

# Associated Students, Inc., California State University, Fullerton, Children's Center

Financial Statements and Supplemental Information

Year Ended June 30, 2023



**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Financial Statements and Supplemental Information**

Year Ended June 30, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Associated Students, Inc., California State University, Fullerton, Children's Center  
Fullerton, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Associated Students, Inc., California State University, Fullerton, (a nonprofit organization), Children's Center (Center), 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Center of as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit 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 the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management 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 the Center'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 for the Audit of the Financial Statements***

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, including omissions, 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

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 the Center'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 the Center'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.

### **Emphasis of Matter Regarding Economic Dependency**

The Center is a program operated within Associated Students Inc., California State University, Fullerton and the financial activity between the two is significant. As seen on the statement of financial position, the net assets as of June 30, 2023, are zero. The Center is economically dependent on Associated Students, Inc. California State University, Fullerton. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information, as reflected in the table of contents, required by the *Audit Guide* issued by the California Department of Education and the *Audit Guide* issued by the California Department of Social Services 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 audit 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 December 15, 2023, on our consideration of Associated Students, Inc., California State University, Fullerton, Children's Center'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 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, Children's Center'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, Children's Center's internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
December 15, 2023

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Statement of Financial Position**

June 30, 2023

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**ASSETS**

Accounts receivable, net of allowance for doubtful accounts of \$1,850	\$	7,687
Accounts receivable, other funds		392,267
Receivable from California State University, Fullerton, Auxiliary Services Corporation		86,944
Property and equipment, net of accumulated depreciation of \$3,936		<u>46,270</u>
Total Assets	\$	<u><u>533,168</u></u>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$	16,138
Accrued expenses		148,944
Deferred revenue		<u>368,086</u>
Total Liabilities		533,168
Net Assets - without donor restriction		<u>-</u>
Total Liabilities and Net Assets	\$	<u><u>533,168</u></u>

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Statement of Activities**

Year Ended June 30, 2023

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Revenue and Support Without Donor Restriction:

General child care program	\$	735,191
Preschool program		300,402
Child Care Access Means Parents in School grant		164,679
Child nutrition program		32,300
Quality Improvement and Rating System grants		23,351
Other grants		49,692
Fees for non-certified children		597,565
Contributions from Associated Students, Inc.		435,211

Total Revenue and Support without Donor Restrictions 2,338,391

Expenses:

Certificated salaries:

Teachers	656,820
Supervisors	185,107
Clerical	65,520

Classified salaries:

Instructional aides	485,710
Clerical	36,477

Employee benefits 458,552

Fees 11,948

Food services:

Food	28,153
Labor	87,961

Insurance 11,237

Minor Equipment 2,439

Professional fees 106,838

Repairs and maintenance 69,528

Supplies 37,026

Travel, conferences, and other 57,316

Utilities 37,759

Total Expenses 2,338,391

Change in Net Assets -

Net Assets Without Donor Restriction, beginning -

Net Assets Without Donor Restriction, ending \$ -

See accompanying notes to financial statements.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Statement of Functional Expenses**

Year Ended June 30, 2023

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Expenses:			
Certificated salaries	\$ 791,138	\$ 116,309	\$ 907,447
Classified salaries	485,710	36,477	522,187
Employee benefits	396,710	61,842	458,552
Fees	11,948	-	11,948
Food services	116,114	-	116,114
Insurance	11,237	-	11,237
Minor equipment	2,439	-	2,439
Professional fees	90,838	16,000	106,838
Repairs and maintenance	69,528	-	69,528
Supplies	37,026	-	37,026
Travel, conferences, and other	57,289	27	57,316
Utilities	30,207	7,552	37,759
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	\$ <u>2,100,184</u>	\$ <u>238,207</u>	\$ <u>2,338,391</u>

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Statement of Cash Flows**

Year Ended June 30, 2023

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Cash Flows from Operating Activities:		
Change in net assets	\$	-
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable		(81,049)
Accounts payable		11,634
Deferred revenue		70,861
Accrued expenses		<u>(1,446)</u>
Net Cash Provided by Operating Activities		-
Net Change in Cash		-
Cash, beginning		<u>-</u>
Cash, ending	\$	<u><u>-</u></u>



# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON, CHILDREN'S CENTER

## Notes to Financial Statements

Year Ended June 30, 2023

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### Note 1 - Organization and Summary of Significant Accounting Policies

#### Nature of Activities

The Associated Students, Inc., California State University, Fullerton, Children's Center (Center) is a licensed program operated by Associated Students, California State University, Fullerton, Inc. (Associated Students), a nonprofit, auxiliary organization of California State University, Fullerton (University). The Center's main function is to provide childcare services for students, faculty, and staff of the University. The assets and liabilities of the Center are held by Associated Students in a sub-fund of its General Operations Accounts. All expenditures of the Center which are not reimbursed by the State of California are paid through contributions from Associated Students, participant fees, and the University.

#### Presentation

The financial statements presented reflect only the accounts and financial transactions of the Center. They do not present the financial position, results of operations or cash flows of the Associated Students or the University.

#### Basis of Presentation

The financial statements of the Center have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which requires the Center 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 the Center. These net assets may be used at the discretion of 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 the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Center did not have any net assets with donor restrictions for the year ended June 30, 2023.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Income Taxes

The Center is not a separate legal entity from Associated Students. The Center information is included in the tax filings of Associated Students which has obtained exemption from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding sections of the California Revenue and Taxation Code. Accordingly, no provision is made for Federal or State income taxes. Associated Students is classified by the Internal Revenue Service as "other than a private foundation."

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

#### Cash and Cash Equivalents

Cash and cash equivalents consist primarily of deposits at financial institutions and fixed income securities. The Center considers all highly liquid investments with an original maturity date of six months or less to be cash equivalents.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Notes to Financial Statements**

Year Ended June 30, 2023

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**Note 1 - Organization and Summary of Significant Accounting Policies, continued**

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year-end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts.

Property and Equipment

The Center capitalizes all expenditures for property and equipment in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful life of the asset. Property and equipment funded by California Department of Education or California Department of Social Services child development (CD) contracts are expensed on supplementary reports during the contract period. Depreciation may not be claimed for reimbursement under CD contracts for assets donated or purchased with public funds. The property and equipment shown on the statement of financial position was acquired for the Children's Center without approval and, as such, depreciation for the year ended June 30, 2023, is being expensed through Associated Students rather than through the Children's Center. Certain property and equipment utilized in the operation of the Center are not reflected in the accompanying financial statements or in the Center's accounts because such assets are owned either by the State of California or the Associated Students.

Revenue Recognition

*Government contracts* - The Center receives a major portion of its revenues in the form of federal and state grants or contracts for program operations. To ensure observance of limitations and restrictions placed on the use of resources available to the Center, the accounts are maintained in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established in accordance with their nature and purpose. Separate accounts are maintained for each fund.

*Contributions* - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Reconciliation of CD and GAAP Revenue and Expense Reporting

The supplemental *Combining Statement of Activities* and basic financial statements present financial data in conformity with US GAAP. The other supplemental financial data presented in the audit, including data in the *Schedule of Expenditures by State Categories*, present revenues and expenditures according to CD reporting requirements. However, reporting differences arise because CD contract funds must be expended during the contract period (usually one year) and contract revenues are excluded from audited attendance and fiscal reports. For example, program amounts that are capitalized and depreciated over multiple years under US GAAP are expensed in the contract period under CD requirements. To address such reporting differences, the supplemental information includes a *Reconciliation of Child Development and GAAP Revenue and Expense Reporting*.

Subsequent Events

The Center has evaluated subsequent events through December 15, 2023, which is the date the financial statements were available to be issued.

**Note 2 - Contingencies**

Grant Programs

The Center has received federal and other governmental funds for specific purposes that are subject to review and audit by the funding agencies. Such audits could generate expenditure disallowances or refunds payable under terms of the agency contracts. No amounts are currently payable. Loss of governmental support would have a significant impact on the Center's ability to provide its program services.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Notes to Financial Statements**

Year Ended June 30, 2023

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**Note 3 - Related Party Transactions**

Associated Students provides accounting and payroll services to the Center. As of June 30, 2023, there are accounts receivable from the Associated Students of \$392,267. For the year-ended June 30, 2023, revenues from Associated Students totaled \$435,211. These amounts are eliminated in the full financial statements of Associated Students.

In addition, California State University, Fullerton, Auxiliary Services Corporation (ASC), a related-party, passes through funding related to the Child Care Access Means Parents in School grant to the Center. As of June 30, 2023, there are accounts receivable from ASC of \$86,944. For the year-ended June 30, 2023, revenues from ASC totaled \$164,679.

**Note 4 - Employee Pension and Post-Retirement Benefits**

All permanent full-time employees of the Center are covered by the California Public Employees Retirement System (CALPERS) multiple-employer defined benefit plan. All contributions and recordkeeping for Center employees is included in the overall plan for Associated Students. No separate reporting of liability amounts or expenses have been included in these financial statements as they cannot be allocated to only Center employees.

Associated Students sponsors a post-retirement benefit plan which allows for employees of Associated Students and Titan Student Centers, who retire in accordance with the Associated Students requirements and are enrolled in the Associated Students' health plan, to continue to be eligible in retirement for a medical benefit provided by the Associated Students' health plan. Employees of the Center are included in this plan, but the recordkeeping and reporting of liabilities and expenses is not separated for Center employees; therefore, no amounts have been reported in these financial statements.

**Note 5 - Cost Allocation Plan**

For the year ended June 30, 2023, the Center allocates its costs based on the relative benefits received by the programs or activities. Accordingly, the Center applies several methods for allocating costs:

Shared Direct Costs - Costs identified to specific multiple programs or activities are shared between the programs benefitting.

Payroll costs are allocated using time and effort estimates for each employee.

Training costs for staff members are allocated in proportion to the time the employee spent working in each program.

Supplies costs are allocated based on the hours of care in each program.

Indirect Costs – Costs that benefit operations of the entire organization, which cannot be identified to specific programs or activities, are allocated to each contract based on actual childcare hours provided for each contract.

Administration Cost – Expenses associated with operational functions not related to program activity. Allocated administration costs are the result of time and effort spent by clerical staff and director on non-programming activities. In addition, audit, legal, and bad debt expenses not related to uncollectible parent fees are considered administration costs.

