

**ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

DRAFT

**ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
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YEAR ENDED JUNE 30, 2023**

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**ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
ORGANIZATIONAL DATA
JUNE 30, 2023**

Date of Organization:

Organized on January 25, 1966 as an unincorporated association under the Education Code, State of California, Section 23801. The Association was incorporated in January 1988.

Nature and Purpose:

Associated Students, Incorporated (ASI) was formed to participate in shared governance with the campus representing the students. Furthermore, it is to provide essential co-curricular activities such as, leadership opportunities, social and educational programming, ticket office, graphic design services, as well as generate school spirit to strengthen the bond between the faculty, administrators, and the students of the University. ASI provides tremendous support to the Children’s Center, Student Research and Travel, Intercollegiate Athletics, Presidential Academic Excellence Scholarship program, student scholarships and grant style funding for clubs and organizations.

Officers – 2022-2023:

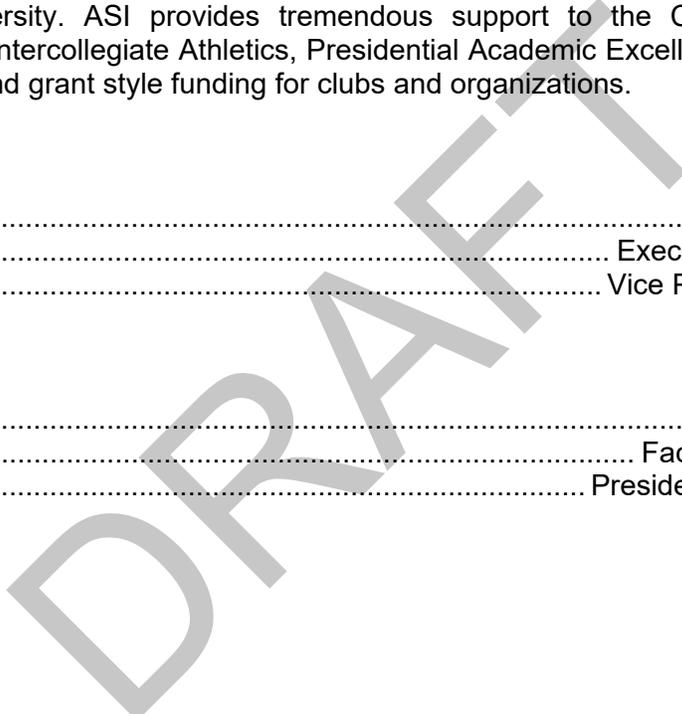
Paola Galvez President
Julia Ruiz Executive Vice President
Catherine Orellana Vice President of Finance

Faculty Advisors:

Daria Graham ASI Advisor
Vacant Faculty Representative
Paz Oliveriz, PhD President’s Representative

Executive Director:

Mike Rister



INDEPENDENT AUDITORS' REPORT

Board of Directors
Associated Students, Incorporated
California State University, San Bernardino
San Bernardino, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Associated Students, Incorporated of California State University, San Bernardino (a nonprofit organization), 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 referred to above present fairly, in all material respects, the financial position of Associated Students, Incorporated of California State University, San Bernardino, 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Associated Students, Incorporated of California State University, San Bernardino 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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, Incorporated of California State University, San Bernardino's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities 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 auditors' 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 GAAS 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.

In performing an audit in accordance with GAAS 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, Incorporated of California State University, San Bernardino'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, Incorporated of California State University, San Bernardino'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements as a whole. The schedule of net position, the schedule of revenues, expense, and changes in net position, and other information as listed in the table of contents 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Board of Directors
Associated Students, Incorporated
California State University, San Bernardino

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, Incorporated of California State University, San Bernardino’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, Incorporated of California State University, San Bernardino’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, Incorporated of California State University, San Bernardino’s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Associated Students, Incorporated of California State University, San Bernardino’s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CliftonLarsonAllen LLP

Glendora, California
September 29, 2023

DRAFT

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

| | 2023 | 2022 |
|------------------------------------|--------------|--------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 147,576 | \$ 133,695 |
| Short-Term Investments | 1,962,680 | 1,942,501 |
| Interest Receivable | 8,033 | 1,883 |
| Accounts Receivable | 226 | 226 |
| Inventory | 18,947 | 18,947 |
| OPEB Asset | 444,524 | 367,435 |
| Total | 2,581,986 | 2,464,687 |
| Capital Assets | | |
| Equipment, Furniture, and Fixtures | 118,212 | 118,212 |
| Less: Accumulated Depreciation | (116,804) | (111,441) |
| Total Capital Assets | 1,408 | 6,771 |
| Total Assets | \$ 2,583,394 | \$ 2,471,458 |
| LIABILITIES | | |
| Accounts Payable | \$ 33,474 | \$ 5,854 |
| Accrued Liabilities | (100) | 4,087 |
| Accrued Compensated Absences | 28,650 | 25,126 |
| Liabilities for Pension Benefits | 174,069 | 140,458 |
| Total Liabilities | 236,093 | 175,525 |
| NET ASSETS | | |
| Without Donor Restrictions | | |
| Undesignated | 938,222 | 886,854 |
| Board-Designated | 1,409,079 | 1,409,079 |
| Total Without Donor Restrictions | 2,347,301 | 2,295,933 |
| Total Net Assets | 2,347,301 | 2,295,933 |
| Total Liabilities and Net Assets | \$ 2,583,394 | \$ 2,471,458 |

