

Associated Students Inc.



Finance Committee

Thu Aug 24, 2023 1:15 PM - 2:30 PM PDT

1. Call to Order

Joe Morales, Finance Committee Chair, called the meeting to order at 1:24 pm.

2. Roll Call

Members Present: Furtado, J. Morales, Nguyen, Seng

Members Absent: S. Morales

Liaisons Present: Awadalla, Hesgard, Zazueta

Liaisons 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 ending 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

(Seng-m/Furtado-s) The agenda was approved by unanimous consent.

4. Approval of Minutes

None

5. Public Speakers

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

None

6. Reports

a. Chair

J. Morales, Finance Committee Chair, shared that he was part of the interview and choosing of the CFO. J. Morales also shared that he attended advising with Hesgard, and from that session wanted to share the importance of having quorum which is having 50% of voting members + 1 additional member, and stressed the importance of making it to the meetings, with the suggestion of creating a group chat so people can be made aware of a member's availability for future meetings when things are coming up.

b. Director of Student Government

Hesgard, Interim Director of Student Government, shared an overview of the summer onboarding and training of the executive senate councils. Hesgard, in conjunction with Angela Vidarte, new Graduate Assistant (GA) will advise councils. Other highlights from Hesgard:

*Student Life & Leadership hosted a retreat for all council executive boards . Hesgard shared the process is still the same for the executive senate councils, but there are administrative differences based on the implementation of SAGE.

*Questions about Student Leader Financial Awards should be directed to Shawna.

*Worked with Zazueta to determine BOD liaisons for each ICC

*Over the summer planning with Finance and Corporate Affairs for the Finance Committee meetings including budget training topics and processes for the year.

*ASI Scholarships are open until October 6th and encouraged the members to spread the word.

*There are many opportunities within ASI including open & vacant positions to be filled. There are two Board of Director positions available for the College of Education, and one for NSM.

7. Unfinished Business

None

8. New Business

a. Discussion: Review of Roles and Responsibilities

The committee will discuss their Roles and Responsibilities.

J. Morales yielded the floor to Hesgard to discuss the committee's roles and responsibilities. The presentation is an attachment to the minutes.

Highlights of the Presentation:

* What is the purpose of the ASI Finance Committee?

* Hold Hearings and refers budget recommendations to the ASI Board of Directors.

* Develop, review and make recommendations concerning organizational financial policies.

* Make recommendations on facility user fees.

* Responsibilities (Attendance, Willingness to Learn, Outreaching to Constituents, Staying Engaged)

* Concept of Prudent Person

* Topics of Coverage (ASI Financial Statements, ASI Budget Process, Methodology & Timeline, Capital Funding Expenditures, Receive Updates on SG, Operations, and

Administrative Budget, Discussing ASI President's Budget Recommendations, Reviewing the Structure of ASI Investments Review)

J. Morales opened the floor to questions and points of discussion. There were none.

b. Discussion: Introduction to ASI Financial Statements

The committee will review various accounts including investments, accounts receivable, pensions and post-retirement benefits.

J. Morales yielded the floor to Carolyn Ehrlich, CFO to discuss the ASI Financial Statements. The presentation is an attachment to the minutes.

Highlights of the Presentation:

- * Revenue Fund Balance (ASI, TSC)
- * Budgeted Operating Fees (ASI \$7,014,117, TSC \$13,001,377)
- * Balance Sheet (Statement of Financial Position)
- * Statement of Activities
- * Assets (Cash, Accounts Receivable)
- * Children's Center Replacement Fund
- * LAIF (Local Area Investment Fund)
- * Liabilities (Current Liabilities, Long Term Liabilities)
- * Long Term (Pension)
- * Employee Health Benefits (VEBA - Voluntary Employee Benefits)

J. Morales opened the floor to questions and points of discussion. There were none.

c. Committee Schedule

The committee will review the schedule for the fall semester.

J. Morales yielded the floor to Hesgard to review the schedule for the fall semester. The presentation is an attachment to the minutes.