## SUPPLEMENTAL INFORMATION

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Schedule of Expenditures of Federal and State Awards and Note**

Year Ended June 30, 2023

Federal/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grantor's Number	Award Amount			Expenditures	
			Federal	State	Total	Federal	State
<b>Research and Development Cluster</b>							
<u>U.S. Department of Education</u>							
Pass-through CSU Fullerton Auxiliary Services Corporation							
Child Care Access Means Parents in School	84.335A	P335A190355-22	\$ 164,679	\$ -	\$ 164,679	\$ 164,679	\$ -
<b>Total Research and Development Cluster</b>			<u>164,679</u>	<u>-</u>	<u>164,679</u>	<u>164,679</u>	<u>-</u>
<b>Other Programs</b>							
<u>U.S. Department of Agriculture</u>							
Pass-through California Department of Social Services							
Child and Adult Care Food Program	10.558	04506-CACFP-30-NP-IC	31,321	979	32,300	31,321	979
<u>U.S. Department of Health and Human Services</u>							
Pass-through California Department of Social Services							
General Child Care and Development Program	93.575/93.596	CCTR-2163	370,303	385,788	756,091	360,067	375,124
<u>California Department of Education</u>							
Pass-through California Department of Education							
California State Preschool Program	NA	CSPP-2322	-	300,402	300,402	-	300,402
<u>California Department of Social Services</u>							
Pass-through Orange County Department of Education							
Quality Rating and Improvement System	NA	NA	-	23,351	23,351	-	23,351
<b>Total Other Programs</b>			<u>401,624</u>	<u>710,520</u>	<u>1,112,144</u>	<u>391,388</u>	<u>699,856</u>
<b>Total Expenditures of Federal and State Awards</b>			<u>\$ 566,303</u>	<u>\$ 710,520</u>	<u>\$ 1,276,823</u>	<u>\$ 556,067</u>	<u>\$ 699,856</u>

**Note 1 - Basis of Presentation**

The *Schedule of Expenditures of Federal and State Awards* includes the federal and state grant activity of Associated Students, Inc., California State University, Fullerton, Children's Center and is presented on the accrual basis of accounting. The federal information in this schedule is presented in accordance with the requirements of the *Uniform Guidance* 2 CFR Part 200, Subpart F. Thus, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the Center, it is not intended to, and does not, present the net position, changes in net assets, or cash flows of the Center. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles prescribed in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Center has elected not to use the 10-percent de minimum indirect cost rate allowed under the *Uniform Guidance*.

See independent auditor's report.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON  
CHILDREN'S CENTER**

**Combining Statement of Financial Position**

June 30, 2023

	Children's Center	Non-CD Programs	Total
<b>ASSETS</b>			
Cash	\$ -	\$ 1,674,428	\$ 1,674,428
Accounts receivable, net of allowance for doubtful accounts of \$4,437	7,687	846,898	854,585
Accounts receivable (payable), other funds	392,267	(392,267)	-
Accounts receivable, related party	86,944	377,931	464,875
Investments	-	20,214,720	20,214,720
Property and equipment, net of accumulated depreciation of \$2,471,951	46,270	1,400,563	1,446,833
Other assets	-	134,240	134,240
	<u>533,168</u>	<u>24,256,513</u>	<u>24,789,681</u>
Total Assets	\$ 533,168	\$ 24,256,513	\$ 24,789,681
<b>LIABILITIES AND NET ASSETS</b>			
Accounts payable	\$ 16,138	\$ 208,037	\$ 224,175
Related party payable	-	808,177	808,177
Accrued expenses	148,944	896,864	1,045,808
Deferred revenue	368,086	156,056	524,142
Funds held for others	-	444,539	444,539
Related party funds held for others	-	426,943	426,943
Unfunded pension obligation	-	9,971,143	9,971,143
Unfunded post-retirement liability	-	2,672,470	2,672,470
	<u>533,168</u>	<u>15,584,229</u>	<u>16,117,397</u>
Total Liabilities	533,168	15,584,229	16,117,397
Net Assets - without donor restriction			
Without donor restrictions:			
Undesignated	-	3,501,658	3,501,658
Board designated	-	4,986,187	4,986,187
	<u>-</u>	<u>8,487,845</u>	<u>8,487,845</u>
Total Without Donor Restrictions	-	8,487,845	8,487,845
With donor restrictions	<u>-</u>	<u>184,439</u>	<u>184,439</u>
Total Net Assets	-	8,672,284	8,672,284
Total Liabilities and Net Assets	\$ 533,168	\$ 24,256,513	\$ 24,789,681

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON  
CHILDREN'S CENTER**

**Combining Statement of Activities**

Year Ended June 30, 2023

	General Child Care and Development CTTR-2163	California State Preschool Program CSPP-2322	Total Children's Center	Non-CD Programs	Total Associated Students, Inc.
Revenue and Support:					
General child care program	\$ 735,191	\$ -	\$ 735,191	\$ -	\$ 735,191
Preschool program	-	300,402	300,402	-	300,402
Child Care Access Means Parents in School grant	102,926	61,753	164,679	-	164,679
Child nutrition program	16,156	16,144	32,300	-	32,300
Quality Improvement and Rating System grants	14,594	8,757	23,351	-	23,351
Other grants	6	49,686	49,692	-	49,692
Fees for non-certified children	422,374	175,191	597,565	-	597,565
Contributions from Associated Students, Inc.	98,835	336,376	435,211	(435,211)	-
Other income	-	-	-	28,829,746	28,829,746
<b>Total Revenue and Support</b>	<b>1,390,082</b>	<b>948,309</b>	<b>2,338,391</b>	<b>28,394,535</b>	<b>30,732,926</b>
Operating Expenses:					
Salaries	900,496	529,138	1,429,634	7,005,072	8,434,706
Employee benefits	257,943	200,609	458,552	3,007,000	3,465,552
Fees	7,835	4,113	11,948	-	11,948
Food services	56,874	59,240	116,114	-	116,114
Depreciation	-	-	-	313,841	313,841
Insurance	5,619	5,618	11,237	318,851	330,088
Minor equipment	1,220	1,219	2,439	-	2,439
Professional fees	53,419	53,419	106,838	1,605,074	1,711,912
Repairs and maintenance	34,772	34,756	69,528	717,603	787,131
Office and supplies	22,954	14,072	37,026	928,561	965,587
Travel, conferences, and other	30,071	27,245	57,316	931,510	988,826
Utilities	18,879	18,880	37,759	811,737	849,496
In-kind rent for facilities	-	-	-	8,428,525	8,428,525
Awards and scholarships	-	-	-	2,289,527	2,289,527
Contracts and rentals	-	-	-	708,175	708,175
<b>Total Operating Expenses</b>	<b>1,390,082</b>	<b>948,309</b>	<b>2,338,391</b>	<b>27,065,476</b>	<b>29,403,867</b>
Non-operating Income (Expense):					
Pension and postretirement related changes other than service cost	-	-	-	(3,665,026)	(3,665,026)
Investment return, net	-	-	-	762,871	762,871
<b>Total Non-Operating Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,902,155)</b>	<b>(2,902,155)</b>
<b>Change in Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,573,096)</b>	<b>\$ (1,573,096)</b>

See independent auditor's report.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Schedule of Expenditures by State Categories**

Year Ended June 30, 2023

Expenditures	General Child Care and Development CCTR-2163	California State Preschool Program CSPP-2322	Total CD Contracts
Direct payments to providers	\$ -	\$ -	\$ -
1000 Certificated salaries	536,357	401,900	938,257
2000 Classified salaries	405,365	173,973	579,338
3000 Employee benefits	257,943	200,630	458,573
4000 Books and supplies	13,882	7,359	21,241
5000 Services and other operating expenses	158,152	151,900	310,052
6100/ Other approved capital outlay	-	-	-
6200	-	-	-
6400 New equipment (program-related)	-	-	-
6500 Replacement equipment	-	-	-
Indirect costs (a)	3,789	3,790	7,579
Total expenses claimed for reimbursement (b)	1,375,488	939,552	2,315,040
<b>Supplemental Expenditures</b>	<b>General Child Care and Development CCTR-2163</b>	<b>California State Preschool Program CSPP-2322</b>	<b>Total CD Contracts</b>
Total supplemental expenses	14,594	8,757	23,351
Total Expenditures	\$ 1,390,082	\$ 948,309	\$ 2,338,391

Notes:

(a) The Center does not have a written cost allocation plan for the fiscal year that was approved by the Board of Directors.

(b) Any food expenses have been allocated to the appropriate contracts. This includes \$87,961 of salaries classified as food services labor on the Statement of Activities.

*We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.*

See independent auditor's report.



**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Reconciliation of Child Development and GAAP Revenue and Expense Reporting**

Year Ended June 30, 2023

Revenue	General Child Care and Development CCTR-2163	California State Preschool Program CSPP-2322	Non-CD Programs	Contracts
<b>AUD/CDFS 9500 and 8501 total revenue</b>	\$ 654,891	\$ 647,907	\$ 28,829,746	\$ 30,132,544
<b>Adjustments to Reconcile Difference in Reporting:</b>				
Revenue from non-Children's Center funds	-	-	28,829,746	28,829,746
Revenue from CDE and CDSS for CCTR and CSPP Contracts	735,191	300,402	-	1,035,593
General Fund allocation to Children's Center	-	-	(435,211)	(435,211)
Total adjustments	<u>735,191</u>	<u>300,402</u>	<u>(435,211)</u>	<u>600,382</u>
<b>Revenues per GAAP</b>				
Combining Statement of Activities -				
Total operating revenues	<u>\$ 1,390,082</u>	<u>\$ 948,309</u>	<u>\$ 28,394,535</u>	<u>\$ 30,732,926</u>
<b>Expenses</b>				
<b>Schedule of Expenditures by State Categories (CD)</b>	\$ 1,390,082	\$ 948,309	\$ -	\$ 2,338,391
<b>Adjustments to Reconcile Differences in Reporting:</b>				
Expenses from non-Children's Center funds	-	-	27,065,476	27,065,476
Depreciation on assets funded by CD	-	-	-	-
Capitalized renovation and repairs expensed on AUD forms	-	-	-	-
Capitalized lease expensed on AUD form	-	-	-	-
Capitalized carpeting expensed on supplemental AUD form	-	-	-	-
Capitalized equipment expensed on AUD form	-	-	-	-
Audit fees expensed on AUD forms (in advance of services)	-	-	-	-
Total adjustments	<u>-</u>	<u>-</u>	<u>27,065,476</u>	<u>27,065,476</u>
<b>Expenses per GAAP</b>				
Combining Statement of Activities -				
Total operating expenses	<u>\$ 1,390,082</u>	<u>\$ 948,309</u>	<u>\$ 27,065,476</u>	<u>\$ 29,403,867</u>

See independent auditor's report.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Schedule of Claimed Equipment Expenditures**

