

Associated Students, Inc., California State University, Fullerton

Financial Statements and Supplemental Information

Years Ended June 30, 2021 and 2020



ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Financial Statements and Supplemental Information

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Table of Contents

	Page
Independent Auditors' 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 AUDITORS' REPORT

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

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, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, Inc., California State University, Fullerton as of June 30, 2021 and 2020, 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.

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 28-46 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.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2021, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, Associated Students, Inc., California State University, Fullerton adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) on July 1, 2020. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As described in Note 13 to the financial statements, on March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Aldrich CPAs + Advisors LLP

San Diego, California
October 6, 2021

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

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 1,220,699	\$ 1,127,992
Accounts receivable, net of allowance for doubtful accounts of \$1,000	93,380	579,353
Accounts receivable, related party	973,820	422,708
Investments	16,123,851	11,906,894
Furniture and equipment, net of accumulated depreciation	938,184	1,023,229
Other assets	<u>23,846</u>	<u>55,178</u>
Total Assets	<u>\$ 19,373,780</u>	<u>\$ 15,115,354</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 144,381	\$ 241,980
Related party payable	378,441	531,886
Accrued expenses	1,317,581	1,035,282
Deferred revenue	305,552	31,775
Funds held for others	851,623	709,090
Unfunded pension obligation	8,862,093	8,330,527
Unfunded post-retirement liability	<u>2,071,403</u>	<u>1,999,451</u>
Total Liabilities	13,931,074	12,879,991
Net Assets:		
Without donor restrictions:		
Undesignated (See Note 8)	2,686,937	(510,388)
Board designated	<u>2,680,943</u>	<u>2,680,943</u>
Total Without Donor Restrictions	5,367,880	2,170,555
With donor restrictions	<u>74,826</u>	<u>64,808</u>
Total Net Assets	<u>5,442,706</u>	<u>2,235,363</u>
Total Liabilities and Net Assets	<u>\$ 19,373,780</u>	<u>\$ 15,115,354</u>

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 income	884,205	-	884,205
Total Non-Operating Income	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 Activities

Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Student activity fees	\$ 14,498,543	\$ -	\$ 14,498,543
In-kind contribution of facilities	6,676,714	-	6,676,714
Student center fees	1,025,797	-	1,025,797
Children's Center tuition	541,265	-	541,265
Grants and contributions	867,513	988	868,501
Administrative fees	213,026	-	213,026
Other	162,532	-	162,532
Net assets released from restrictions	11,000	(11,000)	-
Total Revenue and Support	23,996,390	(10,012)	23,986,378
Expenses:			
Program services:			
Student services	12,049,179	-	12,049,179
Student recreation center	3,195,583	-	3,195,583
Children's Center	2,861,125	-	2,861,125
Total Program Expenses	18,105,887	-	18,105,887
Supporting services:			
Building services	1,650,982	-	1,650,982
Public services	149,402	-	149,402
Administrative	3,922,692	-	3,922,692
Total Supporting Services	5,723,076	-	5,723,076
Total Operating Expenses	23,828,963	-	23,828,963
Change in Net Assets from Operations	167,427	(10,012)	157,415
Non-operating income (expense):			
Pension and postretirement related changes other than service cost	(773,587)	-	(773,587)
Investment income	326,213	-	326,213
Total Non-Operating Expense	(447,374)	-	(447,374)
Change in Net Assets	(279,947)	(10,012)	(289,959)
Net Assets, beginning	2,450,502	74,820	2,525,322
Net Assets, ending	\$ 2,170,555	\$ 64,808	\$ 2,235,363

