

Associated Students, Inc., California State University, Fullerton

Financial Statements and Supplemental Information

Years Ended June 30, 2023 and 2022



ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON
Financial Statements and Supplemental Information
Years Ended June 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Associated Students, Inc., California State University, Fullerton (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, Inc., California State University, Fullerton as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Associated Students, Inc., California State University, Fullerton and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibility, continued

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Associated Students, Inc., California State University, Fullerton's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Associated Students, Inc., California State University, Fullerton's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included on pages 30-41 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, 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.

Aldrich CPAs + Advisors LLP

San Diego, California
September 29, 2023

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

June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash	\$ 1,674,428	\$ 1,066,060
Accounts receivable, net of allowance for doubtful accounts of \$4,437 (2023) and \$4,701 (2022)	854,585	298,147
Accounts receivable, related party	464,875	2,929,251
Investments	20,214,720	16,753,127
Furniture and equipment, net of accumulated depreciation	1,446,833	1,284,877
Other assets	134,240	108,891
Total Assets	<u>\$ 24,789,681</u>	<u>\$ 22,440,353</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 224,175	\$ 223,786
Related party payable	808,177	573,677
Accrued expenses	1,045,808	1,308,031
Deferred revenue	524,142	400,308
Funds held for others	444,539	451,845
Related party funds held for others	426,943	442,797
Unfunded pension obligation	9,971,143	6,362,359
Unfunded post-retirement liability	2,672,470	2,432,170
Total Liabilities	16,117,397	12,194,973
Net Assets:		
Without donor restrictions:		
Undesignated	3,501,658	6,283,140
Board designated (See Note 8)	4,986,187	3,894,414
Total Without Donor Restrictions	8,487,845	10,177,554
With donor restrictions	184,439	67,826
Total Net Assets	8,672,284	10,245,380
Total Liabilities and Net Assets	<u>\$ 24,789,681</u>	<u>\$ 22,440,353</u>

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

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Student activity fees	\$ 17,711,917	\$ -	\$ 17,711,917
In-kind contribution of facilities	8,428,525	-	8,428,525
Grants and contributions	1,284,496	253,820	1,538,316
Student center fees	1,408,425	-	1,408,425
Other	717,363	-	717,363
Children's Center tuition	597,565	-	597,565
Administrative fees	330,815	-	330,815
Net assets released from restrictions	137,207	(137,207)	-
Total Revenue and Support	30,616,313	116,613	30,732,926
Expenses:			
Program services:			
Student services	13,444,904	-	13,444,904
Student recreation center	3,847,138	-	3,847,138
Children's Center	2,973,531	-	2,973,531
Total Program Expenses	20,265,573	-	20,265,573
Supporting services:			
Building services	2,685,783	-	2,685,783
Public services	162,853	-	162,853
Administrative	6,289,658	-	6,289,658
Total Supporting Services	9,138,294	-	9,138,294
Total Operating Expenses	29,403,867	-	29,403,867
Change in Net Assets from Operations	1,212,446	116,613	1,329,059
Non-Operating Income (Expense):			
Pension and postretirement related changes other than service cost	(3,665,026)	-	(3,665,026)
Investment return	762,871	-	762,871
Total Non-Operating Expense	(2,902,155)	-	(2,902,155)
Change in Net Assets	(1,689,709)	116,613	(1,573,096)
Net Assets, beginning	10,177,554	67,826	10,245,380
Net Assets, ending	\$ 8,487,845	\$ 184,439	\$ 8,672,284

See accompanying notes to financial statements.

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

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Student activity fees	\$ 18,728,188	\$ -	\$ 18,728,188
In-kind contribution of facilities	8,428,525	-	8,428,525
Other	963,217	-	963,217
Student center fees	861,586	-	861,586
Grants and contributions	797,430	-	797,430
Children's Center tuition	334,062	-	334,062
Administrative fees	323,855	-	323,855
Net assets released from restrictions	7,000	(7,000)	-
Total Revenue and Support	30,443,863	(7,000)	30,436,863
Expenses:			
Program services:			
Student services	12,135,395	-	12,135,395
Student recreation center	3,380,440	-	3,380,440
Children's Center	2,430,995	-	2,430,995
Total Program Expenses	17,946,830	-	17,946,830
Supporting services:			
Building services	2,527,847	-	2,527,847
Public services	53,396	-	53,396
Administrative	7,083,238	-	7,083,238
Total Supporting Services	9,664,481	-	9,664,481
Total Operating Expenses	27,611,311	-	27,611,311
Change in Net Assets from Operations	2,832,552	(7,000)	2,825,552
Non-Operating Income (Expense):			
Pension and postretirement related changes other than service cost	2,382,284	-	2,382,284
Investment return	(405,162)	-	(405,162)
Total Non-Operating Income	1,977,122	-	1,977,122
Change in Net Assets	4,809,674	(7,000)	4,802,674
Net Assets, beginning	5,367,880	74,826	5,442,706
Net Assets, ending	\$ 10,177,554	\$ 67,826	\$ 10,245,380

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON
Statements of Functional Expenses