Year Ended June 30, 2023

<b>Capitalized Equipment Expensed on the AUD with Prior Written Approval</b>	<b>General Child Care and Development CCTR-2163</b>	<b>California State Preschool Program CSPP-2322</b>	<b>Non-CD Programs</b>	<b>Total</b>
None	\$ -	\$ -	\$ -	\$ -
Subtotal	-	-	-	-
<b>Capitalized Equipment Expensed on the AUD without Prior Written Approval</b>	<b>General Child Care and Development CCTR-2163</b>	<b>California State Preschool Program CSPP-2322</b>	<b>Non-CD Programs</b>	<b>Total</b>
None	\$ -	\$ -	\$ -	\$ -
Subtotal	-	-	-	-
<b>Total</b>	<b>General Child Care and Development CCTR-2163</b>	<b>California State Preschool Program CSPP-2322</b>	<b>Non-CD Programs</b>	<b>Total</b>
Capitalized equipment	\$ -	\$ -	\$ -	\$ -

Note: Capitalization threshold is \$5,000.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Schedule of Claimed Expenditures for Renovations and Repairs**

Year Ended June 30, 2023

<b>Capitalized R&amp;R Project Under \$10,000</b>	<b>General Child Care and Development CCTR-2163</b>	<b>California State Preschool Program CSPP-2322</b>	<b>Non-CD Programs</b>	<b>Total Costs</b>
None	\$ -	\$ -	\$ -	\$ -
Subtotal	-	-	-	-
<b>Capitalized R&amp;R Project of \$10,000 or More with Prior Written Approval</b>	<b>General Child Care and Development CCTR-2163</b>	<b>California State Preschool Program CSPP-2322</b>	<b>Non-CD Programs</b>	<b>Total</b>
None	-	-	-	-
Subtotal	-	-	-	-
<b>Total administrative costs claimed for reimbursement</b>	<b>General Child Care and Development CCTR-2163</b>	<b>California State Preschool Program CSPP-2322</b>	<b>Non-CD Programs</b>	<b>Total</b>
None	-	-	-	-
Subtotal	-	-	-	-
<b>Total</b>	<b>General Child Care and Development CCTR-2163</b>	<b>California State Preschool Program CSPP-2322</b>	<b>Non-CD Programs</b>	<b>Total</b>
Capitalized R&R projects	\$ -	\$ -	\$ -	\$ -

Note: Capitalization threshold is \$5,000.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Schedule of Claimed Administrative Costs**

Year Ended June 30, 2023

<b>Administrative Costs</b>	<b>General Child Care and Development CCTR-2163</b>	<b>California State Preschool Program CSPP-2322</b>	<b>Total CD</b>
Direct payments to providers	\$ -	\$ -	-
1000 Certificated salaries	58,155	58,154	116,309
2000 Classified salaries	18,239	18,238	36,477
3000 Employee benefits	30,921	30,921	61,842
4000 Books and supplies	-	-	-
5000 Services and other operating expenses	8,000	8,000	16,000
6100/ 6200 Other approved capital outlay	-	-	-
6400 New equipment (program-related)	-	-	-
6500 Replacement equipment	-	-	-
Indirect costs	3,789	3,790	7,579
<b>Total administrative costs claimed for reimbursement</b>	<b>\$ 119,104</b>	<b>\$ 119,103</b>	<b>\$ 238,207</b>

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Notes to the Child Care and Development Program Supplemental Information**

Year Ended June 30, 2023

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In accordance with the applicable requirements from the California Department of Social Services Funding Terms & Conditions and the California Department of Education Contract Terms & Conditions:

1. Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. No interest expense was claimed to a child development contract for the year ended June 30, 2023.
2. All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. There was no related party rent expense claimed as a reimbursable expense for the year ended June 30, 2023.
3. Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. There was no bad debt expense claimed as a reimbursable expense for the year ended June 30, 2023.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON  
CHILDREN'S CENTER**

**Child Care Food Program - Child Care Centers**

**Summary of Claim**

Year Ended June 30, 2023

Federal Fund Reimbursement Variance Underpayment (Overpaid):			
Amount Reimbursable from Federal Fund	\$	27,436	
Less: Federal Fund Payments to Date		<u>27,436</u>	\$ -
Cash In-Lieu Reimbursement:			
Allowed		3,885	
Paid		<u>3,885</u>	-
			<u>-</u>
Total Federal Fund Reimbursement Refund (Overpayment)			<u>-</u>
State Fund Reimbursement Variance Underpayment (Overpaid):			
Amount Reimbursable from State Fund		979	
Less: State Fund Payments to Date	\$	<u>979</u>	-
			<u>-</u>
State Fund Reimbursement Refund (Overpaid)			<u>-</u>
Total Program Reimbursement Refund (Overpayment)			\$ <u><u>-</u></u>

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON  
CHILDREN'S CENTER**

**Child Care Food Program - Child Care Centers**

**Statement of Claim**

Year Ended June 30, 2023

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Reimbursement per Examination (Supported by pages 21-24)	\$ 32,300
Program Reimbursements Claimed and Received	<u>32,300</u>
Amount Due from Agency	\$ <u><u>-</u></u>

**Footnotes:**

Note 1: Total income accrued to the program for year ended June 30, 2023, was \$6,294.

Note 2: All Child Care Food Program claims for reimbursement have been paid as of report issuance date.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Child Care Food Program - Child Care Centers**

**Schedule of Reported, Adjusted, and Allowed Meals and Earned Reimbursement**

Year Ended June 30, 2023

**FIXED PERCENTAGE METHOD**

Federal Meal Compensation	Meals			Food Service Rates	Revenue Recognized	Audit Adjustments	Earned Reimbursement
	Reported	Adjusted	Allowed				
<u>Breakfast</u>							
Free	1,687	-	1,687	\$ 2.2100	\$ 3,728	\$ -	\$ 3,728
Reduced	366	-	366	1.9100	699	-	699
Base	7,074	-	7,074	0.4500	3,183	-	3,183
Total	<u>9,127</u>	<u>-</u>	<u>9,127</u>		<u>\$ 7,610</u>	<u>\$ -</u>	<u>\$ 7,610</u>
<u>Lunch</u>							
Free	2,385	-	2,385	\$ 4.0300	\$ 9,612	\$ -	\$ 9,612
Reduced	521	-	521	3.6300	1,891	-	1,891
Base	10,045	-	10,045	0.4700	4,721	-	4,721
Total	<u>12,951</u>	<u>-</u>	<u>12,951</u>		<u>\$ 16,224</u>	<u>\$ -</u>	<u>\$ 16,224</u>
<u>Supplement</u>							
Free	1,699	-	1,699	\$ 1.1800	\$ 2,005	\$ -	\$ 2,005
Reduced	372	-	372	0.6400	238	-	238
Base	7,145	-	7,145	0.1900	1,358	-	1,358
Total	<u>9,216</u>	<u>-</u>	<u>9,216</u>		<u>\$ 3,601</u>	<u>\$ -</u>	<u>\$ 3,601</u>
Total Federal Meal Reimbursement					\$ 27,435	\$ -	\$ 27,435
Cash-in-Lieu	<u>12,951</u>	<u>-</u>	<u>12,951</u>	\$ 0.3000	3,885	-	3,885
Difference Due to Rounding					<u>1</u>	<u>-</u>	<u>1</u>
Total Federal Reimbursement					<u>\$ 31,321</u>	<u>\$ -</u>	<u>\$ 31,321</u>
State Meal Compensation*	<u>4,959</u>	<u>-</u>	<u>4,959</u>	\$ 0.1975	<u>\$ 979</u>	<u>\$ -</u>	<u>\$ 979</u>
Total State Reimbursement					<u>\$ 979</u>	<u>\$ -</u>	<u>\$ 979</u>
Total Program Reimbursement Underpaid/(Overpaid)						<u>\$ -</u>	

**Footnotes:**

\* State Meal Compensation meals are free and reduced breakfast and lunches served.



**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Child Care Food Program - Child Care Centers**

**Schedule of Reported, Adjusted, and Allowed Eligibility**

Year Ended June 30, 2023

**FIXED PERCENTAGE METHOD**

	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
<u>Total Enrolled</u>												
Reported	59	59	59	95	95	95	95	95	95	95	95	95
Adjusted	-	-	-	-	-	-	-	-	-	-	-	-
Allowed	59	59	59	95	95	95	95	95	95	95	95	95
<u>Eligibility Categories</u>												
Free												
Reported	12	12	12	17	17	17	17	17	17	17	17	17
Adjusted	-	-	-	-	-	-	-	-	-	-	-	-
Allowed	12	12	12	17	17	17	17	17	17	17	17	17
Reduced												
Reported	2	2	2	4	4	4	4	4	4	4	4	4
Adjusted	-	-	-	-	-	-	-	-	-	-	-	-
Allowed	2	2	2	4	4	4	4	4	4	4	4	4
Base												
Reported	45	45	45	74	74	74	74	74	74	74	74	74
Adjusted	-	-	-	-	-	-	-	-	-	-	-	-
Allowed	45	45	45	74	74	74	74	74	74	74	74	74

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Child Care Food Program - Child Care Centers**

**Schedule of Reported, Adjusted, and Allowed Meals**

Year Ended June 30, 2023

**FIXED PERCENTAGE METHOD**

	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>
<u>Breakfast</u>		July 2022			August 2022			September 2022	
Free	129	-	129	133	-	133	180	-	180
Reduced	21	-	21	22	-	22	30	-	30
Base	483	-	483	499	-	499	676	-	676
Total	<b>633</b>	-	<b>633</b>	<b>654</b>	-	<b>654</b>	<b>886</b>	-	<b>886</b>
<u>Lunch</u>									
Free	164	-	164	172	-	172	236	-	236
Reduced	27	-	27	29	-	29	39	-	39
Base	617	-	617	647	-	647	884	-	884
Total	<b>808</b>	-	<b>808</b>	<b>848</b>	-	<b>848</b>	<b>1,159</b>	-	<b>1,159</b>
<u>Supplement</u>									
Free	124	-	124	120	-	120	170	-	170
Reduced	21	-	21	20	-	20	28	-	28
Base	465	-	465	450	-	450	637	-	637
Total	<b>610</b>	-	<b>610</b>	<b>590</b>	-	<b>590</b>	<b>835</b>	-	<b>835</b>
	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>
<u>Breakfast</u>		October 2022			November 2022			December 2022	
Free	160	-	160	136	-	136	94	-	94
Reduced	38	-	38	32	-	32	22	-	22
Base	695	-	695	592	-	592	409	-	409
Total	<b>893</b>	-	<b>893</b>	<b>760</b>	-	<b>760</b>	<b>525</b>	-	<b>525</b>
<u>Lunch</u>									
Free	206	-	206	172	-	172	120	-	120
Reduced	48	-	48	41	-	41	28	-	28
Base	896	-	896	751	-	751	524	-	524
Total	<b>1,150</b>	-	<b>1,150</b>	<b>964</b>	-	<b>964</b>	<b>672</b>	-	<b>672</b>
<u>Supplement</u>									
Free	144	-	144	121	-	121	87	-	87
Reduced	34	-	34	29	-	29	20	-	20
Base	626	-	626	528	-	528	379	-	379
Total	<b>804</b>	-	<b>804</b>	<b>678</b>	-	<b>678</b>	<b>486</b>	-	<b>486</b>