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

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services				Supporting Services			
	Student Services	Student Recreation Center	Children's Center	Total Program	Building Services	Public Services	Administrative	Total
Salaries	\$ 1,793,067	\$ 1,173,517	\$ 1,587,655	\$ 4,554,239	\$ 576,454	\$ 68,898	\$ 1,885,869	\$ 7,085,460
Employee benefits and taxes	753,900	334,942	536,686	1,625,528	461,016	4,635	839,572	2,930,751
Total Personnel	2,546,967	1,508,459	2,124,341	6,179,767	1,037,470	73,533	2,725,441	10,016,211
Awards and scholarships	2,217,797	-	-	2,217,797	-	-	78,971	2,296,768
Communications	17,461	9,483	7,872	34,816	3,548	289	20,943	59,596
Contracts and rentals	599,175	85,408	26,600	711,183	195,141	70,653	305,796	1,282,773
Depreciation	131,213	56,649	781	188,643	3,589	-	703	192,935
Dues and fees	34,714	32,576	8,475	75,765	419	1,281	170,224	247,689
In-kind rent for facilities	5,366,844	802,006	363,481	6,532,331	25,327	-	119,056	6,676,714
Insurance	55,109	65,706	4,234	125,049	785	-	77,425	203,259
Office and supplies	172,064	106,618	78,258	356,940	42,052	3,646	44,451	447,089
Other	1,736	-	-	1,736	-	-	107,279	109,015
Professional fees	450,256	309,251	100,854	860,361	8,284	-	106,231	974,876
Repairs and maintenance	20,081	38,660	112,000	170,741	329,150	-	54,619	554,510
Staff development	5,951	3,947	-	9,898	-	-	57,807	67,705
Travel	146,269	11,630	4,042	161,941	-	-	44,520	206,461
Utilities	283,542	165,190	30,187	478,919	5,217	-	9,226	493,362
Total Operating Expenses	12,049,179	3,195,583	2,861,125	18,105,887	1,650,982	149,402	3,922,692	23,828,963
Pension and postretirement related changes other than service cost	192,927	101,007	116,106	410,040	131,461	-	232,086	773,587
Total Expenses	\$ <u>12,242,106</u>	\$ <u>3,296,590</u>	\$ <u>2,977,231</u>	\$ <u>18,515,927</u>	\$ <u>1,782,443</u>	\$ <u>149,402</u>	\$ <u>4,154,778</u>	\$ <u>24,602,550</u>

See accompanying notes to financial statements.

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

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flow from Operating Activities:		
Change in net assets	\$ 3,207,343	\$ (289,959)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	203,784	192,935
Unrealized loss	(702,506)	31,167
Change in assets and liabilities:		
Receivables, net	485,973	(261,466)
Related party receivables	(551,112)	72,883
Other assets	31,332	123,525
Accounts payable	(97,599)	(58,089)
Related party payables	(153,445)	(78,761)
Accrued expenses	282,299	(85,207)
Deferred revenue	273,777	(107,777)
Funds held for others	142,533	(43,038)
Pension obligation	531,566	268,843
Unfunded post-retirement liability	71,952	927,756
Net Cash Provided by Operating Activities	<u>3,725,897</u>	<u>692,812</u>
Cash Flow from Investing Activities:		
Purchase of equipment	(118,739)	(266,020)
Sale of investments	5,517,704	23,280
Purchase of investments	<u>(9,032,155)</u>	<u>(151,668)</u>
Net Cash Used by Investing Activities	<u>(3,633,190)</u>	<u>(394,408)</u>
Net Increase in Cash	92,707	298,404
Cash, beginning	<u>1,127,992</u>	<u>829,588</u>
Cash, ending	<u>\$ 1,220,699</u>	<u>\$ 1,127,992</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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, 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.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 - Organization, continued

Children's Center, continued

For the fiscal year ended June 30, 2020, the Center served 189 children enrolled in daycare programs. The Center employed 136 University students who are all appropriately trained in early childhood education practices. Other students earn academic credit while completing internships. University faculty regularly refer students to complete projects and observations at the Center resulting in over 984 University students serving the center annually in addition to our student staff, interns, and student parents.

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 plus a service interest fee from the campus. 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.

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. The remaining balance of these funds is included in Funds Held for Others on the statement of financial position.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This standard update, along with related subsequently issued updates, clarifies the principles for recognizing revenue and develops a common revenue standard under accounting principles generally accepted in the United States of America (US GAAP). ASI adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) on July 1, 2020.

This new guidance was applied retrospectively to contracts that were not completed as of the adoption date. Management has analyzed the provisions contained in Topic 606 and determined that there is no impact on net assets as of July 1, 2020 due to the adoption of the new policy.

Basis of Presentation

The financial statements of ASI have been prepared in accordance with 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, 2021 and 2020.

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, 2021 and 2020 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position.

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.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies, continued

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.

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.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies, continued

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, 2021 and 2020 and therefore, no amounts have been accrued.

