrounding small group gatherings, ASI's conference center has not yet returned to pre-pandemic revenues. The Children's Center was ASI's only area that marginally curtailed their operations with a lower enrollment and a 11-day closure in January due to the Omicron variant surge. The final months of the year ended without any issues related to the pandemic.

As the new year begins, ASI does not anticipate any disruptions to operations. ASI does not foresee any impact to our future performance and are confident in our financial stability.

**INDEPENDENT AUDITOR'S 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***

To the Board of Directors
Associated Students, Inc., California State University, Fullerton

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, Inc., California State University, Fullerton (a nonprofit organization)(ASI), which comprise the statement of financial position as of June 30, 2022, 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 **DATE PENDING**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ASI'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 ASI's internal control. Accordingly, we do not express an opinion on the effectiveness of ASI'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ASI'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*.

**INDEPENDENT AUDITOR'S 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, CONTINUED***

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.

San Diego, California

DATE PENDING

DRAFT

SUPPLEMENTAL INFORMATION

DRAFT

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule of Financial Position by Unit

June 30, 2022

	ASI	Titan Student Center	IRA	Eliminations	Total
ASSETS					
Cash	\$ 419,893	\$ 556,577	\$ 89,590	\$ -	\$ 1,066,060
Accounts receivable, net	754,341	1,845,160	31,986	-	2,631,487
Interfund receivables	-	369,762	-	(369,762)	-
Accounts receivable, related party	-	-	253,248	-	253,248
Investments	9,962,592	6,790,535	-	-	16,753,127
Furniture and equipment, net	94,328	1,190,549	-	-	1,284,877
Other assets	47,192	61,699	-	-	108,891
Total Assets	\$ 11,278,346	\$ 10,814,282	\$ 374,824	\$ (369,762)	\$ 22,097,690
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 223,786	\$ -	\$ 223,786
Interfund payable	369,762	-	-	(369,762)	-
Related party payable	49,591	114,397	346,741	-	510,729
Accrued expenses	822,902	670,420	(108,185)	-	1,385,137
Deferred revenue	318,078	103,083	-	-	421,161
Funds held for others	831,240	-	(87,518)	-	743,722
Unfunded pension obligation	2,690,747	3,671,612	-	-	6,362,359
Unfunded post-retirement liability	1,624,790	807,380	-	-	2,432,170
Total Liabilities	6,707,110	5,366,892	374,824	(369,762)	12,079,064
Net Assets:					
Without donor restrictions:					
Undesignated	1,822,467	5,447,390	-	-	7,269,857
Board designated	2,680,943	-	-	-	2,680,943
Total Without Donor Restrictions	4,503,410	5,447,390	-	-	9,950,800
With donor restrictions:	67,826	-	-	-	67,826
Total Net Assets	4,571,236	5,447,390	-	-	10,018,626
Total Liabilities and Net Assets	\$ 11,278,346	\$ 10,814,282	\$ 374,824	\$ (369,762)	\$ 22,097,690

See independent auditor's report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule of Financial Position by Unit

June 30, 2021

	ASI	Titan Student Center	IRA	Eliminations	Total
ASSETS					
Cash	\$ 1,078,788	\$ 141,911	\$ -	\$ -	\$ 1,220,699
Accounts receivable, net	40,701	4,954	47,725	-	93,380
Interfund receivables	-	30,687	-	(30,687)	-
Accounts receivable, related party	267,955	197,963	507,902	-	973,820
Investments	10,306,035	5,817,816	-	-	16,123,851
Furniture and equipment, net	59,646	878,538	-	-	938,184
Other assets	1,219	22,627	-	-	23,846
Total Assets	\$ 11,754,344	\$ 7,094,496	\$ 555,627	\$ (30,687)	\$ 19,373,780
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 144,381	\$ -	\$ 144,381
Interfund payable	30,687	-	-	(30,687)	-
Related party payable	130,755	-	247,686	-	378,441
Accrued expenses	804,390	413,173	100,018	-	1,317,581
Deferred revenue	305,552	-	-	-	305,552
Funds held for others	788,081	-	63,542	-	851,623
Unfunded pension obligation	3,811,716	5,050,377	-	-	8,862,093
Unfunded post-retirement liability	1,458,837	612,566	-	-	2,071,403
Total Liabilities	7,330,018	6,076,116	555,627	(30,687)	13,931,074
Net Assets:					
Without donor restrictions:					
Undesignated	1,668,557	1,018,380	-	-	2,686,937
Board designated	2,680,943	-	-	-	2,680,943
Total Without Donor Restrictions	4,349,500	1,018,380	-	-	5,367,880
With donor restrictions:	74,826	-	-	-	74,826
Total Net Assets	4,424,326	1,018,380	-	-	5,442,706
Total Liabilities and Net Assets	\$ 11,754,344	\$ 7,094,496	\$ 555,627	\$ (30,687)	\$ 19,373,780

See independent auditor's report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule of Activities by Unit