See independent auditor's report.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Child Care Food Program - Child Care Centers**

**Schedule of Reported, Adjusted, and Allowed Meals, continued**

Year Ended June 30, 2023

**FIXED PERCENTAGE METHOD**

	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>
<u>Breakfast</u>		January 2023			February 2023			March 2023	
Free	99	-	99	145	-	145	152	-	152
Reduced	23	-	23	34	-	34	36	-	36
Base	429	-	429	633	-	633	664	-	664
Total	<u>551</u>	<u>-</u>	<u>551</u>	<u>812</u>	<u>-</u>	<u>812</u>	<u>852</u>	<u>-</u>	<u>852</u>
<u>Lunch</u>									
Free	149	-	149	222	-	222	240	-	240
Reduced	35	-	35	52	-	52	56	-	56
Base	651	-	651	967	-	967	1,044	-	1,044
Total	<u>835</u>	<u>-</u>	<u>835</u>	<u>1,241</u>	<u>-</u>	<u>1,241</u>	<u>1,340</u>	<u>-</u>	<u>1,340</u>
<u>Supplement</u>									
Free	112	-	112	152	-	152	177	-	177
Reduced	26	-	26	36	-	36	42	-	42
Base	487	-	487	664	-	664	768	-	768
Total	<u>625</u>	<u>-</u>	<u>625</u>	<u>852</u>	<u>-</u>	<u>852</u>	<u>987</u>	<u>-</u>	<u>987</u>
	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>
<u>Breakfast</u>		April 2023			May 2023			June 2023	
Free	152	-	152	153	-	153	154	-	154
Reduced	36	-	36	36	-	36	36	-	36
Base	659	-	659	665	-	665	670	-	670
Total	<u>847</u>	<u>-</u>	<u>847</u>	<u>854</u>	<u>-</u>	<u>854</u>	<u>860</u>	<u>-</u>	<u>860</u>
<u>Lunch</u>									
Free	241	-	241	234	-	234	229	-	229
Reduced	57	-	57	55	-	55	54	-	54
Base	1,051	-	1,051	1,018	-	1,018	995	-	995
Total	<u>1,349</u>	<u>-</u>	<u>1,349</u>	<u>1,307</u>	<u>-</u>	<u>1,307</u>	<u>1,278</u>	<u>-</u>	<u>1,278</u>
<u>Supplement</u>									
Free	165	-	165	166	-	166	161	-	161
Reduced	39	-	39	39	-	39	38	-	38
Base	716	-	716	725	-	725	700	-	700
Total	<u>920</u>	<u>-</u>	<u>920</u>	<u>930</u>	<u>-</u>	<u>930</u>	<u>899</u>	<u>-</u>	<u>899</u>

See independent auditor's report.

Contractor Name: Associated Students of California State University, Fullerton

Contract Number: CSPP-2322

**California Department of Education  
Audited Enrollment, Attendance and Fiscal  
Report for California State Preschool Program**

Fiscal Year Ended: June 30, 2023

Vendor Code: 30-B841

**Section 1 - Number of Counties Where Services are Provided**

Number of counties where the agency provided services to certified children (Form 1): **1**

Number of counties where the agency provided mental health consultation services to certified children (Form 2): **0**

Number of counties where the agency provided services to non-certified children (Form 3): **1**

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4): **0**

Total enrollment and attendance forms to attach: **2**

**Section 2 - Days of Enrollment, Attendance and Operation**

Enrollment and Attendance Form Summary	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	2,884	795	3,679	3,919.4788
Total Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000
Days of Attendance (including MHCS)	2,884	795	3,679	N/A
Total Non-Certified Days of Enrollment	3,602	651	4,253	4,388.1906
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000

Days of Operation	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Days of Operation	229	0	229	N/A

**Section 3 - Revenue**

Restricted Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Child Nutrition Programs	16,152	(8)	16,144
County Maintenance of Effort (EC Section 8260)	9,000	(9,000)	0
Other: CCAMPIS Grant	34,123	27,630	61,753
Other: Other Grants	0	49,686	49,686
<b>TOTAL RESTRICTED INCOME</b>	<b>59,275</b>	<b>68,308</b>	<b>127,583</b>

Transfer from Reserve	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Transfer from Preschool Reserve	0	0	0

Other Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Waived Family Fees for Certified Children	21,117	0	21,117
Interest Earned on Child Development Apportionment	0	0	0
Unrestricted Income: Fees for Non-Certified Children	175,158	33	175,191
Unrestricted Income: Head Start	0	0	0
Other: General Fund Allocations and IRA Fees	60,288	276,088	336,376
Other:	0	0	0

**Section 4 - Reimbursable Expenses**

Cost Category	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Direct Payments to Providers (FCCH only)	0	0	0
1000 Certificated Salaries	316,817	85,083	401,900
2000 Classified Salaries	209,040	(35,067)	173,973
3000 Employee Benefits	187,683	12,947	200,630
4000 Books and Supplies	6,653	706	7,359
5000 Services and Other Operating Expenses	152,993	(1,093)	151,900
6100/6200 Other Approved Capital Outlay	0	0	0
6400 New Equipment (program-related)	0	0	0
6500 Equipment Replacement (program-related)	0	0	0
Depreciation or Use Allowance	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Indirect Costs (include in Total Administrative Cost)	59,373	(55,583)	3,790
<b>TOTAL REIMBURSABLE EXPENSES</b>	<b>932,559</b>	<b>6,993</b>	<b>939,552</b>

Does the agency have an indirect cost rate approved by its cognizant agency (Select YES or NO)?  Yes  No

Approved Indirect Cost Rate: 0.0 %

Specific Items of Reimbursable Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Administrative Cost (included in Reimbursable Expenses)	59,373	59,730	119,103
Total Staff Training Cost (included in Reimbursable Expenses)	0	0	0

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 4.

**Section 5 - Supplemental Funding**

Supplemental Revenue	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Enhancement Funding	0	0	0
Other: QRIS	0	8,757	8,757
Other:	0	0	0
<b>TOTAL SUPPLEMENTAL REVENUE</b>	<b>0</b>	<b>8,757</b>	<b>8,757</b>

Supplemental Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
1000 Certificated Salaries	0	0	0
2000 Classified Salaries	0	0	0
3000 Employee Benefits	0	0	0
4000 Books and Supplies	0	2,261	2,261
5000 Services and Other Operating Expenses	0	6,496	6,496
6000 Equipment / Capital Outlay	0	0	0
Depreciation or Use Allowance	0	0	0
Indirect Costs	0	0	0
Non-Reimbursable Supplement Expenses	0	0	0
<b>TOTAL SUPPLEMENTAL EXPENSES</b>	<b>0</b>	<b>8,757</b>	<b>8,757</b>

**Section 6 - Summary**

Description	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Certified Days of Enrollment (including MHCS)	3,679	0	3,679
Days of Operation	229	0	229
Days of Attendance (including MHCS)	3,679	0	3,679
Total Certified Adjusted Days of Enrollment	N/A	N/A	3,919.4788
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	4,388.1906
Restricted Program Income	59,275	68,308	127,583
Transfer from Preschool Reserve Account	0	0	0
Interest Earned on Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	932,559	6,993	939,552
Total Administrative Cost	59,373	59,730	119,103
Total Staff Training Cost	0	0	0
Non-Reimbursable Cost (State Use Only)	N/A	N/A	0



**Section 7 - Auditor's Assurances**

Independent auditor's assurances on agency's compliance with the contract funding terms and conditions and program requirements of the California Department of Education, Early Education Division:

Eligibility, enrollment and attendance records are being maintained as required (Select YES or NO):  Yes  No

Reimbursable expenses claimed in Section 4 are eligible for reimbursement, reasonable, necessary, and adequately supported (Select YES or NO):  Yes  No

**Section 8 - Comments**

Include any comments in the comment box. If necessary, attach additional sheets to explain adjustments.

Days of enrollment and days of attendance for certified children adjusted to correctly report enrollment for children who were scheduled to attend less than five days per week.  
Days of enrollment for non-certified children adjusted to correctly report enrollment for children who were scheduled to attend less than five days per week.  
Total Revenue calculation corrected to exclude Waived Family Fees for Certified Children.  
Revenue and Reimbursable Expenses adjusted for additional changes to general ledger after June CDNFS submission.  
QRIS funding revenue and expenses moved to Supplemental Revenue and Expenses.

## California State Preschool Program - Form 1 Certified Children Days of Enrollment and Attendance

Service County: Orange

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years Old Full-time-plus	0	0	0	2.1240	0.0000
Three Years Old Full-time	415	45	460	1.8000	828.0000
Three Years Old Part-time	871	321	1,192	1.1774	1,403.4608
Four Years and Older Full-time-plus	0	0	0	1.1800	0.0000
Four Years and Older Full-time	941	106	1,047	1.0000	1,047.0000
Four Years and Older Part-time	657	323	980	0.6541	641.0180
Exceptional Needs Full-time-plus	0	0	0	2.8320	0.0000
Exceptional Needs Full-time	0	0	0	2.4000	0.0000
Exceptional Needs Part-time	0	0	0	1.5698	0.0000
Dual Language Learner Full-time-plus	0	0	0	1.4160	0.0000
Dual Language Learner Full-time	0	0	0	1.2000	0.0000
Dual Language Learned Part-time	0	0	0	0.6541	0.0000

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus	0	0	0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time	0	0	0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time	0	0	0	0.6541	0.0000
Severely Disabled Full-time-plus	0	0	0	2.8320	0.0000
Severely Disabled Full-time	0	0	0	2.4000	0.0000
Severely Disabled Part-time	0	0	0	1.5698	0.0000
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT</b>	<b>2,884</b>	<b>795</b>	<b>3,679</b>	N/A	<b>3,919.4788</b>

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
<b>DAYS OF ATTENDANCE</b>	<b>2,884</b>	<b>795</b>	<b>3,679</b>	N/A	N/A