Year Ended June 30, 2023

	Program Services				Supporting Services			
	Student Services	Student Recreation Center	Children's Center	Total Program	Building Services	Public Services	Administrative	Total
Salaries	\$ 2,400,824	\$ 1,395,592	\$ 1,522,200	\$ 5,318,616	\$ 610,750	\$ 66,560	\$ 2,438,780	\$ 8,434,706
Employee benefits and taxes	816,169	335,316	620,387	1,771,872	397,756	5,589	1,290,335	3,465,552
Total Personnel	3,216,993	1,730,908	2,142,587	7,090,488	1,008,506	72,149	3,729,115	11,900,258
Awards and scholarships	2,289,527	-	-	2,289,527	-	-	-	2,289,527
Communications	30,728	10,982	1,289	42,999	2,106	132	18,152	63,389
Contracts and rentals	287,956	64,612	44,970	397,538	214,972	2,723	92,942	708,175
Depreciation	-	-	-	-	-	-	313,841	313,841
In-kind rent for facilities	5,907,365	1,642,284	468,700	8,018,349	148,150	-	262,026	8,428,525
Insurance	31,021	35,869	11,237	78,127	-	-	251,961	330,088
Office and supplies	628,749	110,562	65,179	804,490	57,893	43,112	60,092	965,587
Other	421,687	68,783	18,248	508,718	11,516	20,952	211,481	752,667
Professional fees	331,408	26,353	106,838	464,599	1,001,235	23,785	222,293	1,711,912
Repairs and maintenance	109,218	117,641	71,967	298,826	119,901	-	368,404	787,131
Staff development	11,829	10,499	1,481	23,809	3,945	-	31,764	59,518
Travel	178,423	28,620	3,276	210,319	2,392	-	31,042	243,753
Utilities	-	25	37,759	37,784	115,167	-	696,545	849,496
Total Operating Expenses	13,444,904	3,847,138	2,973,531	20,265,573	2,685,783	162,853	6,289,658	29,403,867
Pension and postretirement related changes other than service cost	913,691	491,846	608,761	2,014,298	286,605	20,158	1,343,965	3,665,026
Total Expenses	\$ 14,358,595	\$ 4,338,984	\$ 3,582,292	\$ 22,279,871	\$ 2,972,388	\$ 183,011	\$ 7,633,623	\$ 33,068,893

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Statements of Functional Expenses

Year Ended June 30, 2022

	Program Services				Supporting Services			
	Student Services	Student Recreation Center	Children's Center	Total Program	Building Services	Public Services	Administrative	Total
Salaries	\$ 1,481,189	\$ 1,197,433	\$ 1,242,310	\$ 3,920,932	\$ 556,495	\$ -	\$ 2,860,036	\$ 7,337,463
Employee benefits and taxes	382,852	213,149	384,716	980,717	289,972	-	1,741,787	3,012,476
Total Personnel	1,864,041	1,410,582	1,627,026	4,901,649	846,467	-	4,601,823	10,349,939
Awards and scholarships	2,561,923	-	-	2,561,923	-	-	-	2,561,923
Communications	39,021	25,986	828	65,835	3,122	60	29,521	98,538
Contracts and rentals	1,261,119	57,325	10,941	1,329,385	268,560	52,205	149,394	1,799,544
Depreciation	-	-	3,936	3,936	-	-	216,481	220,417
In-kind rent for facilities	5,907,365	1,642,284	468,700	8,018,349	148,150	-	262,026	8,428,525
Insurance	7,571	929	10,138	18,638	-	-	210,807	229,445
Office and supplies	258,109	134,029	68,116	460,254	76,977	-	35,376	572,607
Other	58,988	50,821	10,079	119,888	459	1,131	412,940	534,418
Professional fees	151	10,696	18,600	29,447	972,582	-	41,023	1,043,052
Repairs and maintenance	71,147	19,027	191,869	282,043	211,251	-	523,763	1,017,057
Staff development	6,543	7,815	-	14,358	279	-	55,642	70,279
Travel	99,417	20,946	(2,197)	118,166	-	-	19,059	137,225
Utilities	-	-	22,959	22,959	-	-	525,383	548,342
Total Operating Expenses	12,135,395	3,380,440	2,430,995	17,946,830	2,527,847	53,396	7,083,238	27,611,311
Pension and postretirement related changes other than service cost	(475,226)	(145,829)	(497,750)	(1,118,805)	(154,438)	-	(1,109,040)	(2,382,284)
Total Expenses	\$ 11,660,169	\$ 3,234,611	\$ 1,933,245	\$ 16,828,025	\$ 2,373,409	\$ 53,396	\$ 5,974,198	\$ 25,229,027

See accompanying notes to financial statements.

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

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flow from Operating Activities:		
Change in net assets	\$ (1,573,096)	\$ 4,802,674
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	313,841	220,417
Unrealized (gain) loss on investments	(375,387)	728,521
Change in assets and liabilities:		
Receivables, net	(556,438)	(204,767)
Related party receivables	2,464,376	(1,955,431)
Other assets	(25,349)	(85,045)
Accounts payable	389	79,405
Related party payables	234,500	638,033
Accrued expenses	(262,223)	(452,347)
Deferred revenue	123,834	94,756
Funds held for others	(7,306)	33,327
Related party funds held for others	(15,854)	9,692
Pension obligation	3,608,784	(2,499,734)
Unfunded post-retirement liability	<u>240,300</u>	<u>360,767</u>
Net Cash Provided by Operating Activities	4,170,371	1,770,268
Cash Flow from Investing Activities:		
Purchase of furniture and equipment	(475,797)	(567,110)
Sale of investments	9,732,430	10,682,006
Purchase of investments	<u>(12,818,636)</u>	<u>(12,039,803)</u>
Net Cash Used by Investing Activities	<u>(3,562,003)</u>	<u>(1,924,907)</u>
Net Increase (Decrease) in Cash	608,368	(154,639)
Cash, beginning	<u>1,066,060</u>	<u>1,220,699</u>
Cash, ending	\$ <u><u>1,674,428</u></u>	\$ <u><u>1,066,060</u></u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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 Student Government department aids student leaders, including the Board of Directors, Executive Officers, and the Inter-Club Councils, in navigating their experiences in ASI and serving the students of the University.