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

| | Without Donor Restrictions | With Donor Restrictions | 2023 Total | 2022 Total |
|--|-------------------------------|----------------------------|----------------------------|----------------------------|
| REVENUES | | | | |
| Student Support Services (Student Fees) | \$ 1,706,033 | \$ - | \$ 1,706,033 | \$ 1,682,151 |
| Investment Income, Net | 27,490 | - | 27,490 | 18,621 |
| Other | - | - | - | 5,000 |
| Total Revenues | <u>1,733,523</u> | <u>-</u> | <u>1,733,523</u> | <u>1,705,772</u> |
| EXPENSES | | | | |
| Program Services | 902,393 | - | 902,393 | 824,505 |
| Management and General | <u>779,762</u> | <u>-</u> | <u>779,762</u> | <u>502,590</u> |
| Total Expenses | <u>1,682,155</u> | <u>-</u> | <u>1,682,155</u> | <u>1,327,095</u> |
| CHANGE IN NET ASSETS | <u>51,368</u> | <u>-</u> | <u>51,368</u> | <u>378,677</u> |
| Net Assets - Beginning of Year | <u>2,295,933</u> | <u>-</u> | <u>2,295,933</u> | <u>1,917,256</u> |
| NET ASSETS - END OF YEAR | <u><u>\$ 2,347,301</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 2,347,301</u></u> | <u><u>\$ 2,295,933</u></u> |

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

| | Program Services | | | | | | | |
|----------------------------------|---------------------------|-----------------------|---------------------|----------------|-----------------|---------------------------------|---------------------|------------------------------|
| | Management and General | Student Government | External Affairs | ASI Box Office | Legal Aid | Grant and Service Program | Public Relations | Club Allocation Budget |
| Wages | \$ 316,885 | \$ 133,824 | \$ 36,592 | \$ - | \$ 1,674 | \$ 9,161 | \$ - | \$ - |
| Employee Benefits | 88,148 | 1,599 | 474 | - | 92 | - | - | - |
| Pension Contributions | 29,230 | - | - | - | - | - | - | - |
| Total Wages and Related Expenses | <u>434,263</u> | <u>135,423</u> | <u>37,066</u> | <u>-</u> | <u>1,766</u> | <u>9,161</u> | <u>-</u> | <u>-</u> |
| Accounting | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | 189 | - | - | - |
| AOA Dues | 620 | - | - | - | - | - | - | - |
| AS Transition | - | 4,880 | - | - | - | - | - | - |
| Audit | 23,025 | - | - | - | - | - | - | - |
| Box Office Tickets | - | - | - | - | - | - | - | - |
| Building Equipment and Repairs | 1,477 | - | - | - | - | - | - | - |
| Campus Services | 177,852 | - | - | - | - | - | - | - |
| Depreciation | - | - | 1,300 | - | - | - | - | - |
| Donations | - | - | - | - | - | - | 174,847 | - |
| Dues and Subscriptions | - | - | - | - | - | - | - | - |
| Hospitality | 1,952 | 1,326 | - | - | - | - | - | - |
| Insurance | 24,084 | - | - | - | - | - | - | - |
| Legal | 2,990 | - | - | - | - | - | - | - |
| Orientation | 4,375 | - | - | - | - | - | - | - |
| Other Expense | 44,884 | 5,638 | 1,582 | - | - | 73 | - | - |
| Pension/OPEB Adjustments | (43,482) | - | - | - | - | - | - | - |
| Postage | 163 | - | - | - | - | - | - | - |
| Prizes | - | 10,792 | - | - | - | - | - | - |
| Rent | 1 | - | - | - | - | - | - | - |
| Scholarships and Stipends | - | - | - | - | - | - | - | 110,000 |
| Special Events | - | 1,451 | 130,953 | - | 2,716 | - | 7,171 | - |
| Student Union Custodian | - | - | - | - | - | - | - | - |
| Supplies and Services | 68,618 | 579 | 4,449 | - | 1,116 | - | 7,515 | - |
| Training | 1,033 | 2,685 | - | - | - | - | - | - |
| Travel | 11,443 | 327 | 15,385 | - | - | - | 47,264 | - |
| Utilities and Telephone | 26,464 | - | - | - | - | - | - | - |
| Total Expenses | <u>\$ 779,762</u> | <u>\$ 163,101</u> | <u>\$ 190,735</u> | <u>\$ -</u> | <u>\$ 5,787</u> | <u>\$ 9,234</u> | <u>\$ 236,797</u> | <u>\$ 110,000</u> |

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

| | Program Services | | | | | Total Program Services | Total Expenses | |
|----------------------------------|-------------------------|-----------------------|-----------------------|--------------------------|-----------------|------------------------------|---------------------|-------------------------------|
| | Activities Committee | Leadership Program | Election Committee | Palm Desert Campus | Production | | 2023 | Comparative Totals 2022 |
| Wages | \$ 15,286 | \$ - | \$ 48,221 | \$ - | \$ 4,278 | \$ 249,036 | \$ 565,921 | \$ 536,763 |
| Employee Benefits | 182 | - | 719 | - | - | 3,067 | 91,215 | 82,972 |
| Payroll Taxes | - | - | - | - | - | - | 29,230 | 23,497 |
| Total Wages and Related Expenses | <u>15,468</u> | <u>-</u> | <u>48,940</u> | <u>-</u> | <u>4,278</u> | <u>252,102</u> | <u>686,365</u> | <u>643,232</u> |
| Accounting | - | - | - | - | - | - | - | - |
| Advertising | 9,354 | - | - | - | 915 | 10,458 | 10,458 | 10,757 |
| AOA Dues | - | - | - | - | - | - | 620 | 2,604 |
| AS Transition | - | - | - | - | - | 4,880 | 4,880 | 2,527 |
| Audit | - | - | - | - | - | - | 23,025 | 17,024 |
| Box Office Tickets | - | - | - | - | - | - | - | - |
| Building Equipment and Repairs | - | - | - | - | - | - | 1,477 | 28,733 |
| Campus Services | - | - | - | - | - | - | 177,852 | 133,389 |
| Depreciation | - | - | - | 4,063 | - | 5,363 | 5,363 | 5,363 |
| Donations | - | - | - | - | - | 174,847 | 174,847 | 176,479 |
| Dues and Subscriptions | - | - | - | - | - | - | - | - |
| Hospitality | - | - | - | - | - | 1,326 | 3,278 | 2,536 |
| Insurance | - | - | - | - | - | - | 24,084 | 18,839 |
| Legal | - | - | - | - | - | - | 2,990 | 2,735 |
| Orientation | - | - | - | - | - | - | 4,375 | 3,893 |
| Other Expense | 654 | - | 2,147 | - | - | 10,094 | 54,978 | (0) |
| Pension/OPEB Adjustments | - | - | - | - | - | - | (43,482) | (165,264) |
| Postage | - | - | 18 | - | - | 18 | 181 | 85 |
| Prizes | - | - | - | - | - | 10,792 | 10,792 | 3,106 |
| Rent | - | - | - | - | - | - | 1 | 1 |
| Scholarships and Stipends | - | - | - | - | - | 110,000 | 110,000 | 120,000 |
| Special Events | - | 6,346 | 74,857 | - | 3,375 | 226,869 | 226,869 | 194,434 |
| Student Union Custodian | - | - | - | - | - | - | - | - |
| Supplies and Services | 8,305 | - | 8,018 | - | - | 29,982 | 98,600 | 96,766 |
| Training | - | - | - | - | - | 2,685 | 3,718 | 1,795 |
| Travel | - | - | - | - | - | 62,976 | 74,419 | 24,882 |
| Utilities and Telephone | - | - | - | - | - | - | 26,464 | 3,179 |
| Total Expenses | <u>\$ 33,782</u> | <u>\$ 6,346</u> | <u>\$ 133,981</u> | <u>\$ 4,063</u> | <u>\$ 8,568</u> | <u>\$ 902,393</u> | <u>\$ 1,682,155</u> | <u>\$ 1,327,095</u> |