Highlights of the Presentation:

- * 7 meetings will occur throughout the semester and cover the topics as presented earlier.
- * Other members from the Accounting & Finance department will attend the meetings.

J. Morales opened the floor to questions and points of discussion. There were none.

9. Announcements/Member's Privilege

- * Nguyen apologized for his late attendance and looks forward to the meetings for the semester. Nguyen also shared that he wasn't added to Boardable and will follow up with

Hesgard on that. Nguyen thanked Ehrlich for the presentation and is happy to learn more about the finances.

10. Adjournment

Joe Morales, Chair, adjourned the meeting at 2:14 pm.



ASI Board Treasurer-Secretary (Sep 16, 2023 14:15 PDT)

Joe Morales, Chair



Erika Perret-Martinez, Recording Secretary

Roll Call 2023-2024

08/24/2023 FINANCE Committee Roll Call

Attendance		Board Members		
			Present	Absent
ECS	SENG	ANTHONY	1	
NSM	FURTADO	NIC	1	
ARTS	NGUYEN	TONY	1	
CHAIR/TREASURER	MORALES	JOE	1	
CBE	MORALES	SUZETTE		1
			Present	Absent
			4	1

Attendance	Liaisons			
			Present	Absent
DIR STU GOVT	HESGARD	REBECCA	1	
ASI Pres Rep	AWADALLA	MAYSEM	1	
ASI Chair	ZAZUETA	ASHLEY	1	
			Present	Absent
			3	0

*Recording Secretary: Erika Perret-Martinez

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Final Audit Report

2023-09-17

Created:	2023-09-11
By:	Susan Collins (sucollins@fullerton.edu)
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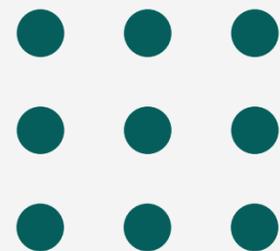
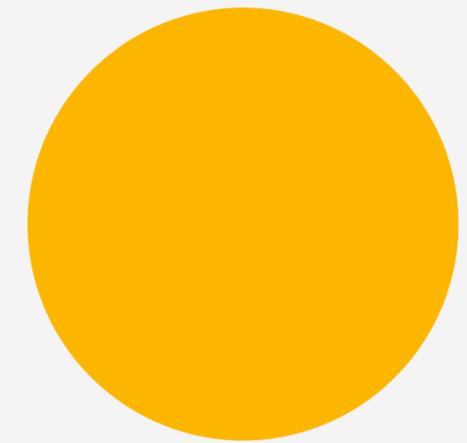
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-  Email viewed by ASI Board Treasurer-Secretary (asboardtreasurer@fullerton.edu)
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-  ASI Board Treasurer-Secretary (asboardtreasurer@fullerton.edu) has agreed to the terms of use and to do business electronically with California State University, Fullerton
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-  Document e-signed by Erika Perret-Martinez (eriperret-martinez@fullerton.edu)
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-  Agreement completed.
2023-09-17 - 3:50:34 PM GMT