ASI provides expertise in planning and completion of events and activities for students. 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 Student Research Grants and providing office and storage spaces for clubs and activities.

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.

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.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

Note 1 - Organization, continued

Public Services

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

Administrative

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

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

ASI and the University have entered into a MOU to provide accounting services to the University's Instructionally Related Activities (IRA). The services provided by ASI under the terms of the agreement include, but are not limited to: promotional, operational, and general services and materials. Such services and materials include budget preparation and coordination, accounting services, administrative and fiscal support to IRA accounts and the University IRA Advisory Committee. It is management's belief that ASI is acting as an agent for these transactions therefore, these activities are not recorded in the statement of activities. At the end of the fiscal year there may be a "Due from the University" balance shown on ASI's financial statements reflecting a balance owed to ASI and collected in the following fiscal year. The remaining balance of these funds is included in Funds Held for Others on the statement of financial position. The MOU has been terminated as of July 1, 2023 (see Note 14).

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of ASI. These net assets may be used at the discretion of ASI's management and the Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ASI or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. ASI did not have any donor restrictions that were perpetual in nature for the years ended June 30, 2023 and 2022.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Policies, continued

Estimates

ASI uses estimates in preparing financial statements in conformity with US GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. 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, 2023 and 2022 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.

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.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Policies, continued

Leases

Adoption of New Policy

Effective January 1, 2022, ASI adopted Accounting Standards Update (ASU) 2016-02 *Leases*, which hereinafter will be referred to as “ASC Topic 842”, using the permitted modified retrospective method. The standard provides guidance on the recognition, measurement, presentation, and disclosure of leases. The new standard supersedes previous US GAAP guidance on leases and requires substantially all leases in the financial statements of lessees greater than 12 months in duration to be reported on the statement of financial position as right-of-use assets and lease liabilities, as well as additional disclosures (see Note 11). The standard, however, requires minimal changes to the presentation of leases in the financial statements of lessors. Management has analyzed all lease agreements and determined no right-of-use assets or lease liabilities exist as of June 30, 2023 and there was no impact to beginning or ending net assets.

ASI adopted this standard using the modified retrospective approach and elected the practical expedient to account for all leases with an initial term of 12 months or less in the change in net assets, rather than recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term. The lease agreements do not contain any material residual value guarantees.

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.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

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

Functional Expense Allocations

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

The expenses that are allocated include the following:

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

Income Taxes

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

ASI follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. ASI recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that ASI has no uncertain tax positions at June 30, 2023 and 2022 and therefore, no amounts have been accrued.

Subsequent Events

ASI has evaluated subsequent events through September 29, 2023, which is the date the financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the statement of financial position as of June 30, 2022, to conform to the presentation reported in the June 30, 2023, financial statements. Specifically, \$442,797 of related party payables were reclassified to related party funds held for others. This decreased funds held for others and increased accrued expenses accordingly. There was no impact on net assets as a result of these reclassifications.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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.

	2023	2022
Financial assets at year end:		
Cash	\$ 1,674,428	\$ 1,066,060
Accounts receivable	1,319,460	3,227,398
Investments	20,214,720	16,753,127
Total financial assets	23,208,608	21,046,585
Less amounts not available for general use:		
Cash held for others	(842,307)	(291,139)
Investments held for others	(629,691)	(629,691)
Donor restricted for non-operating purposes	(184,439)	(67,826)
IRA receivables	(128,835)	(436,154)
Board designated funds	(4,986,187)	(3,894,414)
Financial assets available to meet cash needs for general expenditures due within one year	\$ 16,437,149	\$ 15,727,361

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

Note 4 - Investments

Fair Value Measurements

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

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

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

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

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

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Notes to Financial Statements**

Years Ended June 30, 2023 and 2022

Note 4 - Investments, continued

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.

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

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

	Assets at Fair Value as of June 30, 2023				
	Level 1	Level 2	Level 3	NAV	Total
Cash and Cash Equivalents	\$ 302,516	\$ -	\$ -	\$ -	\$ 302,516
Fixed Income:					
U.S. government and agency bonds	534,688	-	-	-	534,688
Corporate bonds	471,257	-	-	-	471,257
Foreign bonds	55,347	-	-	-	55,347
Mortgage backed govt issued	47,990	-	-	-	47,990
Equities:					
Technology	658,195	-	-	-	658,195
Healthcare	585,302	-	-	-	585,302
Financial	394,635	-	-	-	394,635
Consumer cyclical	314,679	-	-	-	314,679
Industrial	256,092	-	-	-	256,092
Communication services	197,020	-	-	-	197,020
Consumer discretionary	180,401	-	-	-	180,401
Real estate	85,307	-	-	-	85,307
Credit services	34,840	-	-	-	34,840
Utilities	25,212	-	-	-	25,212
LAIF	-	-	-	16,071,239	16,071,239
	<u>\$ 4,143,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,071,239</u>	<u>\$ 20,214,720</u>