### California State Preschool Program - Form 3 Non-Certified Children Days of Enrollment

Service County: Orange

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Toddlers (18 up to 36 months) Full-time-plus	0	0	0	2.1240	0.0000
Toddlers (18 up to 36 months) Full-time	0	0	0	1.8000	0.0000
Toddlers (18 up to 36 months) Part-time	0	0	0	0.9900	0.0000
Three Years Old Full-time-plus	0	0	0	2.1240	0.0000
Three Years Old Full-time	562	5	567	1.8000	1,020.6000
Three Years Old Part-time	676	216	892	1.1774	1,050.2408
Four Years and Older Full-time-plus	0	0	0	1.1800	0.0000
Four Years and Older Full-time	1,356	60	1,416	1.0000	1,416.0000
Four Years and Older Part-time	1,008	370	1,378	0.6541	901.3498
Exceptional Needs Full-time-plus	0	0	0	2.8320	0.0000
Exceptional Needs Full-time	0	0	0	2.4000	0.0000
Exceptional Needs Part-time	0	0	0	1.5698	0.0000
Dual Language Learner Full-time-plus	0	0	0	1.4160	0.0000
Dual Language Learner Full-time	0	0	0	1.2000	0.0000
Dual Language Learner Part-time	0	0	0	0.6541	0.0000

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus	0	0	0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time	0	0	0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time	0	0	0	0.6541	0.0000
Severely Disabled Full-time-plus	0	0	0	2.8320	0.0000
Severely Disabled Full-time	0	0	0	2.4000	0.0000
Severely Disabled Part-time	0	0	0	1.5698	0.0000
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT</b>	<b>3,602</b>	<b>651</b>	<b>4,253</b>	N/A	<b>4,388.1906</b>

# AUDITED ENROLLMENT, ATTENDANCE AND FISCAL REPORT FOR CHILD CARE AND DEVELOPMENT PROGRAMS

Fiscal Year Ending	June 30, 2023
Contract Number	CCTR-2163
Vendor Code	30-B841

Full Name of Contractor

## Section 1 - Number of Counties Where Services are Provided

Number of counties where the agency provided services to certified children (Form AUD 9500.1):

Number of counties where the agency provided mental health consultation services to certified children (Form 9500.2):

Number of counties where the agency provided services to non-certified children (Form AUD 9500.3):

Number of counties where the agency provided mental health consultation services to non-certified children (Form 9500.4):

Total enrollment and attendance forms to attach:

Note: For each of the above categories, submit one form for each service county for the fiscal year.

## Section 2 - Days of Enrollment, Attendance and Operation

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	4,643	1,208	5851	9,243.7276
Total Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000
Days of Attendance (including MHCS)	4,643	1,208	5851	<b>N/A</b>
Total Non-Certified Days of Enrollment	5,497	1,913	7,410	11,150.7321
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000
Days of Operation	229	0	229	<b>N/A</b>

**Full Name of Contractor** Associated Students of California State University, Fullerton

**Contract Number** CCTR-2301

**Section 3 - Revenue**

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	16,151	5	16156
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)	0	0	0
Restricted Income - American Rescue Plan Act (ARPA)	14,420	0	14420
Restricted Income - Other: CCAMPIS & Other Grants	0	102,932	102932
<b>Restricted Income - Subtotal</b>	<b>30571</b>	<b>102937</b>	<b>133508</b>
Transfer from Reserve	0	0	0
Waived Family Fees for Certified Children	45,526	0	45526
Interest Earned on Child Development Apportionment Payments	0	0	0
Unrestricted Income - Fees for Non-Certified Children	422,376	(2)	422374
Unrestricted Income - Head Start	0	0	0
Unrestricted Income - Other: Contributions from Associated Students, Inc.	60,288	24,127	84415
<b>Total Revenue</b>	<b>513235</b>	<b>127062</b>	<b>640297</b>

Comments: Days of enrollment and days of attendance for certified children adjusted to correctly report enrollment for children who were scheduled to attend less than five days per week.  
 Days of enrollment for non-certified children adjusted to correctly report enrollment for children who were scheduled to attend less than five days per week.  
 Total Revenue calculation corrected to exclude Waived Family Fees for Certified Children.  
 Revenue and Reimbursable Expenses adjusted for additional changes to general ledger after June CDNFS submission.  
 QIRS funding revenue and expenses moved to Supplemental Revenue and Expenses.

Full Name of Contractor **Associated Students of California State University, Fullerton**Contract Number **CCTR-2301****Section 4 - Reimbursable Expenses**

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)	0	0	0
1000 Certificated Salaries	476,642	59,715	536357
2000 Classified Salaries	448,352	(42,987)	405365
3000 Employee Benefits	278,284	(20,341)	257943
4000 Books and Supplies	14,554	(672)	13882
5000 Services and Other Operating Expenses	162,221	(4,069)	158152
6100/6200 Other Approved Capital Outlay	0	0	0
6400 New Equipment (program-related)	0	0	0
6500 Equipment Replacement (program-related)	0	0	0
Depreciation or Use Allowance	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Budget Impasse Credit	0	0	0
Indirect Costs (Include in Administrative Cost)	54,537	(50,748)	3789
Non-Reimbursable (State Use Only)	0	0	0
<b>Total Reimbursable Expenses</b>	<b>1434590</b>	<b>(59102)</b>	<b>1375488</b>
Total Administrative Cost (included in section 4 above)	59,373	59,731	119104
Total Staff Training Cost (included in section 4 above)	0	0	0

Approved Indirect Cost Rate: **0.0 %** NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 4.



**Full Name of Contractor** Associated Students of California State University, Fullerton

**Contract Number** CCTR-2301

**Section 5 - Supplemental Revenue**

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding	0	0	0
Other: QIRS	0	14,594	14,594
Other:	0	0	0
<b>Total Supplemental Revenue</b>	<b>0</b>	<b>14594</b>	<b>14594</b>

**Section 6 - Supplemental Expenses**

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	0	0	0
2000 Classified Salaries	0	0	0
3000 Employee Benefits	0	0	0
4000 Books and Supplies	0	3,768	3768
5000 Services and Other Operating Expenses	0	10,826	10826
6000 Equipment / Capital Outlay	0	0	0
Depreciation or Use Allowance	0	0	0
Indirect Costs	0	0	0
Non-reimbursable Supplemental Expenses	0	0	0
<b>Total Supplemental Expenses</b>	<b>0</b>	<b>14594</b>	<b>14594</b>

Full Name of Contractor **Associated Students of California State University, Fullerton**

Contract Number **CCTR-2301**

**Section 7 - Summary**

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment (including MHCS)	4643	1208	5851
Days of Operation	229	0	229
Days of Attendance (including MHCS)	4643	1208	5851
Restricted Program Income	30571	102937	133508
Transfer from Reserve	0	0	0
Waived Family Fees for Certified Children	45526	0	45526
Interest Earned on Child Development Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	1434590	(59102)	1375488
Total Administrative Cost	59373	59731	119104
Total Staff Training Cost	0	0	0

Total Certified Adjusted Days of Enrollment (including MHCS) **9,243.7276**

Total Non-Certified Adjusted Days of Enrollment (including MHCS) **11,150.7321**

Independent auditor's assurances on agency's compliance with contract funding terms and conditions and program requirements for programs that transferred to the California Department of Social Services on July 1, 2021, pursuant to WIC Section 10203(b):

Eligibility, enrollment and attendance records are being maintained as required (Select YES or NO from the drop-down box): **Yes**

Reimbursable expenses claimed on page 3 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): **Yes**

Include any comments in the comments box on page 2. If necessary, attach additional sheets to explain adjustments.

**CHILD CARE AND DEVELOPMENT PROGRAMS  
CERTIFIED CHILDREN DAYS OF ENROLLMENT AND  
ATTENDANCE**

Fiscal Year Ending	June 30, 2023
Contract Number	CCTR-2163
Vendor Code	30-B841

Full Name of Contractor **Associated Students of California State University, Fullerton**

Service County: **Orange**

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus	0	0	0	2.8792	0.0000
Infants (up to 18 months) Full-time	399	25	424	2.4400	1,034.5600
Infants (up to 18 months) One-half-time	685	390	1075	1.5960	1,715.7000
Toddlers (18 up to 36 months) Full-time-plus	0	0	0	2.1240	0.0000
Toddlers (18 up to 36 months) Full-time	2,232	124	2356	1.8000	4,240.8000
Toddlers (18 up to 36 months) One-half-time	1,174	616	1790	1.1774	2,107.5460
Three Years and Older Full-time-plus	0	0	0	1.1800	0.0000
Three Years and Older Full-time	30	0	30	1.0000	30.0000
Three Years and Older One-half-time	123	53	176	0.6541	115.1216
Exceptional Needs Full-time-plus	0	0	0	1.8172	0.0000
Exceptional Needs Full-time	0	0	0	1.5400	0.0000
Exceptional Needs One-half-time	0	0	0	1.0073	0.0000

**Full Name of Contractor** Associated Students of California State University, Fullerton

**Contract Number** CCTR-2301

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Dual Language Learner Full-time-plus	0	0	0	1.2980	0.0000
Dual Language Learner Full-time	0	0	0	1.1000	0.0000
Dual Language Learner One-half-time	0	0	0	0.6541	0.0000
At Risk of Abuse or Neglect Full-time-plus	0	0	0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time	0	0	0	1.1000	0.0000
At Risk of Abuse or Neglect One-half-time	0	0	0	0.6541	0.0000
Severely Disabled Full-time-plus	0	0	0	2.2774	0.0000
Severely Disabled Full-time	0	0	0	1.9300	0.0000
Severely Disabled One-half-time	0	0	0	1.2624	0.0000
<b>Total Certified Days of Enrollment</b>	<b>4643</b>	<b>1,208</b>	<b>5851</b>	<b>N/A</b>	<b>9243.7276</b>
<b>Days of Attendance</b>	<b>4,643</b>	<b>1,208</b>	<b>5851</b>	<b>N/A</b>	<b>N/A</b>

Enter the sum of Total Certified Days of Enrollment from Form AUD9500.1(s) in the Total Certified Days of Enrollment line of AUD 9500, Section 2.

Enter the sum of Days of Attendance from all Form AUD9500.1(s) and Form AUD9500.2(s) in the Days of Attendance line of AUD 9500, Section 2.