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

| | 2023 | 2022 |
|--|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 51,368 | \$ 378,677 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation | 5,363 | 5,363 |
| Actuarial Pension Related Items | 33,611 | (56,529) |
| (Increase) Decrease in Operating Assets: | | |
| Accounts Receivable | - | (39) |
| Interest Receivable | (6,150) | (1,064) |
| Inventory | - | 1 |
| OPEB Asset | (77,089) | (108,735) |
| Increase (Decrease) in Operating Liabilities: | | |
| Accounts Payable | 27,620 | (182,936) |
| Accrued Expenses | (4,187) | (6,097) |
| Accrued Compensated Absences | 3,524 | (22,947) |
| Net Cash Provided by Operating Activities | 34,060 | 5,694 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Net Investment Income Reinvested | (21,340) | (18,621) |
| Sales of Investments | 1,744,105 | 2,019,563 |
| Purchases of Investments | (1,742,944) | (1,940,070) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (20,179) | 60,872 |
| NET INCREASE IN CASH | 13,881 | 66,566 |
| Cash - Beginning of Year | 133,695 | 67,131 |
| CASH - END OF YEAR | \$ 147,576 | \$ 133,697 |

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

NOTE 1 DESCRIPTION OF ACTIVITIES

Associated Students, Incorporated, CSUSB (ASI) was formed for the purpose of providing to students essential social and recreational activities related to, but not normally included in, the University instructional program. These activities are primarily funded by fees charged to students each quarter. Tickets to local events are offered to students at cost by the ASI box office.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

ASI prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205. Accordingly, information regarding financial position, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ASI and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations, and which may be designated for specific purposes by action of the board of directors.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, other than endowment and similar funds, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets; net assets released from restrictions.

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with a maturity of three months or less from date of purchase. ASI maintains its cash balances in one financial institution. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 per depositor, per insured bank, for each account ownership category. These balances may at times exceed the FDIC limit. As of June 30, 2023, ASI is under the limit of FDIC coverage.

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. The fair value of investments in securities is based on the quoted market price of the underlying securities. Investments in real estate are stated at acquisition cost. Unrealized gains and losses are included in the change in net assets. Short-term investments consist of debt securities with original maturities of 12 months or less. Long-term investments consist of debt securities with original maturities greater than 12 months.

Financial Instruments

The carrying amount of all financial instruments approximates fair value. The carrying amounts for cash and cash equivalents, investments, accounts receivable and accounts payable approximate fair value because of the short maturity of these instruments.

Accounts Receivable

Accounts receivable are primarily from student fees. Receivables are recorded when a student registers for courses and are presented in the statement of financial position net of the allowance for doubtful accounts. Accounts receivable are written off when they are deemed to be uncollectible. Any allowance for doubtful accounts is based on historical loss experience. There was no allowance for doubtful accounts as of June 30, 2023.

Inventory

Inventory is valued at the lower of cost or net realizable value, determined on the first-in, first-out basis.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment and Furniture

It is the policy of ASI to capitalize equipment, furniture, and fixture additions over \$5,000. Equipment and furniture are stated at cost and depreciation is calculated using the straight-line method over the estimated useful lives. Total depreciation expense for the year ended June 30, 2023 was \$5,363.

Program Fees

The student body fee is a mandatory fee required to enroll or attend the University. Any student body fees earned by the University during the year, net of waivers and allowance for doubtful accounts are transferred over to ASI to fund student programming and provide essential activities closely related but not normally included as part of the regular instructional program.

Designated Net Assets

Designated net assets include amounts set aside for emergency, administrative, equipment, and operational reserves as required by the California State University Manual of Policies and Procedures for Auxiliary Organizations.

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities. Directly identifiable expenses are charged to relevant programs and supporting services. Indirect expenses are allocated to the programs on various bases established by management.

Income Tax Status

ASI is exempt from federal income taxes as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. A comparable exemption has been granted by the state of California for ASI's Form 990, Return of Organization Exempt from Income Tax.

Comparative Totals

The financial statements and notes include certain prior year summarized comparative information in total, but not by net assets class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the ASI's financial statements for the fiscal year ended June 30, 2022, from which the summarized information was derived.