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

Description	Fair Value	Unfunded Commitments	Frequency	Redemption Notice
Local Agency Investment Fund	\$ 16,071,239	\$ -	n/a	n/a

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Notes to Financial Statements**

Years Ended June 30, 2023 and 2022

Note 4 - Investments, continued

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

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

Description	Fair value	Unfunded Commitments	frequency	Redemption notice
Local Agency Investment Fund	\$ 13,051,951	\$ -	n/a	n/a

Note 5 - Furniture and Equipment

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

	2023	2022
Furniture and equipment	\$ 3,892,767	\$ 3,756,828
Less accumulated depreciation	<u>(2,445,934)</u>	<u>(2,471,951)</u>
	<u>\$ 1,446,833</u>	<u>\$ 1,284,877</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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, 2022 and 2021. This estimate was used to record the unfunded liability at June 30, 2023 and 2022, 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, 2023, are summarized as follows:

	Miscellaneous Risk Pool		
	First Tier Plan	Second Tier Plan	PEPRA Misc. Plan
	On or before June 25, 2011	June 26, 2011 - December 31, 2012	On or after January 1, 2013
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	14.14%	12.33%	7.77%

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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, 2023 are presented above and the total ASI contributions were \$846,131 (\$787,688 in 2022). 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, 2023, ASI reported net pension liabilities totaling \$9,971,143 (\$6,362,359 in 2022). The net pension liability was measured as of June 30, 2022. 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, 2023 and 2022, ASI's proportion was 0.13%.

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2022. The collective total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2021. The June 30 total pension liability was based on the following actuarial methods and assumptions:

	June 30, 2022	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount rate	6.90%	6.80%
Consumer price inflation	2.30%	2.30%
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, 2023 and 2022

Note 6 - Pension Plan, continuedActuarial 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:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10
Global equity-cap-weighted	30%	4.45%
Global equity non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the measurement period ended June 30, 2022 and 6.80% for the measurement period ended June 30, 2021. 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, 2023, 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:

Discount Rate	Net Pension Liability
1% decrease (5.80%)	\$ 14,363,749
Current discount rate (6.80%)	9,971,143
1% increase (7.80%)	6,370,743

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

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

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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:

	2023	2022
Projected benefit obligation	\$ 7,339,148	\$ 6,867,214
Plan assets at fair value	(4,666,678)	(4,435,044)
Funded status at end of year	\$ 2,672,470	\$ 2,432,170
Benefits paid	\$ 356,846	\$ 276,173
Postretirement benefit payable	\$ (2,672,470)	\$ (2,432,170)

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

	2023	2022
Service cost	\$ 155,911	\$ 218,023
Interest cost	295,060	197,892
Employer contributions	(80,846)	-
Actuarial gain (loss)	377,809	(605,757)
Asset return	(507,634)	550,609
	\$ 240,300	\$ 360,767

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, 2023 and 2022

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,	
2024	\$ 292,952
2025	298,841
2026	300,171
2027	304,272
2028	305,271
2029	316,196
2030	331,952
2031	345,248
2032	351,312

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, 2023:

Discount Rate	Projected Benefit Obligation
1% decrease (3.41%)	\$ 8,408,349
Current discount rate (4.41%)	7,339,148
1% increase (5.41%)	6,464,325

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

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

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Notes to Financial Statements**Years Ended June 30, 2023 and 2022

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>2023</u>	<u>2022</u>
Children's Center Building Fund	\$ 2,000,000	\$ 2,000,000
Working Capital Reserve	1,894,414	1,894,414
Catastrophic Reserve	360,000	-
Loss of External Funding Reserve	434,250	-
Equipment Replacement Reserve	<u>297,523</u>	<u>-</u>
Total Designations	<u>\$ 4,986,187</u>	<u>\$ 3,894,414</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.

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

	<u>2023</u>	<u>2022</u>
Food pantry	\$ 105,021	\$ -
Camp Titan	39,577	31,303
Scholarships	24,983	32,904
Children's Center	<u>14,858</u>	<u>3,619</u>
	<u>\$ 184,439</u>	<u>\$ 67,826</u>

During the year ended June 30, the following assets were released from restrictions:

	<u>2023</u>	<u>2022</u>
Satisfaction of Purpose Restrictions:		
Camp Titan	\$ 86,726	\$ -
Food pantry	42,480	-
Scholarships	<u>8,000</u>	<u>7,000</u>
	<u>\$ 137,206</u>	<u>\$ 7,000</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Notes to Financial Statements**

Years Ended June 30, 2023 and 2022

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:

		2023	2022
Revenues from:			
University	Activity fees	\$ 17,711,917	\$ 17,857,121
University	Various services	-	871,067
		<u>17,711,917</u>	<u>18,728,188</u>
University	Plus amounts recognized in prior year	1,981,293	-
	Total student activity fees	\$ <u>19,693,210</u>	\$ <u>18,728,188</u>
University	Services, space, and programs	\$ <u>629,818</u>	\$ -
CSU Fullerton Auxiliary			
Services Corporation	Rent and commissions	\$ <u>177,594</u>	\$ <u>239,867</u>
Expenses to:			
University	Salaries of University personnel	\$ 372,438	\$ 395,138
University	Other than salaries	<u>3,105,916</u>	<u>3,125,359</u>
		\$ <u>3,478,354</u>	\$ <u>3,520,497</u>