Subsequent Events

ASI has evaluated subsequent events through October 6, 2021, which is the date the financial statements were available to be issued.

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.

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash	\$ 1,220,699	\$ 1,127,992
Accounts receivable	1,067,200	1,002,061
Investments	16,123,851	11,906,894
Total financial assets	18,411,750	14,036,947
Less amounts not available for general use:		
Cash held for others	(158,390)	(9,855)
Investments held for others	(629,691)	(670,248)
Donor restricted for non-operating purposes	(74,826)	(64,808)
IRA receivables	(555,627)	(540,695)
Board designated funds	(2,680,943)	(2,680,943)
Financial assets available to meet cash needs for general expenditures due within one year	\$ <u>14,312,273</u>	\$ <u>10,070,398</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 3 - Liquidity and Availability, continued

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 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.

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.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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 govt 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 assets are as follows:

Description	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Local Agency Investment Fund	\$ 11,967,261	\$ -	n/a	n/a

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 4 - Investments, continued

	Assets at Fair Value as of June 30, 2020				
	Level 1	Level 2	Level 3	NAV	Total
Cash and Cash Equivalents	\$ 257,744	\$ -	\$ -	\$ -	257,744
Fixed Income:					
U.S. government and agency bonds	676,572	-	-	-	676,572
Municipal bonds	26,268	-	-	-	26,268
Corporate bonds	370,384	-	-	-	370,384
Foreign bonds	95,413	-	-	-	95,413
Equities:					
Technology	426,228	-	-	-	426,228
Healthcare	279,214	-	-	-	279,214
Communication services	231,571	-	-	-	231,571
Financial	170,294	-	-	-	170,294
Industrial	151,255	-	-	-	151,255
Consumer staples	138,664	-	-	-	138,664
Consumer discretionary	72,179	-	-	-	72,179
Utilities	67,275	-	-	-	67,275
Other	49,200	-	-	-	49,200
Mutual Funds:					
Large blend	306,239	-	-	-	306,239
Money market fund	10,627	-	-	-	10,627
LAIF	-	-	-	8,577,767	8,577,767
	<u>\$ 3,329,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,577,767</u>	<u>\$ 11,906,894</u>

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

Description	Fair value	Unfunded Commitments	Redemption frequency	Redemption notice
Local Agency Investment Fund	\$ 8,577,767	\$ -	n/a	n/a

Note 5 - Furniture and Equipment

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

	2021	2020
Furniture and equipment	\$ 3,189,718	\$ 3,070,979
Less accumulated depreciation	(2,251,534)	(2,047,750)
	<u>\$ 938,184</u>	<u>\$ 1,023,229</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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, 2020 and 2019. This estimate was used to record the unfunded liability at June 30, 2021 and 2020, 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, 2021, 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, 2021 and 2020

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, 2021 are presented above and the total ASI contributions were \$675,056 (\$713,984 in 2020). 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, 2021, ASI reported net pension liabilities totaling \$8,862,093 (\$8,330,527 in 2020). The net pension liability was measured as of June 30, 2020. 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, 2021 and 2020, ASI's proportion was 0.13%.

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2020. The collective total pension liability for the June 30, 2019 measurement period was determined by an actuarial valuation as of June 30, 2018. The June 30 total pension liability was based on the following actuarial methods and assumptions:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount rate	7.15%	7.00%
Consumer price inflation	2.50%	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, 2021 and 2020

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%	4.80%	5.98%
Fixed income	28%	1.00%	2.62%
Inflation assets	0%	0.77%	1.81%
Private equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for the measurement period ended June 30, 2020 and 7.00% for the measurement period ended June 30, 2019. 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, 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%

The following presents ASI's proportionate share of the net pension liability as of June 30, 2020, 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%)	\$ 11,991,583
Current discount rate (7.00%)	\$ 8,330,527
1% increase (8.00%)	\$ 5,322,281

ASI's proportion of the Plan: 0.13%

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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:

	2021	2020
Projected benefit obligation	\$ 7,333,229	\$ 6,429,583
Plan assets at fair value	(5,261,826)	(4,430,132)
Funded status at end of year	<u>\$ 2,071,403</u>	<u>\$ 1,999,451</u>
Benefits paid	<u>\$ 252,178</u>	<u>\$ 246,927</u>
Postretirement benefit payable	<u>\$ (2,071,403)</u>	<u>\$ (1,999,451)</u>