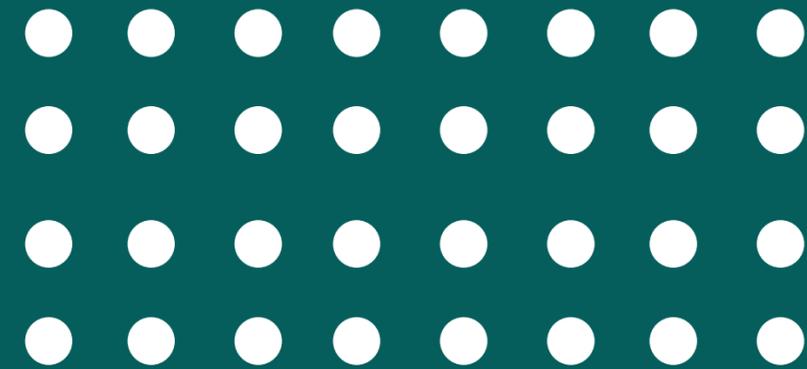
Roles & Responsibilities

Finance Committee

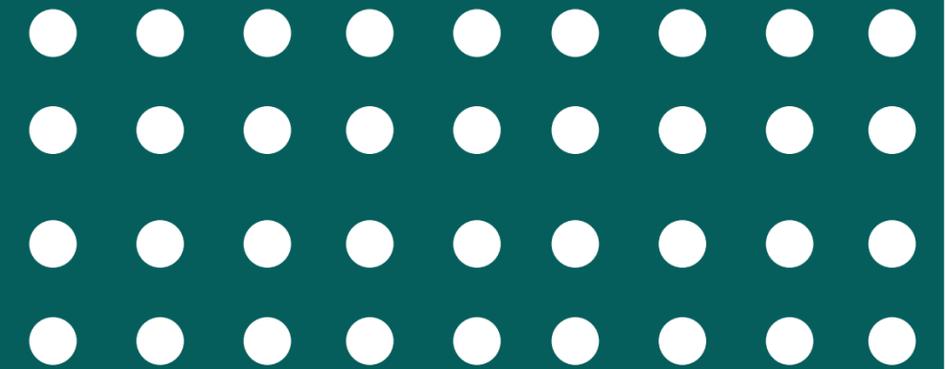
2023-2024



Rebecca Hesgard
Interim Director of Student Government



What is the
purpose of the
ASI Finance
Committee?



Hold hearings and refers
budget recommendations to
the ASI Board of Directors.



- Annual Budget Process
- Fiscal approvals during the year
 - Contingency Requests
 - Single Item Expenditures Over \$5,000
 - Line-Item Transfers

Develop, review and make
recommendations
concerning organizational
financial policies.



- Policies Concerning ...

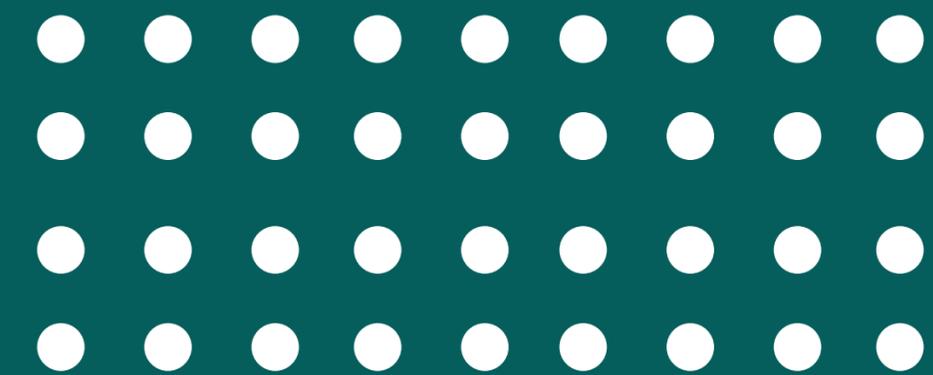
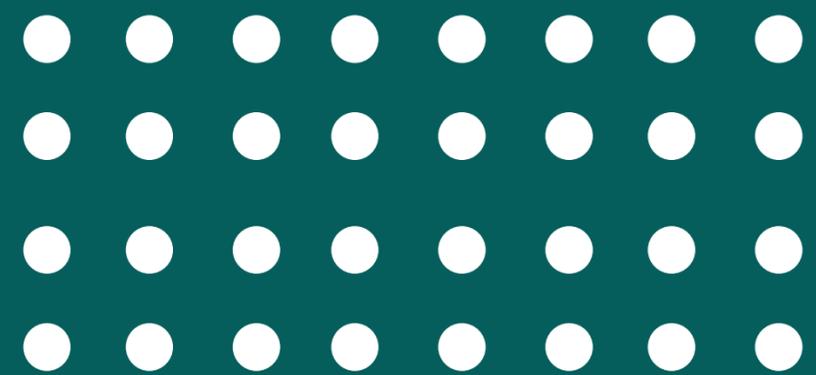
- Research Grants
- Funding Provided to Students and Student Organizations

Make recommendations on facility user fees.