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

	2023	2022
Transfers to the University for Athletics	\$ <u>(39,332)</u>	\$ <u>(61,083)</u>
Transfers from the University for Athletics	\$ <u>2,621,516</u>	\$ <u>3,569,468</u>
Transfers to the University for IRA	\$ <u>(856,430)</u>	\$ <u>(895,035)</u>
Transfers from the University for IRA	\$ <u>2,990,074</u>	\$ <u>2,434,219</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Notes to Financial Statements**

Years Ended June 30, 2023 and 2022

Note 9 - Related Parties, continued

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

<u>Related party</u>	<u>Description</u>	<u>Reported In</u>	<u>2023</u>	<u>2022</u>
Due from:				
University	IRA activities	Accounts receivable, related party	\$ 128,835	\$ 704,168
University	Various services	Accounts receivable, related party	336,040	1,981,293
Philanthropic	Various services	Accounts receivable, related party	-	543,790
			<u>464,875</u>	<u>3,229,251</u>
University	Less cash advance for IRA	Accounts receivable, related party	-	(300,000)
			<u>\$ 464,875</u>	<u>\$ 2,929,251</u>
Due to:				
University	IRA activities	Related party payable	\$ 402,867	\$ 337,852
University	Athletics	Related party payable	-	8,890
University	Various services	Related party payable	405,310	226,935
University	Various services	Related party funds held for others	426,943	442,797
			<u>1,235,120</u>	<u>1,016,474</u>
	Plus amounts paid prior to June 30	Related party payable	495,861	-
			<u>\$ 1,730,981</u>	<u>\$ 1,016,474</u>

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

ASI has entered into a contractual agreement with the University to provide promotional, operational, and general services and materials for IRA accounts. Such services and materials include budget preparation and coordination, accounting services, administrative and fiscal support to IRA and the campus IRA Advisory Committee. ASI receives an administrative fee from the University for managing the IRA funds. For the year ended June 30, 2023, this fee was \$330,815 (\$323,855 in 2022) and is included in the statements of activities.

Note 10 - Contributed Nonfinancial Assets

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 December 31, 2033. No lease payments from ASI are required under this lease, but ASI reimburses the University for utilities and certain other costs. As such, ASI recognizes contributed nonfinancial assets for this activity as an in-kind contribution of facilities on the statement of activities.

For the years ended June 30, 2023 and 2022, contributed in-kind revenue and lease expense recorded, to reflect the fair market value of the space utilized, was \$8,428,525 for each year. The revenue and expense are calculated by the University on a biennial basis using the fair market rate that they would charge an unrelated third-party to lease the same space. As required, ASI will also pay for building maintenance and improvements which are expensed in the statements of activities and transferred to campus.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

Note 11 - Leasing Arrangements

Lessee Arrangements

As noted in Note 10, 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 December 31, 2033. As these leases have no payment terms, they are accounted for as contributed nonfinancial assets rather than as leases.

Lessor Arrangements

Under the new lease standard, a lessor records a lease as sales-type, direct-financing, or operating. A lease is a sales-type lease if any one of five criteria are met indicating that the lease effectively transfers control of the underlying asset to the lessee. If those five criteria are not met, but two additional criteria are both met, indicating that the lessor has transferred substantially all the risks and benefits of the underlying asset to the lessee, the lease is a direct-financing lease. All leases that are not sales-type or direct-financing leases are operating leases. ASI elected the practical expedient that permitted it to not reassess under the new standard its prior conclusions about lease identification, lease classification, and initial direct costs.

ASI subleases space within the Titan Student Union to CSU Fullerton Auxiliary Services Corporation (a related party), banks for ATMs, and to Amazon for its lockers. The subleases generate approximately \$9,847 in lease revenue per month and expire on dates ranging from 2025 through 2026. Subleases have the option to extend upon mutual written consent from both parties. All these subleases are classified as operating leases. Revenue from these agreements is recognized on a straight-line basis over the lease term. Some of the subleases include escalating payments which result in deferred lease incentives, which are included in prepaid expenses and other assets.

ASI has elected the practical expedient under ASC 842 to account for the lease and non-lease components as a single lease component (e.g. maintenance and operating services). Therefore, for those subleases, the sublease payments include all of the fixed consideration in the contract. Certain of these sublease agreements provide for variable consideration related to common area maintenance charges, utilities, and taxes which are considered earned as incurred. Certain of these sublease agreements also provide for variable consideration related to a percentage of related lessee sales which are considered earned as incurred.

Sublease income is included in the statement of activities as part of other revenue and support. Cash receipts from operating subleases are classified within cash flows from operating activities. Sublease income was as follows for the year ended June 30, 2023:

	Related Parties	Others	Total
ATMs	\$ -	\$ 61,982	\$ 61,982
Dining space	55,133	-	55,133
Lockers	-	1,584	1,584
Variable sublease income	122,461	-	122,461
Total sublease income	\$ 177,594	\$ 63,566	\$ 241,160

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Notes to Financial Statements**

Years Ended June 30, 2023 and 2022

Note 11 - Leasing Arrangements, continuedLessor Arrangements, continued

Sublease income was as follows for the year ended June 30, 2022:

	Related Parties	Others	Total
ATMs	\$ -	\$ 59,067	\$ 59,067
Dining space	37,405	-	37,405
Lockers	-	1,584	1,584
Variable sublease income	202,462	-	202,462
Total sublease income	\$ 239,867	\$ 60,651	\$ 300,518

As all of the assets being subleased are related to contributed nonfinancial assets recognized annually, there are no carrying amounts of the underlying assets related to these operating subleases.