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

	2021	2020
Service cost	\$ 115,372	\$ 296,762
Interest cost	157,325	189,486
Actuarial gain	883,127	641,218
Asset return	<u>(1,083,872)</u>	<u>(199,710)</u>
	<u>\$ 71,952</u>	<u>\$ 927,756</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, 2021 and 2020

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,	
2022	\$ 301,623
2023	319,582
2024	316,804
2025	320,911
2026	333,273
2027	345,613
2028	345,469
2029	338,200
2030	352,304
2031	396,045

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)

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, 2020:

Discount Rate	Projected Benefit Obligation
1% decrease (1.50%)	\$ (6,285,286)
Current discount rate (2.50%)	\$ (6,429,583)
1% increase (3.50%)	\$ (6,576,977)

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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:

	<u>2021</u>	<u>2020</u>
Children's Center Building Fund	\$ 2,000,000	\$ 2,000,000
Working Capital Reserve	<u>680,943</u>	<u>680,943</u>
Total Designations	<u>\$ 2,680,943</u>	<u>\$ 2,680,943</u>

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.

The Board of Directors and management have established a working capital reserve fund that has been built up over prior years. As of June 30, 2020, this resulted in a deficit balance in undesignated net assets. Management and the Board of Directors re-evaluated their reserve policy and deficit balance was eliminated as of June 30, 2021.

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

	<u>2021</u>	<u>2020</u>
Camp Titan	\$ 31,303	\$ 31,303
Scholarships	39,904	28,432
Children's Center	<u>3,619</u>	<u>5,073</u>
	<u>\$ 74,826</u>	<u>\$ 64,808</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

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:

	2021	2020
Revenues from:		
University Student activity fees	\$ 14,967,782	\$ 14,498,543
University Services, space, and programs	\$ 192,000	\$ 171,506
CSU Fullerton Auxiliary Services Corporation Rent and commissions	\$ 119,401	\$ 108,006
Expenses to:		
University Salaries of University personnel	\$ 193,951	\$ 137,444
University Other than salaries	2,334,341	786,220
	\$ 2,528,292	\$ 923,664

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

	2021	2020
Transfers to the University for Athletics	\$ (61,026)	\$ -
Transfers from the University for Athletics	\$ 1,036,826	\$ 509,287
Transfers to the University for IRA	\$ (775,048)	\$ (751,737)
Transfers from the University for IRA	\$ 2,432,393	\$ 2,370,651

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

	2021	2020
Due from:		
CSU Fullerton Auxiliary Services Corporation Various services	\$ -	\$ 110,353
University IRA activities	807,902	120,355
University Athletics	10,073	-
University Various services	455,845	192,000
	1,273,820	422,708
University less cash advance for IRA	(300,000)	-
	\$ 973,820	\$ 422,708
Due to:		
University IRA activities	\$ 247,686	\$ 238,423
University Athletics	10,577	-
University Various services	120,178	293,463
	\$ 378,441	\$ 531,886

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

Note 9 - Related Parties, continued

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, 2021, this fee was \$261,236 (\$213,026 in 2020) and is included in the statements of activities.

Note 10 - Commitments and Contingencies

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, 2021 and 2020, to reflect the market value of the space utilized. 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 2021 through 2025.

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, 2021 and 2020

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.

Due to the pandemic, California State University, Fullerton moved to virtual instruction and operations effective March 15, 2020. Associated Students complied by ceasing on-campus onsite operations for the ASI Children's Center, Student Recreation Center, and Titan Student Union, resulting in unrealized revenue in each area totaling approximately \$249,000. The loss of income was predominantly offset by a reduction in program expenses. In addition, the majority of part-time student employees were furloughed at the end of the Spring 2020 semester.

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.

As the new school year begins, a return to near normal activity is anticipated and we do not foresee any issues with the return to regular operations. Even though the pandemic is still active with the emergence of the Delta variant a cause for concern, we are optimistic about our continued 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, 2021, 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 October 6, 2021.

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. We did identify a certain deficiency in internal control, that we consider to be a material weakness.