**CHILD CARE AND DEVELOPMENT PROGRAMS  
NON-CERTIFIED CHILDREN DAYS OF ENROLLMENT**

Fiscal Year Ending	June 30, 2023
Contract Number	CCTR-2163
Vendor Code	30-B841

Full Name of Contractor **Associated Students of California State University, Fullerton**

Service County: **Orange**

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus	0	0	0	2.8792	0.0000
Infants (up to 18 months) Full-time	849	46	895	2.4400	2,183.8000
Infants (up to 18 months) One-half-time	773	438	1211	1.5960	1,932.7560
Toddlers (18 up to 36 months) Full-time-plus	0	0	0	2.1240	0.0000
Toddlers (18 up to 36 months) Full-time	1,730	119	1849	1.8000	3,328.2000
Toddlers (18 up to 36 months) One-half-time	1,472	1,060	2532	1.1774	2,981.1768
Three Years and Older Full-time-plus	0	0	0	1.1800	0.0000
Three Years and Older Full-time	315	35	350	1.0000	350.0000
Three Years and Older One-half-time	358	215	573	0.6541	374.7993
Exceptional Needs Full-time-plus	0	0	0	1.8172	0.0000
Exceptional Needs Full-time	0	0	0	1.5400	0.0000
Exceptional Needs One-half-time	0	0	0	1.0073	0.0000

**Full Name of Contractor** Associated Students of California State University, Fullerton

**Contract Number** CCTR-2301

	Column A Cumulative FY CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Dual Language Learner Full-time-plus	0	0	0	1.2980	0.0000
Dual Language Learner Full-time	0	0	0	1.1000	0.0000
Dual Language Learner One-half-time	0	0	0	0.6541	0.0000
At Risk of Abuse or Neglect Full-time-plus	0	0	0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time	0	0	0	1.1000	0.0000
At Risk of Abuse or Neglect One-half-time	0	0	0	0.6541	0.0000
Severely Disabled Full-time-plus	0	0	0	2.2774	0.0000
Severely Disabled Full-time	0	0	0	1.9300	0.0000
Severely Disabled One-half-time	0	0	0	1.2624	0.0000
<b>Total Non-Certified Days of Enrollment</b>	<b>5497</b>	<b>1913</b>	<b>7410</b>	<b>N/A</b>	<b>11150.7321</b>

Enter the sum of Total Non-Certified Days of Enrollment from all Form AUD 9500.3(s) in the Total Non-Certified Days of Enrollment line of AUD 9500, Section 2.

## OTHER REQUIRED INFORMATION

**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, Children's Center  
Fullerton, California

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), Children's Center (Center) 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 December 15, 2023.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Center'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 the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Center'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-001.

#### **The Center's Response to Findings**

The Center's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Center'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.



**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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
December 15, 2023

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Schedule of Findings and Questioned Costs**

Year Ended June 30, 2023

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**I. Summary of Auditor's Results**

***Financial Statements***

Type of Auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered  
to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

**II. Financial Statement Findings**

None reported.

**III. Findings and Questioned Costs for Child Development Programs**

**Finding 2023-001**

1. *Program Information:* General Child Care and Development Program and California State Preschool Program, ALN 93.575/93.596 (CCTR-2163 and CSPP-2322).
2. *Criteria:* Per Section VII(F) of the California Department of Social Services Fiscal Year 2022-23 Funding Terms and Conditions and Section VI(F) of the California Department of Education California State Preschool Fiscal Year 2022-23 Contract Terms and Conditions, contractors are required to maintain records to support salaries and benefits charged to childcare and preschool programs.
3. *Condition:* For one of the eight employee wage rates tested, the rate paid to the employee was less than the hourly rate supported by the documentation in that employee's file. Expanded testing noted six additional employees for whom this issued occurred. Thus, from January 2023 through June 2023, there were seven employees who were underpaid.
4. *Questioned Costs:* In total, from January 2023 to June 2023, there were \$831 of wages which were not paid. This also resulted in \$84 of payroll taxes and \$38 of employee benefits which were also not paid. Associated Students will correct this during the year ended June 30, 2024, and will not seek reimbursement for these costs under the child and preschool program grants.
5. *Context and Effect:* The rate change effective January 2023 was based on a minimum wage rate increase rather than individual raises and, as such, was input to the payroll system en masse. These employees have multiple wage assignments in the payroll system and the change was not correctly input to affect all of the correct wage assignments. This is considered to be a significant deficiency in controls over compliance.
6. *Cause:* Pay rate changes were not reviewed for accuracy before payment was authorized. Although there was a defined set of review controls for payroll registers, these controls did not function as intended.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Schedule of Findings and Questioned Costs**

Year Ended June 30, 2023

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**Finding 2023-001, continued**

7. *Recommendation:* We recommend that the Center review payroll registers for accuracy before authorizing to ensure that any data entry errors are caught prior to disbursement. This is particularly important immediately after mass changes to payroll information. We also recommend that the missing wages, benefits, and payroll taxes be paid immediately.
  
8. *Views of Responsible Officials and Planned Corrective Actions:* Management agrees and has completed an audit of the payroll system to ensure that all wages across all allocations are correct. The employees who are due retroactive pay are being processed with the pay period ending December 10, 2023, and will be recorded as expenses in the fiscal year ending June 30, 2024. Associated Students is absorbing the cost of these wages and they will not be charged to the child care and preschool programs grants. The internal control process will be modified to change the flow of information to the accounting payroll staff. When performing global pay rate changes, human resources will provide the worksheet utilized and accounting staff will review and confirm the pay rates for all employees. Human resources will also provide to accounting personnel action forms with any changes to employee information each pay period. Payroll staff will then review and verify that all information has been correctly updated in the payroll system.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON,  
CHILDREN'S CENTER**

**Status of Corrective Action on Prior Year Findings**

Year Ended June 30, 2023

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**Prior Year Audit Findings**

**Finding 2022-001**

1. *Condition:* In quarter three, CSPP-1333 non-certified three years and older half-time enrollment was under-reported by 163 days and CSPP-1333 non-certified three years and older full-time enrollment was under-reported by 167 days.
2. *Current Status:* This finding was corrected for the year ended June 30, 2023. Management has implemented processes and controls to review quarterly reporting for accuracy before submission to ensure that any human errors are caught prior to submission.

**Finding 2022-002**

1. *Condition:* For two of eight employee wage rates tested, there was not complete documentation to support the exact hourly rate utilized to determine wage expenses for the period tested.
2. *Current Status:* This finding was corrected for the year ended June 30, 2023. Management has implemented processes and controls to ensure that personnel files include the correct pay rate information.

## Quality Review Checklist for FY 2022–23 Child Care and Development Program Agencies

Vendor Number:           #30-B841            
 Agency Name:           Associated Students, Inc., California State University, Fullerton            
 Director Name & email:           Lydia Palacios; lpalacios@fullerton.edu          

### Introduction

The quality review checklist is required to be completed by the agency’s representative and submitted along with the agency’s 2022–23 audit report and is designed to reduce or eliminate the need for follow-up questions that arise as the California Department of Social Services, Office of Audit Services reviews the organization’s audit report submission in accordance with California Code of Regulations, Title 5, Section 18072.

If questions arise during the audit report review process, the reviewer will contact the agency’s Certified Public Accountant (CPA). Please provide the name and email address for the specific auditor at the CPA firm that conducted the agency’s audit.

CPA Firm:           Aldrich CPAs+ Advisors; Robert LaCour            
 Auditor Name:           Aldrich CPAs+ Advisors; Robert LaCour            
 Auditor Email:           rlacour@aldrichadvisors.com          

### Required Contents

1. Does the audit report include the following? (*Note: This information is required for all agencies. For more information, reference the Audit Guide: Chapter 200, Exhibit A; Chapter 300; and Illustrative Contractor Audit Report*):
  - a. Independent Auditor’s Report, based on Generally Accepted Auditing Standards and Government Auditing Standards .....  Yes  No
    - i. Does the Independent Auditor’s Report indicate whether the supplementary information is fairly presented in all material respects in relation to the financial statements as a whole? .....  Yes  No
  - b. 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 .....  Yes  No
  - c. Statement of Financial Position / Balance Sheet .....  Yes  No
  - d. Statement of Activities / Income Statement .....  Yes  No
  - e. Notes to Financial Statements .....  Yes  No

- f. Schedule of Expenditures of Federal and State Awards .....  Yes  No
- g. Schedule of Findings and Questioned Costs.....  Yes  No
- h. Combining Statement of Activities .....  Yes  No
- i. Schedule of Claimed Administrative Costs .....  Yes  No
- j. Schedule of Claimed Equipment Expenditures.....  Yes  No
- k. Schedule of Claimed Expenditures for Renovations and Repairs .....  Yes  No
- l. Audited Attendance and Fiscal Report (AUD) form for each child care and development program contract.....  Yes  No
- m. Notes to the Child Care and Development Contract Supplemental Information.....  Yes  No

2. If applicable, does the audit report submission include the following (*Note: This information is only required under certain circumstances. For more information reference the CDSS Audit Guide: Chapter 200, Exhibit A; Chapter 300; and Illustrative Contractor Audit Report*):

- a. Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (2 CFR Part 200, Subpart F) .....  Yes  No  N/A
- b. Management letter and/or internal control communication letter .....  Yes  No  N/A
- c. Statement of Cash Flows .....  Yes  No  N/A
- d. Statement of Functional Expenses .....  Yes  No  N/A
- e. Schedule of Claimed Start-Up Expenses .....  Yes  No  N/A
- f. Audited Reserve Account Activity Report (AUD 9530-A) .....  Yes  No  N/A
- g. Reconciliation of fiscal year not ending on June 30.....  Yes  No  N/A
- h. Reconciliation of CD Reporting to GAAP Reporting.....  Yes  No  N/A
- i. An audit report that includes all required information for any agencies the contractor entered into a subcontract with for child care and development services (see FT&C Section I Definitions).....  Yes  No  N/A

## AUDs and Financial Statements

3. Were all AUDs prepared on the correct fiscal year's form?.....  Yes  No
4. Are all pages of the AUD form(s) included? .....  Yes  No  
a. If not, was the appropriate box marked to explain why the pages were omitted? .....  Yes  No  N/A
5. Does each AUD's Column A agree to the year-end CDNFS Report's Column C - Cumulative Fiscal Year? .....  Yes  No
6. Do each AUD's total expenses claimed for reimbursement and total supplemental expenses trace to and agree with the amounts reported on the Schedule of Expenditures by State Categories?.....  Yes  No
7. For each contract, do the total expenses on the Schedule of Expenditures by State Categories trace to and agree with the total expenses on the Combining Statement of Activities or any applicable expense reconciliation schedules presented in the report?.....  Yes  No
8. Does the total revenue and expenses on the Combining Statement of Activities (CSA) trace and agree to the Statement of Activities?.....  Yes  No
9. Does each AUD's revenue related to reimbursable expenses trace to and agree with the Combining Statement of Activities or other Statement? .....  Yes  No