Subsequent Events

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

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

SWIFT Investment Pool: The pool investment is reported at fair value as provided by the University System.

LAIF Investment Pool: The pool investment is reported at fair value as reported by the state.

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NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although ASI believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2023 are as follows:

| Type | Fair Value | Fair Value Measurements at June 30, 2023 | | |
|-------------------|---------------------|--|---------------------|-------------|
| | | Level 1 | Level 2 | Level 3 |
| SWIFT Investments | \$ 939,557 | \$ - | \$ 939,557 | \$ - |
| LAIF | 1,023,123 | - | 1,023,123 | - |
| Total Investments | <u>\$ 1,962,680</u> | <u>\$ -</u> | <u>\$ 1,962,680</u> | <u>\$ -</u> |

ASI has pooled investments with the State of California State Treasurer's Local Agency Investment Fund (LAIF). LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee, comprised of California State officials and various participants, provides oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. ASI is a voluntary participant in the investment pool.

ASI relies upon information provided by the State Treasurer in estimating the fair value position of its holdings in LAIF. ASI's holdings in LAIF had a value of \$1,023,123 as of June 30, 2023. LAIF is not subject to a credit quality rating.

ASI has pooled investments with the CSU Systemwide Investment Fund Trust (SWIFT). As a result of a 2007 change in Education Code 89721(l) that allowed CSU to self-manage student tuition and fees, CSU created a central banking system and created the SWIFT investment portfolio for the purpose of enhancing centralized cash and investment management. Because the central banking system and SWIFT are inextricably linked, each member in the central banking system is also a member in SWIFT, also referred to collectively as The Bank of CSU. These funds are reported as a short-term investment. The SWIFT consists of investments of cash on an overnight and/or short-term basis, the funds representing the float on funds collected from all eligible sources prior to their use for payment of accounts payable and payroll. Excess cash over and above what is needed to fund short-term payables and payroll are transferred to medium or longer term investments.

ASI relies upon information provided by the SWIFT in estimating the fair value position of its holdings in it. ASI's holdings in SWIFT had a value of \$939,557 as of June 30, 2023.

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NOTE 4 RELATED PARTY TRANSACTIONS

ASI is an auxiliary organization of California State University, San Bernardino (CSUSB). CSUSB advances funds on behalf of ASI, all of which are considered current, and it provides accounting services to ASI. Also, the CSUSB Foundation provides services for the benefit of ASI's employees. ASI leases its office space from the Student Union as described in Note 4. ASI also co-sponsors events and activities with the Student Union for which ASI reimburses some of the expenses incurred by the Student Union.

A schedule of related party transactions between ASI, University, and other auxiliary organizations is as follows:

| For the Year Ended June 30, 2023 | CSUSB | Philanthropic Foundation | Santos Manual Student Union | University Enterprise Corporation | Total |
|---|------------|-----------------------------|--------------------------------------|---|------------|
| <u>Expenses</u> | | | | | |
| Payments to Univ/Aux for salaries of personnel working on contracts, grants, and other programs | \$ 224,869 | \$ - | \$ - | \$ - | \$ 224,869 |
| Payments to Univ/Aux for other than salaries of personnel | 32,800 | 110,000 | 43,495 | 162,000 | 348,296 |
| <u>Revenues</u> | | | | | |
| Payments received from Univ/Aux for services, space, and programs | 30,952 | - | 715 | - | 31,667 |
| <u>Due to</u> | | | | | |
| Accounts Payable due to Univ/Aux as of June 30, 2023 | - | - | 1,422 | - | 1,422 |
| <u>Due from</u> | | | | | |
| Accounts Receivable due from Univ/Aux as of June 30, 2023 | - | - | - | - | - |

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NOTE 5 DEFINED-BENEFIT PENSION PLAN

Plan Description

ASI contributes to CalPERS, a cost-sharing multiple-employer public employee defined-benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the state of California. A menu of benefit provisions, as well as other requirements, is established by state statutes within the Public Employees' Retirement Law. ASI selects optional benefit provisions from the benefit menu by contract with CalPERS. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS's website, at www.calpers.ca.gov.

Funding Policy

Participants are required to contribute 5% of their annual covered salary. ASI is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for the fiscal year 2022-2023 were 11.3% and 7.76% for Classic CalPERS members and PEPRA CalPERS members, respectively. The contribution requirements of the plan members are established by state statute, and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For the year ended June 30, 2023, employer contributions of \$26,368 for CalPERS were equal to ASI's required contributions. Total employee contributions were \$19,532.

The following table presents a reconciliation of the net pension liability:

| | Plan Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Plan Net Pension Liability (c) = (a) - (b) |
|--------------------|--|---------------------------------------|--|
| Miscellaneous Plan | \$ 1,349,199 | \$ 1,071,646 | \$ 277,553 |

Plan assets and funded status of the plan:

| Valuation Date | Measurement Date | Accrued Liability | Actuarial Value of Assets (AVA) | Funding Actuarial Excess | Funded Ratio AVA |
|----------------|---------------------|-------------------|------------------------------------|-----------------------------|---------------------|
| 6/30/2021 | 6/30/2022 | \$ 1,349,199 | \$ 1,071,646 | \$ 277,553 | 79.43% |

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NOTE 5 DEFINED-BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost (Continued)

Items not yet recognized as a component of net periodic pension cost during the year are as follows:

| | <u>Cost Outflows</u> | <u>Cost Inflows</u> |
|---|----------------------|---------------------|
| Changes of Assumptions | \$ 28,441 | \$ - |
| Differences between Expected and Actual Experience | 5,574 | 3,733 |
| Differences between Projected and Actual Investment Earnings | 50,837 | - |
| Differences between Employer's Contributions and Proportionate Share of Contributions | - | 28,534 |
| Change in Employer's Proportion | 24,531 | - |
| Pension Contributions Made Subsequent to Measurement Date | 26,368 | - |
| Total | <u>\$ 135,751</u> | <u>\$ 32,267</u> |