Future annual minimum sublease receipts are as follows:

Year Ending June 30,	Related Parties	Others	Total
2024	\$ 53,384	\$ 64,783	\$ 118,167
2025	56,084	63,770	119,854
2026	-	15,701	15,701
Total	\$ 109,468	\$ 144,254	\$ 253,722

Note 12 - Commitments and ContingenciesLitigation

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 13 - 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, 2023 and 2022

Note 14 - Subsequent Event

As noted in Note 1, effective July 1, 2023, the MOU between ASI and the University to provide accounting services to the University's IRA program has been terminated. This effectively discontinued operations of this program which had \$710,382 of assets and liabilities as of June 30, 2023 (\$525,744 as of June 30, 2022). Beginning July 1, 2023, ASI will only provide administrative Committee support services to CSUF for the IRA program.

As ASI considered themselves an agent when operating this program, this discontinuation has no effect on the statements of activities for the years ended June 30, 2023 and 2022 and no effect on net assets as of June 30, 2023 and 2022.

**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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2023.

Report on 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ASI's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 29, 2023

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedules of Financial Position by Unit

June 30, 2023

	ASI	Titan Student Center	IRA	Eliminations	Total
ASSETS					
Cash	\$ 370,813	\$ 722,068	\$ 581,547	\$ -	\$ 1,674,428
Accounts receivable, net	640,515	214,070	-	-	854,585
Interfund receivables	-	350,755	-	(350,755)	-
Accounts receivable, related party	336,040	-	128,835	-	464,875
Investments	10,768,914	9,445,806	-	-	20,214,720
Furniture and equipment, net	75,648	1,371,185	-	-	1,446,833
Other assets	71,960	62,280	-	-	134,240
Total Assets	<u>\$ 12,263,890</u>	<u>\$ 12,166,164</u>	<u>\$ 710,382</u>	<u>\$ (350,755)</u>	<u>\$ 24,789,681</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 224,175	\$ -	\$ 224,175
Interfund payable	350,755	-	-	(350,755)	-
Related party payable	33,602	345,740	428,835	-	808,177
Accrued expenses	700,807	345,001	-	-	1,045,808
Deferred revenue	368,086	156,056	-	-	524,142
Funds held for others	387,167	-	57,372	-	444,539
Related party funds held for others	426,943	-	-	-	426,943
Unfunded pension obligation	4,128,737	5,842,406	-	-	9,971,143
Unfunded post-retirement liability	1,735,328	937,142	-	-	2,672,470
Total Liabilities	8,131,425	7,626,345	710,382	(350,755)	16,117,397
Net Assets:					
Without donor restrictions:					
Undesignated	1,138,253	2,363,405	-	-	3,501,658
Board designated	2,809,773	2,176,414	-	-	4,986,187
Total Without Donor Restrictions	3,948,026	4,539,819	-	-	8,487,845
With donor restrictions	184,439	-	-	-	184,439
Total Net Assets	4,132,465	4,539,819	-	-	8,672,284
Total Liabilities and Net Assets	<u>\$ 12,263,890</u>	<u>\$ 12,166,164</u>	<u>\$ 710,382</u>	<u>\$ (350,755)</u>	<u>\$ 24,789,681</u>

See independent auditor's report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedules of Financial Position by Unit

June 30, 2022

	ASI	Titan Student Center	IRA	Eliminations	Total
ASSETS					
Cash	\$ 419,893	\$ 556,577	\$ 89,590	\$ -	\$ 1,066,060
Accounts receivable, net	210,551	55,610	31,986	-	298,147
Interfund receivables	-	348,909	-	(348,909)	-
Accounts receivable, related party	543,790	1,981,293	404,168	-	2,929,251
Investments	9,962,592	6,790,535	-	-	16,753,127
Furniture and equipment, net	94,328	1,190,549	-	-	1,284,877
Other assets	47,192	61,699	-	-	108,891
Total Assets	<u>\$ 11,278,346</u>	<u>\$ 10,985,172</u>	<u>\$ 525,744</u>	<u>\$ (348,909)</u>	<u>\$ 22,440,353</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 223,786	\$ -	\$ 223,786
Interfund payable	348,909	-	-	(348,909)	-
Related party payable	49,591	177,345	346,741	-	573,677
Accrued expenses	808,744	607,472	(108,185)	-	1,308,031
Deferred revenue	297,225	103,083	-	-	400,308
Funds held for others	388,443	-	63,402	-	451,845
Related party funds held for others	442,797	-	-	-	442,797
Unfunded pension obligation	2,690,747	3,671,612	-	-	6,362,359
Unfunded post-retirement liability	1,624,790	807,380	-	-	2,432,170
Total Liabilities	6,651,246	5,366,892	525,744	(348,909)	12,194,973
Net Assets:					
Without donor restrictions:					
Undesignated	1,878,331	4,404,809	-	-	6,283,140
Board designated	2,680,943	1,213,471	-	-	3,894,414
Total Without Donor Restrictions	4,559,274	5,618,280	-	-	10,177,554
With donor restrictions	67,826	-	-	-	67,826
Total Net Assets	4,627,100	5,618,280	-	-	10,245,380
Total Liabilities and Net Assets	<u>\$ 11,278,346</u>	<u>\$ 10,985,172</u>	<u>\$ 525,744</u>	<u>\$ (348,909)</u>	<u>\$ 22,440,353</u>