## Capitalized Expenses

10. Are all capitalized expenditures using child development funds identified in the Schedule of Claimed Expenditures for Renovations & Repairs or Schedule of Claimed Equipment Expenditures schedules? (Note: "Capitalized Equipment" is defined by the FT&C as equipment with a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the contractor for financial statement purposes, or \$5,000, including tax).....  Yes  No
11. Do capitalized equipment expenses on AUD line items 6400, 6500 and/or start-up expenses trace to and agree with the Schedule of Claimed Equipment Expenditures? .....  Yes  No
12. Do other capital outlays, line item 6100/6200 on the AUD, trace to and agree with the Schedule of Claimed Expenditures for Renovations & Repairs? .....  Yes  No

13. Did the agency obtain preapproval for items expensed in line item(s) 6100/6200, 6400 and/or 6500? .....  Yes  No  N/A  
a. If not, please explain (attach additional pages if necessary):  
\_\_\_\_\_  
\_\_\_\_\_

14. If the agency has Child Care Facilities Revolving Fund or California Renovation and Repair loan repayments, are the expenditures correctly reported in line 6100/6200? .....  Yes  No  N/A

### Indirect and Administrative Costs

15. If the agency has an approved indirect cost rate, is it accurately reported on the AUD(s)? .....  Yes  No  N/A
16. If indirect costs are claimed, are they within the maximum indirect cost rate of the lesser of its approved rate or ten percent (10%)? .....  Yes  No  N/A
17. If indirect costs were reported, does the indirect cost amount agree to the indirect costs amount reported on the Schedule of Claimed Administrative Costs? .....  Yes  No  N/A
18. Do the total administrative costs reported on the AUD(s) trace to and agree with the total expense amounts reported on the Schedule of Claimed Administrative Costs? .....  Yes  No

### Enrollment, Attendance, and Assurances on Center-Based AUDs

19. Is the number of days of enrollment the same or greater than the number of days of attendance reported on the AUD(s)? .....  Yes  No  N/A
20. Were the two assurance certifications checked on the AUD? .....  Yes  No  N/A

### Audited Reserve Account Activity Report

21. Does each Audited Reserve Account Activity Report either identify interest earned on reserve funds or explain in the comments section why no interest is reported? .....  Yes  No  N/A
22. If there was a reserve account ending balance, was it correctly reported in the Statement of Financial Position/Balance Sheet as a liability? .....  Yes  No  N/A



## Revenue

23. If Child and Adult Care Food Program (CACFP) expenses were allocated to a child care and development contract, was the related revenue reported as restricted income? (Note: Reported revenue should be the lesser of the amount of CACFP funds paid to an agency or the amount of expenses allocated to the contract) .....  Yes  No  N/A

24. Was all revenue correctly classified as restricted or unrestricted in the AUD form(s)? .....  Yes  No  N/A

25. If the agency received funds from the Paycheck Protection Program, were any funds used for a child care and development program reported as restricted income? .....  Yes  No  N/A

26. If non-certified children are reported in the AUD(s), were non-certified family fees reported? .....  Yes  No  N/A

a. If not, please explain (attach additional pages if necessary):

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Completed By:

Cindy Keh

Title:

Senior Accountant

If necessary, add additional comments here:

# Quality Review Checklist

## California State Preschool Program Agencies

Agency Name & Vendor #: Associated Students, Inc., California State University, Fullerton #30-B841

### Introduction

The quality review checklist is required to be completed by the agency's representative and submitted along with the agency's audit report and is designed to reduce or eliminate the need for follow-up questions that arise as the California Department of Education (CDE), Audits & Investigations Division reviews the organization's audit report submission in accordance with California Code of Regulations, Title 5, Section 17824.

If questions arise during the audit report review process, the reviewer will contact the agency's Certified Public Accountant (CPA). Please provide an email address for the CPA or CPA firm that conducted the agency's audit.

CPA Firm / CPA Name: Aldrich CPAs + Advisors, LLP

Email: rlacour@aldrichadvisors.com

### Required Contents

1. Does the audit report include the following? (*Note: This information is required for all agencies. For more information, reference the [CDE Audit Guide](#): Chapter 200, Exhibit A; Chapter 300; and Appendix A, Illustrative Contractor Audit Report.*):

- a. Independent Auditor's Report, based on Generally Accepted Auditing Standards and Government Auditing Standards .....  Yes  No
  - i. Does the Independent Auditor's Report indicate whether the supplementary information is fairly presented in all material respects in relation to the financial statements as a whole? .....  Yes  No
- b. 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 .....  Yes  No
- c. Statement of Financial Position / Balance Sheet .....  Yes  No
- d. Statement of Activities / Income Statement .....  Yes  No
- e. Notes to Financial Statements .....  Yes  No

- f. Schedule of Expenditures of Federal and State Awards .....  Yes  No
- g. Schedule of Findings and Questioned Costs.....  Yes  No
- h. Combining Statement of Activities .....  Yes  No
- i. Schedule of Expenditures by State Categories .....  Yes  No
- j. Schedule of Claimed Administrative Costs .....  Yes  No
- k. Schedule of Claimed Equipment Expenditures.....  Yes  No
- l. Schedule of Claimed Expenditures for Renovations and Repairs .....  Yes  No
- m. Audited Attendance and Fiscal Report (AUD) form for each child development program contract.....  Yes  No
- n. Notes to the Child Development Contract Supplemental Information.....  Yes  No

2. If applicable, does the audit report submission include the following? (*Note: This information is only required under certain circumstances. For more information reference the CDE Audit Guide: Chapter 200, Exhibit A; Chapter 300; and Appendix A, Illustrative Contractor Audit Report.*):

- a. Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (2 CFR Part 200, Subpart F) .....  Yes  No  N/A
- b. Management letter and/or internal control communication letter .....  Yes  No  N/A
- c. Statement of Cash Flows .....  Yes  No  N/A
- d. Statement of Functional Expenses .....  Yes  No  N/A
- e. Schedule of Claimed Start-Up Expenses .....  Yes  No  N/A
- f. Audited Reserve Account Activity Report (AUD 9530-A) .....  Yes  No  N/A
- g. Reconciliation of fiscal year not ending on June 30 .....  Yes  No  N/A
- h. Reconciliation of CDE Reporting to GAAP Reporting.....  Yes  No  N/A
- i. An audit report that includes all required information for any agencies that the contractor entered into a subcontract for early learning and care services with (see the Contract Terms and Conditions (CT&C) Section I – Definitions).....  Yes  No  N/A

## AUDs and Financial Statements

3. Were all AUDs prepared on the correct fiscal year's form?.....  Yes  No
4. Are all pages of the AUD form(s) included? .....  Yes  No  
a. If not, was the appropriate box marked to explain why the pages were omitted? .....  Yes  No  N/A
5. Are all applicable enrollment and attendance forms included in the audit report? [Note that the audit report should include a separate form for each service county where the agency provided a type of service (e.g. services to certified children, services to non-certified children, etc.)].....  Yes  No
6. Does each AUD's column A agree to column C of the applicable CPARIS report? .....  Yes  No
7. Does the AUD 8501, Section 2 – Enrollment and Attendance Form Summary, correctly report the sum of the enrollment and attendance from the applicable enrollment and attendance forms?.....  Yes  No
8. Do each AUD's total expenses claimed for reimbursement and total supplemental expenses trace to and agree with the amounts reported on the Schedule of Expenditures by State Categories?.....  Yes  No
9. For each contract, do the total expenses on the Schedule of Expenditures by State Categories trace to and agree with the total expenses on the Combining Statement of Activities or any applicable expense reconciliation schedules presented in the report?.....  Yes  No
10. Does the total revenue and expenses on the Combining Statement of Activities (CSA) trace and agree to the Statement of Activities?.....  Yes  No
11. Does each AUD's revenue related to reimbursable expenses trace to and agree with the Combining Statement of Activities or other statement?.....  Yes  No

## Capitalized Expenses

12. Are all capitalized expenditures using child development funds identified in the Schedule of Claimed Expenditures for Renovations & Repairs or Schedule of Claimed Equipment Expenditures? (Note: "Capitalized Equipment" is defined by the CT&C as equipment with a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the contractor for financial statement purposes, or \$5,000, including tax.).....  Yes  No
13. Do capitalized equipment expenses on AUD line items 6400, 6500 and/or start-up expenses trace to and agree with the Schedule of Claimed Equipment Expenditures? .....  Yes  No

14. Does the Schedule of Claimed Equipment Expenditures report expenses in the appropriate categories for the agency's capitalization threshold? (See the *CDE Audit Guide*, Section 330 – Equipment Expenditures).....  Yes  No
15. Do other capital outlays, line item 6100/6200 on the AUD, trace to and agree with the Schedule of Claimed Expenditures for Renovations & Repairs? .....  Yes  No
16. Did the agency obtain preapproval for items expensed in line item(s) 6100/6200, 6400 and/or 6500? .....  Yes  No  N/A  
 a. If not, please explain (attach additional pages if necessary).  
 \_\_\_\_\_  
 \_\_\_\_\_
17. If the agency has Child Care Facilities Revolving Fund or California Renovation and Repair loan repayments, are the expenditures correctly reported in line 6100/6200? .....  Yes  No  N/A

**Indirect and Administrative Costs**

18. If the agency has an approved indirect cost rate, is it accurately reported on the AUD(s)? .....  Yes  No  N/A
19. If indirect costs are claimed, are they within the maximum indirect cost rate of the lesser of its approved rate or ten percent (10%)? .....  Yes  No  N/A
20. If indirect costs were reported, does the indirect cost amount agree to the indirect costs amount reported on the Schedule of Claimed Administrative Costs? .....  Yes  No  N/A
21. Do the total administrative costs reported on the AUD(s) trace to and agree with the total expense amounts reported on the Schedule of Claimed Administrative Costs? .....  Yes  No

**Enrollment, Attendance, and Assurances on Center-Based AUDs**

22. Is the number of days of enrollment the same or greater than the number of days of attendance reported on the AUD(s)? .....  Yes  No  N/A
23. Were the two assurance certifications checked on the AUD 8501?.....  Yes  No

**Audited Reserve Account Activity Report**

24. Does each Audited Reserve Account Activity Report either identify interest earned on reserve funds or explain in the comments section why no interest is reported? .....  Yes  No  N/A

25. If there was a reserve account ending balance, was it correctly reported in the Statement of Financial Position/Balance Sheet as a liability? .....  Yes  No  N/A

## Revenue

26. If Child and Adult Care Food Program (CACFP) expenses were allocated to a child development contract, was the related revenue reported as restricted income? (Note: Reported revenue should be the lesser of the amount of CACFP funds paid to an agency or the amount of expenses allocated to the contract.) .....  Yes  No  N/A

27. Was all revenue correctly classified as restricted or unrestricted in the AUD form(s)? .....  Yes  No  N/A

28. If the agency received funds from the Employee Retention Tax Credit, were any funds earned by a child development program reported as restricted income? .....  Yes  No  N/A

29. If non-certified children are reported in the AUD(s), were non-certified family fees reported? .....  Yes  No  N/A  
a. If not, please explain (attach additional pages if necessary).