Components of net actuarial pension expenses recognized as expenses in the statement of activities for the year are as follows:

| | |
|------------------------------------|-----------|
| Actuarial pension expense (income) | \$ 33,607 |
|------------------------------------|-----------|

Other deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as following:

| <u>Fiscal Year Ending June 30,</u> | <u>Miscellaneous</u> |
|------------------------------------|----------------------|
| 2024 | \$ 17,751 |
| 2025 | 17,621 |
| 2026 | 10,652 |
| 2027 | 31,096 |
| 2028 | - |
| Thereafter | - |
| Total | <u>\$ 77,119</u> |

Total liabilities for pension benefits recognized in the statement of financial position:

| | |
|--|-------------------|
| Net Pension Liability | \$ 277,553 |
| Future Pension Cost Outflows | (135,751) |
| Future Pension Cost Inflows | 32,267 |
| Total Liabilities for Pension Benefits | <u>\$ 174,069</u> |

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NOTE 5 DEFINED-BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost (Continued)

Assumptions:

| | <u>Miscellaneous Plan</u> |
|-------------------------|---------------------------------|
| Valuation Date | June 30, 2021 |
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Actuarial Value of Assets |
| Amortization Method | Level of Percent of Payroll |
| Actuarial Assumptions: | |
| Discount Rate | 6.90% (net of admin expenses) |
| Inflation Rate | 2.30% |
| Projected Salary Growth | Varies by Entry-Age and Service |

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS

ASI has a fully funded Supplemental Retirement Benefit Plan that provides medical benefits to retired employees and their dependents. Medical plan assets are accumulated and benefits are paid from a voluntary employees' beneficiary association (VEBA) trust established by the trustee of the Auxiliaries Multiple Employer VEBA. ASI currently pays the full medical plan premium for employees and their dependents not to exceed caps based on the level of coverage. Retiring employees age 50 or older with at least 5 years of service are eligible for benefits provided they elect to commence their retirement benefit within 120 days of their retirement date. At June 30, 2023, ASI has \$861,261 in plan assets invested in an irrevocable trust.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Disclosures about the plan, based on an independent actuarial valuation as of June 30, 2022 (the latest required valuation date), are shown below:

Change in accumulated postemployment benefit obligation (APBO)

| | |
|-----------------------------------|----------------|
| APBO at beginning of year | \$ 426,184 |
| Service cost (excluding expenses) | 10,577 |
| Interest cost | 18,554 |
| Actuarial (gain) loss | (28,923) |
| Benefits paid | (9,655) |
| APBO at end of year | <u>416,737</u> |

Change in plan assets

| | |
|---|----------------|
| Fair value of assets at beginning of year | 793,619 |
| Actual return on assets (net of expenses) | 67,642 |
| Employer contribution | 9,655 |
| Benefits paid | (9,655) |
| Fair value of plan assets at end of year | <u>861,261</u> |

Funded status

\$ 444,524

Amounts recognized in the statement of financial position consist of:

| | |
|-------------------|-------------------|
| Noncurrent assets | <u>\$ 444,524</u> |
|-------------------|-------------------|

Components of net periodic postretirement benefit cost (NPPBC)

| | |
|--|-----------------|
| Service cost (including expenses) | \$ 10,577 |
| Interest cost | 18,554 |
| Expected return on plan assets | (47,617) |
| Amortization of unrecognized net (gain) loss | (8,852) |
| Net periodic postretirement benefit cost | <u>(27,338)</u> |

Other changes in plan assets and benefit obligations recognized in AOCI

| | |
|---------------------------------------|-------------------|
| Net actuarial (gain) loss | 303,405 |
| Amortization of actuarial (gain) loss | - |
| Total recognized | <u>\$ 303,405</u> |

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JUNE 30, 2023
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NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The assumptions used in the measurement of ASI's benefit obligation and net periodic postemployment benefit cost included a 4.85% weighted-average discount rate as of and for the year ended June 30, 2023. The 4.85% discount rate represented a 0.45% increase from the 4.40% weighted-average discount rate used for as of and for the year ended June 30, 2022.

Healthcare premiums and ASI's maximum monthly subsidy towards the cost of coverage are assumed to increase once each year. The increases of the prior year's levels are assumed to be effective to the dates shown in the following table:

| Healthcare Trend: | | | |
|--------------------------|-------|-----------|-------|
| Year | Rate | Year | Rate |
| 2023 | 5.80% | 2028-2029 | 5.10% |
| 2024 | 5.60% | 2030-2038 | 5.00% |
| 2025 | 5.40% | 2039 | 4.90% |
| 2026-2027 | 5.20% | 2040-2043 | 4.80% |

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plan. A one percent increase in the assumed healthcare trend rates would have the following effects:

| Sensitivity Analysis: | Dollar Increase | Percent Increase |
|--|--------------------|---------------------|
| Effect on service cost component of net periodic benefit cost | \$ 4,381 | 50.59% |
| Effect on interest cost component of net periodic benefit cost | 3,713 | 18.00% |
| Accumulated postemployment benefit obligation | 72,173 | 17.32% |

The Plan is funded on a pay-as-you-go basis; the expected contribution for the following year is the same as the expected future benefit payments for such year. ASI paid \$9,655 during the year ended June 30, 2023, for current benefit costs.

The expected benefits to be paid are as follows:

| Expected Benefit Payments: | |
|-----------------------------------|----------|
| Year Ending June 30, | Amount |
| 2024 | \$ 9,532 |
| 2025 | 9,603 |
| 2026 | 9,578 |
| 2027 | 48,346 |
| 2028 | 33,828 |
| Thereafter | 149,934 |

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CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
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NOTE 7 AVAILABLE RESOURCES AND LIQUIDITY

In addition to financial assets available to meet general expenditures over the next 12 months, ASI operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of ASI's cash.