- *User fees for TSU and SRC*
 - Students, Faculty/Staff, Community members

What are your
responsibilities
as a member of
this committee?



Responsibilities

1. Attendance
2. Willingness to Learn
3. Outreaching to Constituents
4. Staying Engaged

Responsibilities

The Prudent Person

- Such a person *acts sensibly, does things without serious delay, and takes proper but not excessive precautions.*
- The actions of a prudent person in a similar situation are the guide in determining whether an individual's actions were *reasonable.*

What topics are we covering?

1

Introducing ASI Financial Statements

2

The ASI Budget Process, Methodology, & Timeline

3

Capital Funding Expenditures

4

Receive Updates on SG, Operations, and Administrative Budget

5

Discussing ASI President's Budget Recommendations

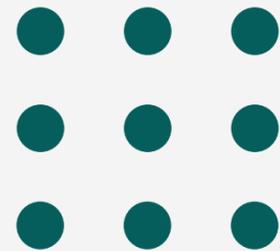
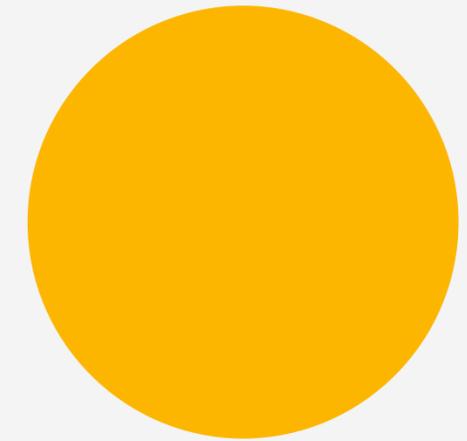
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Reviewing the Structure of ASI Investments Review



Any Questions?

2023-2024





Finance Committee
August 24th
Introduction to ASI Accounting



CALIFORNIA STATE UNIVERSITY
FULLERTON™

**ASSOCIATED STUDENTS
REVENUE FUND BALANCE**

ASI	2021-22 ACTUAL	2022-23 ESTIMATE	2023-24 PROPOSED
ASB DEPOSITORY FUND (TB001)			
PRIOR YEAR FUND BALANCE	\$ 71,666	\$ 231,092	\$ 100,419
DEPOSITORY FEES	\$ 6,674,253	\$ 6,611,214	\$ 7,014,117
INTEREST INCOME	\$ 2,502	\$ 2,000	\$ 25,000
SUB-TOTAL	\$ 6,748,421	\$ 6,844,305	\$ 7,139,536
EXPENDITURES	\$ 6,458,737	\$ 6,638,886	\$ 6,659,046
UNCOLLECTED STUDENT FEES	\$ 58,592	\$ 105,000	
Unfunded Pension Liability			\$ 325,960
Funding Loss of External Reserve			\$ 30,750
Funding Equipment			\$ 3,157
EXPENSE TOTAL	\$ 6,517,329	\$ 6,743,886	\$ 7,018,913

Ending Fund Balance	\$231,092	\$100,419	\$	120,624
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Catastrophic		\$ 360,000	\$ 360,000
Loss of External Funding		\$ 434,250	\$ 465,000
Working Capital		\$ 414,250	\$ 414,250
Children Center		\$ 2,000,000	\$ 2,000,000
Equipment		\$ 15,523	\$ 18,680