\_\_\_\_\_  
\_\_\_\_\_

Completed By: Cindy Keh  
Title: Senior Accountant

Posted by the California Department of Education  
July 2023

# 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

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
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>
<b>LIABILITIES AND NET ASSETS</b>		
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	<u>8,672,284</u>	<u>10,245,380</u>
Total Liabilities and Net Assets	<u>\$ 24,789,681</u>	<u>\$ 22,440,353</u>

See accompanying notes to financial statements.

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Statements of Activities**

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support:</b>			
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)	-
<b>Total Revenue and Support</b>	<b>30,616,313</b>	<b>116,613</b>	<b>30,732,926</b>
<b>Expenses:</b>			
<b>Program services:</b>			
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
<b>Total Program Expenses</b>	<b>20,265,573</b>	<b>-</b>	<b>20,265,573</b>
<b>Supporting services:</b>			
Building services	2,685,783	-	2,685,783
Public services	162,853	-	162,853
Administrative	6,289,658	-	6,289,658
<b>Total Supporting Services</b>	<b>9,138,294</b>	<b>-</b>	<b>9,138,294</b>
<b>Total Operating Expenses</b>	<b>29,403,867</b>	<b>-</b>	<b>29,403,867</b>
<b>Change in Net Assets from Operations</b>	<b>1,212,446</b>	<b>116,613</b>	<b>1,329,059</b>
<b>Non-Operating Income (Expense):</b>			
Pension and postretirement related changes other than service cost	(3,665,026)	-	(3,665,026)
Investment return	762,871	-	762,871
<b>Total Non-Operating Expense</b>	<b>(2,902,155)</b>	<b>-</b>	<b>(2,902,155)</b>
<b>Change in Net Assets</b>	<b>(1,689,709)</b>	<b>116,613</b>	<b>(1,573,096)</b>
Net Assets, beginning	10,177,554	67,826	10,245,380
Net Assets, ending	<u>\$ 8,487,845</u>	<u>\$ 184,439</u>	<u>\$ 8,672,284</u>

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	240,300	360,767
Net Cash Provided by Operating Activities	<u>4,170,371</u>	<u>1,770,268</u>
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>\$ 1,674,428</u>	<u>\$ 1,066,060</u>



# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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### 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

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### 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

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#### **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

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### 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

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### 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

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#### 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>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash	\$ 1,674,428	\$ 1,066,060
Accounts receivable	1,319,460	3,227,398
Investments	<u>20,214,720</u>	<u>16,753,127</u>
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	<u>(4,986,187)</u>	<u>(3,894,414)</u>
Financial assets available to meet cash needs for general expenditures due within one year	<u>\$ 16,437,149</u>	<u>\$ 15,727,361</u>

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	(2,445,934)	(2,471,951)
	<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

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### 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 26, 2011 - December 31,	On or after
Hire date	June 25, 2011	2012	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

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### 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, 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:

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

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### Note 6 - Pension Plan, continued

#### Plan Fiduciary Net Position

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

### Note 7 - Postretirement Health Benefit Plan

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

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

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

	<u>2023</u>	<u>2022</u>
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	<u>(507,634)</u>	<u>550,609</u>
	<u>\$ 240,300</u>	<u>\$ 360,767</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, 2023 and 2022

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### 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

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### 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:

		<u>2023</u>	<u>2022</u>
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>	<u>\$ -</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:

	<u>2023</u>	<u>2022</u>
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

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### 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, continued

##### Lessor 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:

<u>Year Ending June 30,</u>	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 Contingencies

##### Litigation

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

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#### **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
<b>ASSETS</b>					
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>
<b>LIABILITIES AND NET ASSETS</b>					
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
<b>ASSETS</b>					
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>
<b>LIABILITIES AND NET ASSETS</b>					
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
<b>Revenue and Support:</b>				
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
<b>Total Revenue and Support</b>	<b>16,937,443</b>	<b>15,717,656</b>	<b>(1,922,173)</b>	<b>30,732,926</b>
<b>Expenses:</b>				
<b>Program services:</b>				
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
<b>Total Program Expenses</b>	<b>12,407,094</b>	<b>7,858,479</b>	<b>-</b>	<b>20,265,573</b>
<b>Supporting services:</b>				
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
<b>Total Supporting Services</b>	<b>4,014,886</b>	<b>7,045,581</b>	<b>(1,922,173)</b>	<b>9,138,294</b>
<b>Total Operating Expenses</b>	<b>16,421,980</b>	<b>14,904,060</b>	<b>(1,922,173)</b>	<b>29,403,867</b>
<b>Change in Net Assets from Operations</b>	<b>515,463</b>	<b>813,596</b>	<b>-</b>	<b>1,329,059</b>
<b>Non-Operating Income (Expense):</b>				
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
<b>Total Non-Operating Expense</b>	<b>(1,010,098)</b>	<b>(1,892,057)</b>	<b>-</b>	<b>(2,902,155)</b>
<b>Change in Net Assets</b>	<b>(494,635)</b>	<b>(1,078,461)</b>	<b>-</b>	<b>(1,573,096)</b>
<b>Net Assets, beginning</b>	<b>4,627,100</b>	<b>5,618,280</b>	<b>-</b>	<b>10,245,380</b>
<b>Net Assets, ending</b>	<b>\$ 4,132,465</b>	<b>\$ 4,539,819</b>	<b>\$ -</b>	<b>\$ 8,672,284</b>

**ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Schedules of Activities by Unit**

Year Ended June 30, 2022

	ASI	Titan Student Center	Eliminations	Total
<b>Revenue and Support:</b>				
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
<b>Total Revenue and Support</b>	<b>16,754,400</b>	<b>16,633,231</b>	<b>(2,950,768)</b>	<b>30,436,863</b>
<b>Expenses:</b>				
<b>Program Services:</b>				
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
<b>Total Program Expenses</b>	<b>11,601,310</b>	<b>6,345,520</b>	<b>-</b>	<b>17,946,830</b>
<b>Supporting services:</b>				
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
<b>Total Supporting Services</b>	<b>4,846,633</b>	<b>7,768,616</b>	<b>(2,950,768)</b>	<b>9,664,481</b>
<b>Total Operating Expenses</b>	<b>16,447,943</b>	<b>14,114,136</b>	<b>(2,950,768)</b>	<b>27,611,311</b>
<b>Change in Net Assets from Operations</b>	<b>306,457</b>	<b>2,519,095</b>	<b>-</b>	<b>2,825,552</b>
<b>Non-Operating Income (Expense):</b>				
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	-	-
<b>Total Non-Operating Income</b>	<b>(103,683)</b>	<b>2,080,805</b>	<b>-</b>	<b>1,977,122</b>
<b>Change in Net Assets</b>	<b>202,774</b>	<b>4,599,900</b>	<b>-</b>	<b>4,802,674</b>
<b>Net Assets, beginning</b>	<b>4,424,326</b>	<b>1,018,380</b>	<b>-</b>	<b>5,442,706</b>
<b>Net Assets, ending</b>	<b>\$ 4,627,100</b>	<b>\$ 5,618,280</b>	<b>\$ -</b>	<b>\$ 10,245,380</b>

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)

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### 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

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-

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Schedule of Net Position

June 30, 2023

(for inclusion in the California State University)

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### 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

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13,578,914

#### Total liabilities

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16,117,397

# ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, FULLERTON

## Schedule of Net Position

June 30, 2023

(for inclusion in the California State University)

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### 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/>
<b>Total deferred inflows of resources</b>	<b>-</b>

### 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	7,041,012
	<hr/>
<b>Total net position</b>	<b>8,672,284</b>

**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

**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

**Operating income (loss)** 1,329,059

**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)

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



## 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
<b>Total</b>	<b>\$ 1,674,428</b>

#### 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
<b>Total investments</b>	<b>18,214,720</b>	<b>2,000,000</b>	<b>20,214,720</b>
<b>Total investments, net of endowments</b>	<b>\$ 18,214,720</b>	<b>2,000,000</b>	<b>20,214,720</b>

#### 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	-	-	-
<b>Total investments</b>	<b>\$ 20,214,720</b>	<b>4,143,481</b>	<b>-</b>	<b>-</b>	<b>16,071,239</b>

#### 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
<b>Depreciable/Amortizable capital assets:</b>									
Personal property:									
Equipment	3,756,828	-	-	-	3,756,828	475,797	(339,857)	-	3,892,768
<b>Total depreciable/amortizable capital assets</b>	<b>3,756,828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,756,828</b>	<b>475,797</b>	<b>(339,857)</b>	<b>-</b>	<b>3,892,768</b>
<b>Total capital assets</b>	<b>\$ 3,756,828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 3,756,828</b>	<b>475,797</b>	<b>(339,857)</b>	<b>-</b>	<b>3,892,768</b>
<b>Less accumulated depreciation/amortization:</b>									
Personal property:									
Equipment	(2,471,951)	-	-	-	(2,471,951)	(313,841)	339,857	-	(2,445,935)
<b>Total accumulated depreciation/amortization</b>	<b>(2,471,951)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,471,951)</b>	<b>(313,841)</b>	<b>339,857</b>	<b>-</b>	<b>(2,445,935)</b>
<b>Total capital assets, net excluding ROU assets</b>	<b>\$ 1,284,877</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 1,284,877</b>	<b>161,956</b>	<b>-</b>	<b>-</b>	<b>1,446,833</b>
<b>Total capital assets, net including ROU assets</b>									<b>\$ 1,446,833</b>

### 3.2 Detail of depreciation and amortization expense:

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

### 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
<b>Total long-term liabilities</b>						<b>\$ 490,918</b>	<b>427,099</b>	<b>63,819</b>

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

(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	\$	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
<b>Total operating expenses</b>	<b>\$ 8,434,706</b>	<b>2,176,905</b>	<b>1,126,136</b>	<b>162,511</b>	<b>2,289,527</b>	<b>14,900,241</b>	<b>313,841</b>	<b>\$ 29,403,867</b>

Select type of pension plan >>

Defined Benefit Plan
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### 10 Deferred outflows/inflows of resources: Not applicable

### 11 Other nonoperating revenues (expenses)

Other nonoperating revenues	\$	-
Other nonoperating (expenses)		(3,665,026)
<b>Total other nonoperating revenues (expenses)</b>	<b>\$</b>	<b>(3,665,026)</b>