As of June 30, 2022 and 2023, the following tables show the total financial assets held by ASI and the amounts of those financial assets could readily be made available within one year of the balance sheet date to meet general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

Financial Assets:

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Cash and Cash Equivalents | \$ 147,576 | \$ 133,695 |
| Investments Convertible to Cash in the Next 12 Months | 1,962,680 | 1,942,501 |
| Accounts Receivable | 226 | 226 |
| Other Receivables | 8,033 | 1,883 |
| Other Long-Term Assets | 464,879 | 393,153 |
| Total | <u>\$ 2,583,394</u> | <u>\$ 2,471,458</u> |

Financial Assets Available to Meet General Expenditures Over the Next 12 Months:

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Cash and Cash Equivalents | \$ 147,576 | \$ 133,695 |
| Investments Convertible to Cash in the Next 12 Months | 1,962,680 | 1,942,501 |
| Accounts Receivable | 226 | 226 |
| Other Receivables | 8,033 | 1,883 |
| Total | <u>\$ 2,118,515</u> | <u>\$ 2,078,305</u> |

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 BOARD-DESIGNATED AND DONOR-RESTRICTED NET ASSETS

ASI's governing board has designated, from net assets without donor restrictions of \$2,347,301, net assets for the following purposes as of June 30, 2023:

Board-Designated Net Assets

| | |
|-----------------------------------|---------------------|
| Emergency Reserve | \$ 100,000 |
| Administrative Reserve | 400,000 |
| Equipment Reserve | 100,000 |
| Operations Reserve | 300,000 |
| PDC Reserve | 109,079 |
| Construction Reserve | 200,000 |
| Contingency Reserve | 200,000 |
| Total Board-Designated Net Assets | <u>\$ 1,409,079</u> |

There were no net assets with donor restrictions at June 30, 2023.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
SCHEDULE OF NET POSITION
JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Assets:

Current assets:

| | |
|---|------------|
| Cash and cash equivalents | \$ 147,576 |
| Short-term investments | 1,962,680 |
| Accounts receivable, net | 8,259 |
| Lease receivables, current portion | - |
| Notes receivable, current portion | - |
| Pledges receivable, net | - |
| Prepaid expenses and other current assets | 18,947 |

| | |
|-----------------------------|-------------------------|
| Total current assets | <u>2,137,462</u> |
|-----------------------------|-------------------------|

Noncurrent assets:

| | |
|---|---------|
| Restricted cash and cash equivalents | - |
| Accounts receivable, net | - |
| Lease receivables, net of current portion | - |
| Notes receivable, net of current portion | - |
| Student loans receivable, net | - |
| Pledges receivable, net | - |
| Endowment investments | - |
| Other long-term investments | - |
| Capital assets, net | 1,408 |
| Other assets | 444,524 |

| | |
|--------------------------------|-----------------------|
| Total noncurrent assets | <u>445,932</u> |
|--------------------------------|-----------------------|

| | |
|---------------------|-------------------------|
| Total assets | <u>2,583,394</u> |
|---------------------|-------------------------|

Deferred outflows of resources:

| | |
|------------------------------------|---------|
| Unamortized loss on debt refunding | - |
| Net pension liability | 174,069 |
| Net OPEB liability | - |
| Leases | - |
| Others | - |

| | |
|---|-----------------------|
| Total deferred outflows of resources | <u>174,069</u> |
|---|-----------------------|

Liabilities:

Current liabilities:

| | |
|---|--------|
| Accounts payable | 33,474 |
| Accrued salaries and benefits | - |
| Accrued compensated absences, current portion | 17,190 |
| Unearned revenues | - |
| Lease liabilities, current portion | - |
| Long-term debt obligations, current portion | - |
| Claims liability for losses and loss adjustment expenses, current portion | - |
| Depository accounts | - |
| Other liabilities | (100) |

| | |
|----------------------------------|----------------------|
| Total current liabilities | <u>50,564</u> |
|----------------------------------|----------------------|

See accompanying Independent Auditors' Report.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
SCHEDULE OF NET POSITION (CONTINUED)
JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

| | |
|--|---------------------|
| Noncurrent liabilities: | |
| Accrued compensated absences, net of current portion | 11,460 |
| Unearned revenues | - |
| Grants refundable | - |
| Lease liabilities, net of current portion | - |
| Long-term debt obligations, net of current portion | - |
| Claims liability for losses and loss adjustment expenses, net of current portion | - |
| Depository accounts | - |
| Net other postemployment benefits liability | - |
| Net pension liability | 141,802 |
| Other liabilities | - |
| | <hr/> |
| Total noncurrent liabilities | 153,262 |
| | <hr/> |
| Total liabilities | 203,826 |
| | <hr/> |
| Deferred inflows of resources: | |
| Service concession arrangements | - |
| Net pension liability | 32,267 |
| Net OPEB liability | - |
| Unamortized gain on debt refunding | - |
| Nonexchange transactions | - |
| Leases | - |
| Others | - |
| | <hr/> |
| Total deferred inflows of resources | 32,267 |
| | <hr/> |
| Net position: | |
| Net investment in capital assets | 1,408 |
| Restricted for: | |
| Nonexpendable – endowments | - |
| Expendable: | |
| Scholarships and fellowships | - |
| Research | - |
| Loans | - |
| Capital projects | - |
| Debt service | - |
| Others | - |
| Unrestricted | 2,345,893 |
| | <hr/> |
| Total net position | \$ 2,347,301 |
| | <hr/> <hr/> |

See accompanying Independent Auditors' Report.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
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 | | - |
| Local | | - |
| Nongovernmental | | - |
| Sales and services of educational activities | | - |
| Sales and services of auxiliary enterprises, gross | | - |
| Scholarship allowances (enter as negative) | | - |
| Lease other operating revenues | | - |
| Other operating revenues | | 1,706,033 |
| | | 1,706,033 |
| Total operating revenues | | 1,706,033 |