See independent auditor's report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Schedules of Activities by Unit**

Year Ended June 30, 2023

	ASI	Titan Student Center	Eliminations	Total
Revenue and Support:				
Student activity fees	\$ 6,638,851	\$ 11,073,066	\$ -	\$ 17,711,917
In-kind contribution of facilities	5,691,386	2,737,139	-	8,428,525
Grants and contributions	1,400,695	137,621	-	1,538,316
Student center fees	76,861	1,331,564	-	1,408,425
Other	279,097	438,266	-	717,363
Children's Center tuition	597,565	-	-	597,565
Administrative fees	2,252,988	-	(1,922,173)	330,815
Total Revenue and Support	16,937,443	15,717,656	(1,922,173)	30,732,926
Expenses:				
Program services:				
Student services	9,433,563	4,011,341	-	13,444,904
Student recreation center	-	3,847,138	-	3,847,138
Children's Center	2,973,531	-	-	2,973,531
Total Program Expenses	12,407,094	7,858,479	-	20,265,573
Supporting services:				
Building services	-	4,607,956	(1,922,173)	2,685,783
Public services	162,853	-	-	162,853
Administrative	3,852,033	2,437,625	-	6,289,658
Total Supporting Services	4,014,886	7,045,581	(1,922,173)	9,138,294
Total Operating Expenses	16,421,980	14,904,060	(1,922,173)	29,403,867
Change in Net Assets from Operations	515,463	813,596	-	1,329,059
Non-Operating Income (Expense):				
Pension and postretirement related changes other than service cost	(1,532,769)	(2,132,257)	-	(3,665,026)
Investment income	522,671	240,200	-	762,871
Total Non-Operating Expense	(1,010,098)	(1,892,057)	-	(2,902,155)
Change in Net Assets	(494,635)	(1,078,461)	-	(1,573,096)
Net Assets, beginning	4,627,100	5,618,280	-	10,245,380
Net Assets, ending	\$ 4,132,465	\$ 4,539,819	\$ -	\$ 8,672,284

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Schedules of Activities by Unit**

Year Ended June 30, 2022

	ASI	Titan Student Center	Eliminations	Total
Revenue and Support:				
Student activity fees	\$ 7,071,199	\$ 11,656,989	\$ -	\$ 18,728,188
In-kind contribution of facilities	5,691,386	2,737,139	-	8,428,525
Other	484,276	478,941	-	963,217
Student center fees	78,247	1,760,162	(976,823)	861,586
Grants and contributions	797,430	-	-	797,430
Children's Center tuition	334,062	-	-	334,062
Administrative fees	2,297,800	-	(1,973,945)	323,855
Total Revenue and Support	16,754,400	16,633,231	(2,950,768)	30,436,863
Expenses:				
Program Services:				
Student services	9,170,315	2,965,080	-	12,135,395
Student recreation center	-	3,380,440	-	3,380,440
Children's Center	2,430,995	-	-	2,430,995
Total Program Expenses	11,601,310	6,345,520	-	17,946,830
Supporting services:				
Building services	-	4,501,792	(1,973,945)	2,527,847
Public services	53,396	-	-	53,396
Administrative	4,793,237	3,266,824	(976,823)	7,083,238
Total Supporting Services	4,846,633	7,768,616	(2,950,768)	9,664,481
Total Operating Expenses	16,447,943	14,114,136	(2,950,768)	27,611,311
Change in Net Assets from Operations	306,457	2,519,095	-	2,825,552
Non-Operating Income (Expense):				
Pension and postretirement related changes other than service cost	1,012,409	1,369,875	-	2,382,284
Investment return	(435,149)	29,987	-	(405,162)
Transfers	(680,943)	680,943	-	-
Total Non-Operating Income	(103,683)	2,080,805	-	1,977,122
Change in Net Assets	202,774	4,599,900	-	4,802,674
Net Assets, beginning	4,424,326	1,018,380	-	5,442,706
Net Assets, ending	\$ 4,627,100	\$ 5,618,280	\$ -	\$ 10,245,380

See independent auditor's report.

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

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

June 30, 2023

(for inclusion in the California State University)

Assets:**Current assets:**

Cash and cash equivalents	1,674,428
Short-term investments	18,214,720
Accounts receivable, net	1,319,460
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-

Total current assets**21,208,608****Noncurrent assets:**

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 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	1,446,833
Other assets	134,240

Total noncurrent assets**3,581,073****Total assets****24,789,681****Deferred outflows of resources:**

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-

Total deferred outflows of resources**-**

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

June 30, 2023

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	1,032,352
Accrued salaries and benefits	413,431
Accrued compensated absences, current portion	427,099
Unearned revenues	524,142
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	141,459

Total current liabilities

2,538,483

Noncurrent liabilities:

Accrued compensated absences, net of current portion	63,819
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	871,482
Net other postemployment benefits liability	2,672,470
Net pension liability	9,971,143
Other liabilities	-

Total noncurrent liabilities

13,578,914

Total liabilities

16,117,397

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

June 30, 2023

(for inclusion in the California State University)