2021-001 Review and Approval of Financial Information

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 provide regular statements. There was also no consistent documentation of the timely review of bank reconciliations. We understand the accounting system does not facilitate the production of a complete set of financial statements which means the process is manual and subject to errors. We recommend that management review the accounting system to determine the steps necessary to ensure that they are able to generate timely, accurate financial information for management and board review. We also recommend that any review performed be documented in some fashion. This could be through an email approval, a signature on the document, or by a sign off on the month end close checklist.

Management Response: The structure of the general ledger account as the basis for the recording of data hinders the ability to easily create financial statements in the system. Management has taken steps this year to create the statements outside of the accounting system. These financial reports were created in May and will continue monthly to enable management to review the overall financial status of the organization.

**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***

A monthly meeting has been established that will include a review of these reports as well as the investment account status. This new process of financial review is being documented and summarized each month. In addition, the process to document the receipt and review of quarterly investment statements that existed prior to the campus closure has been reinstated as of the first quarter of FY 2022.

While the overall Financial Statements are not easily created, the Income Statement for each budgeted area is available to the Department Directors on a real-time basis. The system allows them to manage to budget for their operational areas. A quarterly budget-to-actual report is also generated for management and presented to the Board of Directors for review and discussion.

ASI is creating a Business Functional Requirements Document to begin the process of evaluating software solutions in the marketplace. We anticipate beginning a thorough business operations review and analysis of possible software solutions by the end of calendar year 2021.

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*.

ASI's Response to Findings

ASI's response to the findings identified in our audit is described above. ASI's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Aldrich CPAs + Advisors LLP

San Diego, California
October 6, 2021

SUPPLEMENTAL INFORMATION

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	<u>\$ 11,754,344</u>	<u>\$ 7,094,496</u>	<u>\$ 555,627</u>	<u>\$ (30,687)</u>	<u>\$ 19,373,780</u>
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	<u>\$ 11,754,344</u>	<u>\$ 7,094,496</u>	<u>\$ 555,627</u>	<u>\$ (30,687)</u>	<u>\$ 19,373,780</u>

See independent auditors' report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule of Financial Position by Unit

June 30, 2020

	ASI	Titan Student Center	IRA	Eliminations	Total
ASSETS					
Cash	\$ 996,172	\$ 131,820	\$ -	\$ -	\$ 1,127,992
Accounts receivable, net	106,012	53,001	420,340	-	579,353
Interfund receivables	151,880	125,807	-	(277,687)	-
Accounts receivable, related party	242,981	59,372	120,355	-	422,708
Investments	8,329,036	3,577,858	-	-	11,906,894
Furniture and equipment, net	71,347	951,882	-	-	1,023,229
Other assets	20,898	34,280	-	-	55,178
Total Assets	\$ 9,918,326	\$ 4,934,020	\$ 540,695	\$ (277,687)	\$ 15,115,354
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ 59,841	\$ 96,975	\$ 85,164	\$ -	\$ 241,980
Interfund payable	125,807	-	151,880	(277,687)	-
Related party payable	293,463	-	238,423	-	531,886
Accrued expenses	507,861	527,421	-	-	1,035,282
Deferred revenue	31,775	-	-	-	31,775
Funds held for others	643,862	-	65,228	-	709,090
Unfunded pension obligation	3,674,698	4,655,829	-	-	8,330,527
Unfunded post-retirement liability	1,286,545	712,906	-	-	1,999,451
Total Liabilities	6,623,852	5,993,131	540,695	(277,687)	12,879,991
Net Assets:					
Without donor restrictions:					
Undesignated	548,723	(1,059,111)	-	-	(510,388)
Board designated	2,680,943	-	-	-	2,680,943
Total Without Donor Restrictions	3,229,666	(1,059,111)	-	-	2,170,555
With donor restrictions:	64,808	-	-	-	64,808
Total Net Assets	3,294,474	(1,059,111)	-	-	2,235,363
Total Liabilities and Net Assets	\$ 9,918,326	\$ 4,934,020	\$ 540,695	\$ (277,687)	\$ 15,115,354

See independent auditors' report.