Expenses:

Operating expenses:

| | |
|------------------------------------|------------------|
| Instruction | - |
| Research | - |
| Public service | - |
| Academic support | - |
| Student services | 1,566,792 |
| Institutional support | - |
| Operation and maintenance of plant | - |
| Student grants and scholarships | 110,000 |
| Auxiliary enterprise expenses | - |
| Depreciation and amortization | 5,363 |
| | 5,363 |
| Total operating expenses | 1,682,155 |
| Operating income (loss) | 23,878 |

See accompanying Independent Auditors' Report.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

| | |
|--|---------------------|
| Nonoperating revenues (expenses): | |
| State appropriations, noncapital | - |
| Federal financial aid grants, noncapital | - |
| State financial aid grants, noncapital | - |
| Local financial aid grants, noncapital | - |
| Nongovernmental and other financial aid grants, noncapital | - |
| Other federal nonoperating grants, noncapital | - |
| Gifts, noncapital | - |
| Investment income (loss), net | 27,490 |
| Endowment income (loss), net | - |
| Interest expense | - |
| Other nonoperating revenues (expenses) - excl. interagency transfers | - |
| | <hr/> |
| Net nonoperating revenues (expenses) | 27,490 |
| | <hr/> |
| Income (loss) before other revenues (expenses) | 51,368 |
| | <hr/> |
| State appropriations, capital | - |
| Grants and gifts, capital | - |
| Additions (reductions) to permanent endowments | - |
| | <hr/> |
| Increase (decrease) in net position | 51,368 |
| Net position: | |
| Net position at beginning of year, as previously reported | 2,295,933 |
| Restatements | - |
| | <hr/> |
| Net position at beginning of year, as restated | 2,295,933 |
| | <hr/> |
| Net position at end of year | \$ 2,347,301 |
| | <hr/> <hr/> |

See accompanying Independent Auditors' Report.

**ASSOCIATED STUDENTS, INCORPORATED CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

2.2 Fair value hierarchy in investments:

| Investment Type | Fair Value | 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 | \$ - | | | | |
| Repurchase agreements | - | | | | |
| Certificates of deposit | - | | | | |
| U.S. agency securities | - | | | | |
| U.S. treasury securities | - | | | | |
| Municipal bonds | - | | | | |
| Corporate bonds | - | | | | |
| Asset backed securities | - | | | | |
| Mortgage backed securities | - | | | | |
| Commercial paper | - | | | | |
| Mutual funds | - | | | | |
| Exchange traded funds | - | | | | |
| Equity securities | - | | | | |
| Alternative investments: | | | | | |
| Private equity (including limited partnerships) | - | | | | |
| Hedge funds | - | | | | |
| Managed futures | - | | | | |
| Real estate investments (including REITs) | - | | | | |
| Commodities | - | | | | |
| Derivatives | - | | | | |
| Other alternative investment | - | | | | |
| Other external investment pools | | | | | |
| CSU Consolidated Investment Pool (formerly SWIFT) | 939,557 | | | | 939,557 |
| State of California Local Agency Investment Fund (LAIF) | 1,023,123 | | | | 1,023,123 |
| State of California Surplus Money Investment Fund (SMIF) | - | | | | |
| Other investments: | | | | | |
| Total Other investments | \$ - | | | | |
| Total investments | 1,962,680 | | | | 1,962,680 |

2.3 Investments held by the University under contractual agreements:

| | Current | Noncurrent | Total |
|---|---------|------------|---------|
| Investments held by the University under contractual agreements e.g - CSU Consolidated Investment Pool (formerly SWIFT): | 939,557 | \$ - | 939,557 |

See accompanying Independent Auditors' Report.

**ASSOCIATED STUDENTS, INCORPORATED CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

| Composition of lease assets: | Beg Balance 7/1/CY | Additions | Remeasurements | Reductions | End Balance 6/30/CY |
|---|-----------------------|-----------|----------------|------------|------------------------|
| Non-depreciable/Non-amortizable lease assets: | | | | | |
| Land and land improvements | - | - | - | - | - |
| Total non-depreciable/non-amortizable lease assets | - | - | - | - | - |
| Depreciable/Amortizable lease assets: | | | | | |
| Buildings and building improvements | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - |
| Infrastructure | - | - | - | - | - |
| Personal property: | | | | | |
| Equipment | - | - | - | - | - |
| Total depreciable/amortizable lease assets | - | - | - | - | - |
| Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number) | | | | | |
| Buildings and building improvements | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - |
| Infrastructure | - | - | - | - | - |
| Personal property: | | | | | |
| Equipment | - | - | - | - | - |
| Total accumulated depreciation/amortization | - | - | - | - | - |
| Total lease assets, net | \$ - | - | - | - | \$ - |
| 3.2 Detail of depreciation and amortization expense: | | | | | |
| Depreciation and amortization expense related to capital assets | \$ 5,363 | | | | |
| Amortization expense related to other assets | - | | | | |
| Total depreciation and amortization | \$ 5,363 | | | | |

See accompanying Independent Auditors' Report.