**TITAN STUDENT CENTERS
REVENUE FUND BALANCE**

TSC	2021-2022 ACTUAL	2022-2023 ESTIMATE	2023-2024 PROPOSED
REVENUE FUND (TCUOP)			
PRIOR YEAR FUND BALANCE	\$ 9,422,151	\$ 9,828,531	\$ 6,581,252
FEE REVENUE	\$ 12,059,767	\$ 12,366,997	\$ 13,001,377
INTEREST INCOME - REVENUE FUND	\$ 51,945	\$ 40,933	\$ 75,000
CAMPUS A/R ADJUSTMENT	\$ 22,453	\$ 28,774	\$ -
SUB-TOTAL	\$ 21,556,316	\$ 22,265,235	\$ 19,657,629
EXPENDITURES			
BUDGET & RETURN TO OPERATIONS	\$ 9,308,137	\$ 10,150,000	\$ 10,873,087
POTENTIAL UNCOLLECTED STUDENT FEES	\$ 8,548	\$ 163,968	\$ 150,000
FACILITY BOND PAYMENT	\$ 2,313,400	\$ 1,576,775	\$ 1,577,025
CSU GENERAL OVERHEAD EXPENSE	\$ 97,700	\$ 75,000	\$ 75,000
TRANSFER TO UNFUNDED PENSION LIABILITY		\$ 923,066	\$ 488,939
TRANSFER TO REPAIR & REPLACEMENT FUND (TCUMR)	\$ -	\$ 1,725,174	\$ 800,000
TRANSFER TO CATASTROPHIC FUND (TCUCE)		\$ 1,070,000	\$ 1,070,000
SUB-TOTAL	\$ 11,727,785	\$ 15,683,983	\$ 15,034,051
ENDING FUND BALANCE	\$9,828,531	\$6,581,252	\$4,623,578

RESERVE FUND BALANCES **	BALANCE 06/30/2022	EXPECTED BALANCE 06/30/2023	PROJECTED BALANCE 6/30/2024
Repair & Replacement Fund (TCUMR)	\$ 6,132,172	\$ 6,650,000	\$ 6,850,000
Catastrophic Fund (TCUCE)	\$ 2,653,939	\$ 3,729,725	\$ 4,799,725
Economic Uncertainty Fund (TCUOP)	\$ -	\$ 2,500,000	\$ 2,500,000
Equipment Replacement - Local Reserve		\$ 282,000	\$ 290,000

** Reserve Fund balances reflect all additions and expenditures for each Fiscal Year

Budgeted Operating Fees

ASI \$7,014,117

TSC \$13,001,377

- ASI funds Athletic Scholarships by \$2,075,940 (29.7%), leaving \$4,938,176 (70.3%) for ASI Programming and Operations.
- Spent in One Year, cannot Carryforward to Next Year
- Adjusted if Headcount Is Short
- Overage Stays Stateside if Headcount Exceeds Budget
- Meet Both Operational Needs, Capital Needs and Long-Term Obligations

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	298,147	93,380
Accounts receivable, related party	2,929,251	973,820
Investments	16,753,127	16,123,851
Furniture and equipment, net of accumulated depreciation	1,284,877	938,184
Other assets	108,891	23,846
Total Assets	<u>\$ 22,440,353</u>	<u>\$ 19,373,780</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 223,786	\$ 144,381
Related party payable	1,010,474	378,441
Accrued expenses	865,234	1,317,581
Deferred revenue	400,308	305,552
Funds held for others	894,642	851,623
Unfunded pension obligation	6,362,359	8,862,093
Unfunded post-retirement liability	2,432,170	2,071,403
Total Liabilities	12,194,973	13,931,074
Net Assets:		
Without donor restrictions:		
Undesignated (See Note 8)	7,496,611	2,686,937
Board designated	2,680,943	2,680,943
Total Without Donor Restrictions	10,177,554	5,367,880
With donor restrictions	67,826	74,826
Total Net Assets	<u>10,245,380</u>	<u>5,442,706</u>
Total Liabilities and Net Assets	<u>\$ 22,440,353</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
Grants and contributions	797,430	-	797,430
Other	963,217	-	963,217
Children's Center tuition	334,062	-	334,062
Administrative fees	323,855	-	323,855
Net assets released from restrictions	7,000	(7,000)	-
Total Revenue and Support	30,443,863	(7,000)	30,436,863
Expenses:			
Program services:			
Student services	12,135,395	-	12,135,395
Student recreation center	3,380,440	-	3,380,440
Children's Center	2,430,995	-	2,430,995
Total Program Expenses	17,946,830	-	17,946,830
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	27,611,311	-	27,611,311
Change in Net Assets from Operations	2,832,552	(7,000)	2,825,552
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	4,809,674	(7,000)	4,802,674
Net Assets, beginning	5,367,880	74,826	5,442,706
Net Assets, ending	\$ 10,177,554	\$ 67,826	\$ 10,245,380