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 Income	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

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule of Activities by Unit

Year Ended June 30, 2020

	ASI	Titan Student Center	Eliminations	Total
Revenue and Support:				
Student activity fees	\$ 6,328,983	\$ 8,169,560	\$ -	\$ 14,498,543
In-kind contribution of facilities	4,508,470	2,168,244	-	6,676,714
Student center fees	-	1,196,817	(171,020)	1,025,797
Children's Center tuition	541,265	-	-	541,265
Grants and contributions	868,501	-	-	868,501
Administrative fees	1,937,325	-	(1,724,299)	213,026
Other	109,957	52,575	-	162,532
Total Revenue and Support	14,294,501	11,587,196	(1,895,319)	23,986,378
Expenses:				
Program Services:				
Student services	7,927,386	4,121,793	-	12,049,179
Student recreation center	-	3,195,583	-	3,195,583
Children's Center	2,861,125	-	-	2,861,125
Total Program Expenses	10,788,511	7,317,376	-	18,105,887
Supporting services:				
Building services	-	1,822,002	(171,020)	1,650,982
Public services	51,248	98,154	-	149,402
Administrative	3,181,931	2,465,060	(1,724,299)	3,922,692
Total Supporting Services	3,233,179	4,385,216	(1,895,319)	5,723,076
Total Operating Expenses	14,021,690	11,702,592	(1,895,319)	23,828,963
Change in Net Assets from Operations	272,811	(115,396)	-	157,415
Non-operating income (expense):				
Pension and postretirement related changes other than service cost	(336,538)	(437,049)	-	(773,587)
Investment income	255,288	70,925	-	326,213
Total Non-Operating Expense	(81,250)	(366,124)	-	(447,374)
Change in Net Assets	191,561	(481,520)	-	(289,959)
Net Assets, beginning	3,102,913	(577,591)	-	2,525,322
Net Assets, ending	\$ 3,294,474	\$ (1,059,111)	\$ -	\$ 2,235,363

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

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule of Net Position

June 30, 2021

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	1,220,699
Short-term investments	14,123,851
Accounts receivable, net	1,067,200
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	23,846
Total current assets	16,435,596

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	2,000,000
Capital assets, net	938,184
Other assets	-
Total noncurrent assets	2,938,184
Total assets	19,373,780

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
Total deferred outflows of resources	-

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

June 30, 2021

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	522,822
Accrued salaries and benefits	226,268
Accrued compensated absences, current portion	489,441
Unearned revenues	305,552
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	951,641
Other liabilities	447,472

Total current liabilities 2,943,196

Noncurrent liabilities:

Accrued compensated absences, net of current portion	54,382
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	2,071,403
Net pension liability	8,862,093
Other liabilities	-

Total noncurrent liabilities 10,987,878

Total liabilities 13,931,074

Deferred inflows of resources:

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

Total deferred inflows of resources -

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule of Net Position

June 30, 2021

(for inclusion in the California State University)

Net position:	
Net investment in capital assets	938,184
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	74,826
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	4,429,696
Total net position	5,442,706

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

Year Ended June 30, 2021

(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	-
State	629,222
Local	-
Nongovernmental	20,017
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	58,338
Scholarship allowances (enter as negative)	-
Other operating revenues	23,678,345
Total operating revenues	24,385,922
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	3,388
Academic support	-
Student services	17,217,286
Institutional support	-
Operation and maintenance of plant	1,971,018
Student grants and scholarships	2,205,731
Auxiliary enterprise expenses	-
Depreciation and amortization	203,784
Total operating expenses	21,601,207
Operating income (loss)	2,784,715

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

Year Ended June 30, 2021

(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	884,205
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	(461,577)
Net nonoperating revenues (expenses)	422,628
Income (loss) before other revenues (expenses)	3,207,343
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	3,207,343
Net position:	
Net position at beginning of year, as previously reported	2,235,363
Restatements	-
Net position at beginning of year, as restated	2,235,363
Net position at end of year	5,442,706

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2021

(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

Noncurrent restricted cash and cash equivalents

Current cash and cash equivalents

Total

	-
	-
	1,220,699
\$	1,220,699

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2021

(for inclusion in the California State University)