Deferred inflows of resources:	
P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-
	<hr/>
Total deferred inflows of resources	<hr/> -
Net position:	
Net investment in capital assets	1,446,833
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	184,439
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	<hr/> 7,041,012
Total net position	<hr/> <hr/> 8,672,284

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

Year Ended June 30, 2023

(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	1,538,316
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	1,408,425
Scholarship allowances (enter as negative)	-
Other operating revenues	27,786,185

Total operating revenues	30,732,926
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Expenses:**Operating expenses:**

Instruction	-
Research	-
Public service	162,853
Academic support	-
Student services	23,284,633
Institutional support	-
Operation and maintenance of plant	3,353,013
Student grants and scholarships	2,289,527
Auxiliary enterprise expenses	-
Depreciation and amortization	313,841

Total operating expenses	29,403,867
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Operating income (loss)	1,329,059
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ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**Schedule of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2023

(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	762,871
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	(3,665,026)
Net nonoperating revenues (expenses)	(2,902,155)
Income (loss) before other revenues (expenses)	(1,573,096)
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	(1,573,096)
Net position:	
Net position at beginning of year, as previously reported	10,245,380
Restatements	-
Net position at beginning of year, as restated	10,245,380
Net position at end of year	8,672,284

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2023

(for inclusion in the California State University)

1 Cash and cash equivalents:

Current cash and cash equivalents	1,674,428
Total	\$ 1,674,428

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ 302,516	-	302,516
U.S. agency securities	534,688	-	534,688
Corporate bonds	471,257	-	471,257
Mortgage-backed securities	47,990	-	47,990
Equity securities	2,731,683	-	2,731,683
State of California Local Agency Investment Fund (LAIF)	14,071,239	2,000,000	16,071,239
Other investments:			
Foreign bonds	55,347	-	55,347
Total other investments	55,347	-	55,347
Total investments	18,214,720	2,000,000	20,214,720
Total investments, net of endowments	\$ 18,214,720	2,000,000	20,214,720

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	\$ 302,516	302,516	-	-	-
U.S. agency securities	534,688	534,688	-	-	-
Corporate bonds	471,257	471,257	-	-	-
Mortgage-backed securities	47,990	47,990	-	-	-
Equity securities	2,731,683	2,731,683	-	-	-
State of California Local Agency Investment Fund (LAIF)	16,071,239	-	-	-	16,071,239
Other investments:					
Foreign bonds	55,347	55,347	-	-	-
Total other investments	55,347	55,347	-	-	-
Total investments	\$ 20,214,720	4,143,481	-	-	16,071,239

2.3 Investments held by the University under contractual agreements: Not applicable

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2023

(for inclusion in the California State University)

3.1 Capital Assets, excluding ROU assets:

<u>Composition of capital assets, excluding ROU assets:</u>	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2022 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
Depreciable/Amortizable capital assets:									
Personal property:									
Equipment	3,756,828	-	-	-	3,756,828	475,797	(339,857)	-	3,892,768
Total depreciable/amortizable capital assets	3,756,828	-	-	-	3,756,828	475,797	(339,857)	-	3,892,768
Total capital assets	\$ 3,756,828	-	-	-	\$ 3,756,828	475,797	(339,857)	-	3,892,768
Less accumulated depreciation/amortization:									
Personal property:									
Equipment	(2,471,951)	-	-	-	(2,471,951)	(313,841)	339,857	-	(2,445,935)
Total accumulated depreciation/amortization	(2,471,951)	-	-	-	(2,471,951)	(313,841)	339,857	-	(2,445,935)
Total capital assets, net excluding ROU assets	\$ 1,284,877	-	-	-	\$ 1,284,877	161,956	-	-	1,446,833
Total capital assets, net including ROU assets									\$ 1,446,833

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 313,841
Total depreciation and amortization	\$ 313,841

4 Long-term liabilities:

	Balance June 30, 2022	Prior Period Adjustments/ Reclassifications	Balance June 30, 2022 (Restated)	Additions	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 528,857	-	528,857	27,848	(65,787)	490,918	427,099	63,819
Total long-term liabilities						\$ 490,918	427,099	63,819

5 Future minimum payments schedule - leases, SBITA, P3: Not applicable

6 Future minimum payments schedule - Long-term debt obligations: Not applicable

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

Other Information

Year Ended June 30, 2023

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7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$	372,438
Payments to University for other than salaries of University personnel		3,105,916
Payments received from University for services, space, and programs		25,934,618
Accounts payable to University		(938,221)
Other amounts payable to University		(792,760)
Accounts receivable from University		464,875

8 Restatements: Not applicable

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ -	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	66,560	77	4,654	858	-	90,704	-	162,853
Academic support	-	-	-	-	-	-	-	-
Student services	7,757,396	2,144,036	775,309	142,862	-	12,465,030	-	23,284,633
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	610,750	32,792	346,173	18,791	-	2,344,507	-	3,353,013
Student grants and scholarships	-	-	-	-	2,289,527	-	-	2,289,527
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	313,841	313,841
Total operating expenses	\$ 8,434,706	2,176,905	1,126,136	162,511	2,289,527	14,900,241	313,841	\$ 29,403,867

Select type of pension plan >>

Defined Benefit Plan

10 Deferred outflows/inflows of resources: Not applicable

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	\$ -
Other nonoperating (expenses)	(3,665,026)
Total other nonoperating revenues (expenses)	\$ (3,665,026)