Year Ended June 30, 2022

	ASI	Titan Student Center	Eliminations	Total
Revenue and Support:				
Student activity fees	\$ 7,071,199	\$ 11,656,989	\$ -	\$ 18,728,188
In-kind contribution of facilities	5,691,386	2,737,139	-	8,428,525
Student center fees	78,247	1,760,162	(976,823)	861,586
Children's Center tuition	334,062	-	-	334,062
Grants and contributions	776,577	-	-	776,577
Administrative fees	2,297,800	-	(1,973,945)	323,855
Other	463,423	308,051	-	771,474
Total Revenue and Support	16,712,694	16,462,341	(2,950,768)	30,224,267
Expenses:				
Program services:				
Student services	9,170,315	2,965,080	-	12,135,395
Student recreation center	-	3,380,440	-	3,380,440
Children's Center	2,445,153	-	-	2,445,153
Total Program Expenses	11,615,468	6,345,520	-	17,960,988
Supporting services:				
Building services	-	4,501,792	(1,973,945)	2,527,847
Public services	53,396	-	-	53,396
Administrative	4,793,237	3,266,824	(976,823)	7,083,238
Total Supporting Services	4,846,633	7,768,616	(2,950,768)	9,664,481
Total Operating Expenses	16,462,101	14,114,136	(2,950,768)	27,625,469
Change in Net Assets from Operations	250,593	2,348,205	-	2,598,798
Non-operating income (expense):				
Pension and postretirement related changes other than service cost	1,012,409	1,369,875	-	2,382,284
Investment income	(435,149)	29,987	-	(405,162)
Transfers	(680,943)	680,943	-	-
Total Non-Operating Income	(103,683)	2,080,805	-	1,977,122
Change in Net Assets	146,910	4,429,010	-	4,575,920
Net Assets, beginning	4,424,326	1,018,380	-	5,442,706
Net Assets, ending	\$ 4,571,236	\$ 5,447,390	\$ -	\$ 10,018,626

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule of Activities by Unit

Year Ended June 30, 2021

	ASI	Titan Student Center	Eliminations	Total
Revenue and Support:				
Student activity fees	\$ 6,012,082	\$ 8,955,700	\$ -	\$ 14,967,782
In-kind contribution of facilities	5,691,386	2,737,139	-	8,428,525
Student center fees	-	424,715	(366,377)	58,338
Children's Center tuition	5,894	-	-	5,894
Grants and contributions	649,239	-	-	649,239
Administrative fees	2,043,319	-	(1,782,083)	261,236
Other	14,836	72	-	14,908
Total Revenue and Support	14,416,756	12,117,626	(2,148,460)	24,385,922
Expenses:				
Program Services:				
Student services	8,360,060	2,390,710	-	10,750,770
Student recreation center	-	3,008,138	-	3,008,138
Children's Center	1,909,631	-	-	1,909,631
Total Program Expenses	10,269,691	5,398,848	-	15,668,539
Supporting services:				
Building services	515,766	1,487,008	(366,377)	1,636,397
Public services	3,135	253	-	3,388
Administrative	3,020,747	3,054,219	(1,782,083)	4,292,883
Total Supporting Services	3,539,648	4,541,480	(2,148,460)	5,932,668
Total Operating Expenses	13,809,339	9,940,328	(2,148,460)	21,601,207
Change in Net Assets from Operations	607,417	2,177,298	-	2,784,715
Non-operating income (expense):				
Pension and postretirement related changes other than service cost	(336,396)	(125,181)	-	(461,577)
Investment income	858,831	25,374	-	884,205
Total Non-Operating Expense	522,435	(99,807)	-	422,628
Change in Net Assets	1,129,852	2,077,491	-	3,207,343
Net Assets, beginning	3,294,474	(1,059,111)	-	2,235,363
Net Assets, ending	\$ 4,424,326	\$ 1,018,380	\$ -	\$ 5,442,706

**SUPPLEMENTAL INFORMATION
FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY**

DRAFT

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule of Net Position

June 30, 2022

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	1,066,060
Short-term investments	14,753,127
Accounts receivable, net	2,884,735
Lease receivables, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	108,891
Total current assets	18,812,813
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivables, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	2,000,000
Capital assets, net	1,284,877
Other assets	-
Total noncurrent assets	3,284,877
Total assets	22,097,690
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
Others	-
Total deferred outflows of resources	-

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Schedule of Net Position**

June 30, 2022

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	734,515
Accrued salaries and benefits	267,946
Accrued compensated absences, current portion	460,217
Unearned revenues	421,161
Lease liabilities, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	743,722
Other liabilities	588,334

Total current liabilities3,215,895**Noncurrent liabilities:**

Accrued compensated absences, net of current portion	68,640
Unearned revenues	-
Grants refundable	-
Lease liabilities, 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	2,432,170
Net pension liability	6,362,359
Other liabilities	-

Total noncurrent liabilities8,863,169**Total liabilities**12,079,064**Deferred inflows of resources:**

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

Total deferred inflows of resources-

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule of Net Position

June 30, 2022

(for inclusion in the California State University)