Assets

- **Cash – cash and investments**
 - Bank of America (ASI, PR, TSU, Agency, IRA)
 - LAIF - This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office professional investment staff at no additional cost to the taxpayer.
 - City National Bank – **City National Bank** offers a wide variety of premier financial services and actively manages our portfolio.
- **Accounts Receivable – entities or persons who owe us money**
 - CSUF (athletics and IRA reimbursement)
 - Tuition for Children's Center
 - Third Parties who utilize our conference facilities, TBB, SRC and the Children's Center

Children's Center Replacement Fund



ACCOUNT SUMMARY

The Market Value Reconciliation outlines how the value of your account has changed during this statement period and since the beginning of the year. Income accrued, but not yet received by your account has been estimated.

The Income Summary highlights, by major category, the income added to your account during the statement period and since the beginning of the year.

Market Value Reconciliation

	07/01/23 - 07/31/23 (\$)	CALENDAR YEAR TO DATE (\$)
Beginning Market Value	\$4,135,219.35	\$3,746,199.94
Additions	+	0.00
Withdrawals	-	19.77
Fees	+	1.73
Income	+	2,608.66
Security Transfers	+	0.00
Other Activity	+	0.00
Asset Price Appreciation/Depreciation	+	67,183.28
Ending Market Value on 07/31/23	=	4,204,993.25
Estimated Accrued Income	+	10,233.05
Market Value + Estimated Accrued Income	=	\$4,215,226.30

Income Summary

Income		
Dividends	\$1,255.78	\$19,947.11
Interest	1,352.88	18,578.32
Rental Income	0.00	0.00
Other Income	0.00	0.00
Total Income	\$2,608.66	\$38,525.43

Gain/Loss Summary

Income		
Short Term Gain (Loss)	\$0.00	\$3,381.45
Long Term Gain (Loss)	0.00	63,256.17

LAIF



PMIA/LAIF Performance Report as of 08/16/23



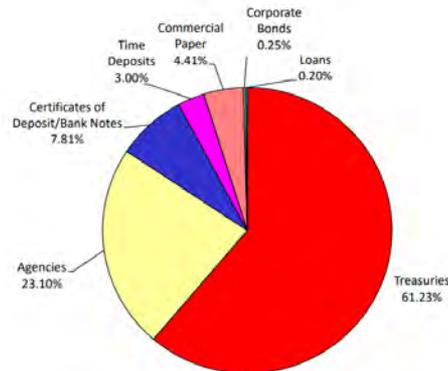
Quarterly Performance Quarter Ended 06/30/23

LAIF Apportionment Rate ⁽²⁾ :	3.15
LAIF Earnings Ratio ⁽²⁾ :	0.00008636172883763
LAIF Administrative Cost ^{(1)*} :	0.06
LAIF Fair Value Factor ⁽¹⁾ :	0.984828499
PMIA Daily ⁽¹⁾ :	3.26
PMIA Quarter to Date ⁽¹⁾ :	3.01
PMIA Average Life ⁽¹⁾ :	260

PMIA Average Monthly Effective Yields⁽¹⁾

July	3.305**
June	3.167
May	2.993
April	2.870
March	2.831
February	2.624

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 07/31/23 \$173.5 billion



Liabilities

- Current Liabilities – Accounts Payable, Accrued Expenses, Deferred Income
- Long Term Liabilities
 - Pension
 - OPEB

Long Term

- Pension
 - All employees
 - Retired and Active
 - Actuarial Review
 - FY23 – \$9.5M

Employee Health Benefits

- VEBA – Voluntary Employee Benefits
 - All employees with vesting schedule
 - Plans are identical to what is offered to active employees but only health
 - Assets have been set aside years ago and separately accounted for in CNB
 - A separate trust has been established to account for these assets and payments made for the medical coverage.
 - Actuarial Review – variable used in calculations were adjusted
 - FY23 - \$7.3M

Next Session: Introduction to the Budget Process 9/7

Questions?