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ 131,571		131,571
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities	738,193		738,193
U.S. treasury securities			-
Municipal bonds	25,240		25,240
Corporate bonds	288,336		288,336
Asset backed securities			-
Mortgage backed securities	10,377		10,377
Commercial paper			-
Mutual funds			-
Exchange traded funds			-
Equity securities	2,903,100		2,903,100
Alternative investments:			
Private equity (including limited partnerships)			-
Hedge funds			-
Managed futures			-
Real estate investments (including REITs)			-
Commodities			-
Derivatives			-
Other alternative investment			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)	9,967,261	2,000,000	11,967,261
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			
Financial bonds	37,990		37,990
Foreign bonds	21,783		21,783
Total Other investments	59,773	-	59,773
Total investments	14,123,851	2,000,000	16,123,851
Less endowment investments (enter as negative number)		-	-
Total investments, net of endowments	\$ 14,123,851	2,000,000	16,123,851

See independent auditors' report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2021

(for inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ 131,571	131,571			
Repurchase agreements	-				
Certificates of deposit	-				
U.S. agency securities	738,193	738,193			
U.S. treasury securities	-				
Municipal bonds	25,240	25,240			
Corporate bonds	288,336	288,336			
Asset backed securities	-				
Mortgage backed securities	10,377	10,377			
Commercial paper	-				
Mutual funds	-				
Exchange traded funds	-				
Equity securities	2,903,100	2,903,100			
Alternative investments:					
Private equity (including limited partnerships)	-				
Hedge funds	-				
Managed futures	-				
Real estate investments (including REITs)	-				
Commodities	-				
Derivatives	-				
Other alternative investment	-				
Other external investment pools	-				
CSU Consolidated Investment Pool (formerly SWIFT)	-				-
State of California Local Agency Investment Fund (LAIF)	11,967,261				11,967,261
State of California Surplus Money Investment Fund (SMIF)	-				
Other investments:					
Financial bonds	37,990	37,990			
Foreign bonds	21,783	21,783			
Total Other investments	\$ 59,773	59,773	-	-	-
Total investments	16,123,851	4,156,590	-	-	11,967,261

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2021

(for inclusion in the California State University)

2.3 Investments held by the University under contractual agreements:

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

	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, 2021

(for inclusion in the California State University)

3.1 Composition of capital assets:

	Balance June 30, 2020	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2020 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2021
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	3,070,979				3,070,979	118,739			3,189,718
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	3,070,979	-	-	-	3,070,979	118,739	-	-	3,189,718
Total capital assets	\$ 3,070,979	-	-	-	\$ 3,070,979	118,739	-	-	\$ 3,189,718
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	(2,047,750)				(2,047,750)	(203,784)			(2,251,534)
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	(2,047,750)	-	-	-	(2,047,750)	(203,784)	-	-	(2,251,534)
Total capital assets, net	\$ 1,023,229	-	-	-	\$ 1,023,229	(85,045)	-	-	\$ 938,184

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2021

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$	203,784
Amortization expense related to other assets		-
Total depreciation and amortization	\$	203,784

4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/Reclassification s	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 535,766		535,766	140,853	(132,796)	\$ 543,823	\$ 489,441	\$ 54,382
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	-		-			-		-
Total long-term liabilities	\$ 535,766	-	535,766	140,853	(132,796)	\$ 543,823	489,441	\$ 54,382

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2021

(for inclusion in the California State University)

5 Capital lease obligations schedule:

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

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2022			-			-			-
2023			-			-			-
2024			-			-			-
2025			-			-			-
2026			-			-			-
2027 - 2031			-			-			-
2032 - 2036			-			-			-
2037 - 2041			-			-			-
2042 - 2046			-			-			-
2047 - 2051			-			-			-
Thereafter			-			-			-
Total minimum 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, 2021

(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	193,951
Payments to University for other than salaries of University personnel	2,334,341
Payments received from University for services, space, and programs	14,961,819
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)	(378,442)
Other amounts (payable to) University (enter as negative number)	(300,000)
Accounts receivable from University (enter as positive number)	1,273,820
Other amounts receivable from University (enter as positive number)	

8 Restatements

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

		Debit/(Credit)
Restatement #1	Enter transaction description	
		-
Restatement #2	Enter transaction description	
		-

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2021

(for inclusion in the California State University)

11 Other nonoperating revenues (expenses)	
Other nonoperating revenues	(461,577)
Other nonoperating (expenses)	-
Total other nonoperating revenues (expenses)	\$ (461,577)