Net position:	
Net investment in capital assets	1,284,877
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	67,826
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	<u>8,665,923</u>
Total net position	<u><u>10,018,626</u></u>

DRAFT

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2022

(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	776,577
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	861,586
Scholarship allowances (enter as negative)	-
Other operating revenues	28,586,104
Total operating revenues	<u>30,224,267</u>
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	53,396
Academic support	-
Student services	21,456,080
Institutional support	-
Operation and maintenance of plant	3,333,653
Student grants and scholarships	2,561,923
Auxiliary enterprise expenses	-
Depreciation and amortization	220,417
Total operating expenses	<u>27,625,469</u>
Operating income (loss)	<u>2,598,798</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Schedule of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2022

(for inclusion in the California State University)

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	(405,162)
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	2,382,284
Net nonoperating revenues (expenses)	1,977,122
Income (loss) before other revenues (expenses)	4,575,920
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	4,575,920
Net position:	
Net position at beginning of year, as previously reported	5,442,706
Restatements	-
Net position at beginning of year, as restated	5,442,706
Net position at end of year	10,018,626

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2022

(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 equivalents

Noncurrent restricted cash and cash equivalents

Current cash and cash equivalents

Total

	-
	1,066,060
\$	1,066,060

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g - CSU Consolidated Investment Pool (formerly SWIFT):			\$ -

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

3.1 Composition of capital assets:

	Balance June 30, 2021	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2021	Additions	Retirements	Transfer or completed	Balance June 30, 2022
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements					\$ -				\$ -
Works of art and historical treasures					-				-
Construction work in progress (CWIP)					-				-
Intangible assets:									
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Intangible assets in progress (PWIP)					-				-
Licenses and permits					-				-
Other intangible assets:					-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	\$ -	-	-	-	\$ -
Depreciable/Amortizable capital assets:									
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements					-				-
Personal property:									
Equipment	3,189,718				3,189,718	567,110			3,756,828
Library books and materials					-				-
Intangible assets:									
Software and websites					-				-
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Licenses and permits					-				-
Other intangible assets:					-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	3,189,718	-	-	-	3,189,718	567,110	-	-	3,756,828
Total capital assets	\$ 3,189,718	-	-	-	\$ 3,189,718	567,110.0	-	-	\$ 3,756,828
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements					-				-
Personal property:									
Equipment	(2,251,534)				(2,251,534)	(220,417)			(2,471,951)
Library books and materials					-				-
Intangible assets:									
Software and websites					-				-
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Licenses and permits					-				-
Other intangible assets:					-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(2,251,534)	-	-	-	(2,251,534)	(220,417)	-	-	(2,471,951)
Total capital assets, net excluding lease assets	\$ 938,184	-	-	-	\$ 938,184	346,693	-	-	1,284,877

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 220,417
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 220,417

4 Long-term liabilities:

	Balance June 30, 2021	Prior Period Adjustments/Reclassif- ications	Balance June 30, 2021 (Restated)	Additions	Reductions	Balance June 30, 2022	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ -	543,823	543,823	140,000	(154,966)	\$ 528,857	\$ 460,217	\$ 68,640.0
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations	\$ -	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-

5 Lease Liabilities schedule:

Year ending June 30:	Lease Liabilities related to SRB			All other lease liabilities			Total lease liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest	-	-	-	-	-	-	-	-	-
Present value of future minimum lease payments	-	-	-	-	-	-	-	-	-
Total lease liabilities	-	-	-	-	-	-	-	-	-
Less: current portion	-	-	-	-	-	-	-	-	-
Lease liabilities, net of current portion	\$ -	-	-	-	-	-	-	-	-

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

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:									
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									-

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	895,138
Payments to University for other than salaries of University personnel	8,125,359
Payments received from University for services, space, and programs	18,431,087
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)	(510,729)
Other amounts payable to University (enter as negative number)	(800,000)
Accounts receivable from University (enter as positive number)	253,248
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	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
Restatement #2	Enter transaction description	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

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	-	-	-	-	-	53,396	-	53,396
Academic support	-	-	-	-	-	-	-	-
Student services	6,780,968	2,722,504	-	-	-	11,952,608	-	21,456,080
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	556,495	289,972	-	-	-	2,487,186	-	3,333,653
Student grants and scholarships	-	-	-	-	2,561,923	-	-	2,561,923
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	220,417	220,417
Total operating expenses	\$ 7,337,463	3,012,476	-	-	2,561,923	14,493,190	220,417	27,625,469

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 - leases
- Deferred outflows - others:
 - Sales/intra-entity transfers of future revenues
 - Gain/loss on sale leaseback
 - Loan origination fees and costs
 - Change in fair value of hedging derivative instrument
 - Irrevocable split-interest agreements

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

2. Deferred Inflows of Resources

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

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

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2022

(for inclusion in the California State University)

11 Other nonoperating revenues (expenses)

Other nonoperating revenues

2,382,284

Other nonoperating (expenses)

Total other nonoperating revenues (expenses)

\$ 2,382,284