ASSOCIATED STUDENTS, INCORPORATED CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

| | | | | | | |
|---|----|---|---|--|----|---|
| 4. Long-term debt obligations: | | | | | | |
| 4.1 Auxiliary revenue bonds (non-SRB related) | \$ | - | - | | \$ | - |
| 4.2 Commercial paper | | - | - | | | - |
| 4.3 Notes payable (SRB related) | | - | - | | | - |
| 4.4 Others: | | - | - | | | - |
| | | - | - | | | - |
| | | - | - | | | - |
| | | - | - | | | - |
| Total others | | - | - | | | - |
| Sub-total long-term debt | | - | - | | \$ | - |
| 4.5 Unamortized net bond premium/(discount) | | - | - | | | - |
| Total long-term debt obligations | | - | - | | | - |

| | | | | | | |
|------------------------------------|--|--|--|--|--|---|
| 5. Lease Liabilities | | | | | | |
| Total long-term liabilities | | | | | | - |

| | | | | | | | |
|--------------------------|-------------------------------|------------------|-----------------------|-------------------|--------------------------------|------------------------|---------------------------|
| | Beg Balance 7/1/CY | Additions | Remeasurements | Reductions | End Balance 6/30/CY | Current Portion | Noncurrent Portion |
| Lease liabilities | | | | | | | |
| Total | \$ | - | - | - | \$ | - | - |

| | | | | | | | | | |
|---|---|----------------------|-------------------------------|------------------------------------|----------------------|-------------------------------|--------------------------------|----------------------|-------------------------------|
| 5 Lease Liabilities schedule: | Lease Liabilities related to SRB | | | All other lease liabilities | | | Total lease liabilities | | |
| | Principal Only | Interest Only | Principal and Interest | Principal Only | Interest Only | Principal and Interest | Principal Only | Interest Only | Principal and Interest |
| Year ending June 30: | | | | | | | | | |
| 2024 | - | - | - | - | - | - | - | - | - |
| 2025 | - | - | - | - | - | - | - | - | - |
| 2026 | - | - | - | - | - | - | - | - | - |
| 2027 | - | - | - | - | - | - | - | - | - |
| 2028 | - | - | - | - | - | - | - | - | - |
| 2029 - 2033 | - | - | - | - | - | - | - | - | - |
| 2034 - 2038 | - | - | - | - | - | - | - | - | - |
| 2039 - 2043 | - | - | - | - | - | - | - | - | - |
| 2044 - 2048 | - | - | - | - | - | - | - | - | - |
| 2049 - 2053 | - | - | - | - | - | - | - | - | - |
| Thereafter | - | - | - | - | - | - | - | - | - |
| Total minimum lease payments | \$ | - | - | - | - | - | - | - | - |
| Less: amounts representing interest | | | | | | | | | - |
| Present value of future minimum lease payments | | | | | | | | | - |
| Total lease liabilities | | | | | | | | | - |
| Less: current portion | | | | | | | | | - |
| Lease liabilities, net of current portion | | | | | | | | | \$ - |

See accompanying Independent Auditors' Report.

ASSOCIATED STUDENTS, INCORPORATED CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

6 Long-term debt obligations schedule:

| | Auxiliary revenue bonds (non-SRB related) | | | All other long-term debt obligations | | | Total long-term debt obligations | | |
|---|---|----------|------------------------|--------------------------------------|----------|------------------------|----------------------------------|----------|------------------------|
| | Principal | Interest | Principal and Interest | Principal | Interest | Principal and Interest | Principal | Interest | Principal and Interest |
| Year ending June 30: | | | | | | | | | |
| 2024 | | | - | | | - | | | - |
| 2025 | | | - | | | - | | | - |
| 2026 | | | - | | | - | | | - |
| 2027 | | | - | | | - | | | - |
| 2028 | | | - | | | - | | | - |
| 2029 - 2033 | | | - | | | - | | | - |
| 2034 - 2038 | | | - | | | - | | | - |
| 2039 - 2043 | | | - | | | - | | | - |
| 2044 - 2048 | | | - | | | - | | | - |
| 2049 - 2053 | | | - | | | - | | | - |
| Thereafter | | | - | | | - | | | - |
| Total minimum payments | \$ | - | - | - | - | - | - | - | - |
| Less: amounts representing interest | | | | | | | | | - |
| Present value of future minimum payments | | | | | | | | | - |
| Unamortized net premium/(discount) | | | | | | | | | - |
| Total long-term debt obligations | | | | | | | | | - |
| Less: current portion | | | | | | | | | - |
| Long-term debt obligations, net of current portion | | | | | | | | | - |

7 Transactions with related entities:

| | |
|--|---------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs | 224,869 |
| Payments to University for other than salaries of University personnel | 32,800 |
| Payments received from University for services, space, and programs | 30,952 |
| Gifts-in-kind to the University from discretely presented component units | |
| Gifts (cash or assets) to the University from discretely presented component units | |
| Accounts (payable to) University | 1,422 |
| Other amounts (payable to) University | |
| Accounts receivable from University | - |
| Other amounts receivable from University | |

See accompanying Independent Auditors' Report.

**ASSOCIATED STUDENTS, INCORPORATED CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

8 Restatements

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

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

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 | - | - | - | - | - | - | - | - |
| Academic support | - | - | - | - | - | - | - | - |
| Student services | 565,920 | 120,445 | 33,607 | (77,089) | - | 923,909 | - | 1,566,792 |
| Institutional support | - | - | - | - | - | - | - | - |
| Operation and maintenance of plant | - | - | - | - | - | - | - | - |
| Student grants and scholarships | - | - | - | - | 110,000 | - | - | 110,000 |
| Auxiliary enterprise expenses | - | - | - | - | - | - | - | - |
| Depreciation and amortization | - | - | - | - | - | - | 5,363 | 5,363 |
| Total operating expenses | \$ 565,920 | 120,445 | 33,607 | (77,089) | 110,000 | 923,909 | 5,363 | 1,682,155 |

ASSOCIATED STUDENTS, INCORPORATED CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

| | |
|---|--------------------------|
| Deferred outflows - unamortized loss on refunding(s) | - |
| Deferred outflows - net pension liability | 174,069 |
| Deferred outflows - net OPEB liability | - |
| Deferred outflows - others: | |
| Sales/intra-entity transfers of future revenues | |
| Gain/loss on sale leaseback | |
| Loan origination fees and costs | |
| Change in fair value of hedging derivative instrument | |
| Irrevocable split-interest agreements | |
| | |
| Total deferred outflows - others | <u>-</u> |
| Total deferred outflows of resources | <u>\$ 174,069</u> |

2. Deferred Inflows of Resources

| | |
|--|-------------------------|
| Deferred inflows - service concession arrangements | - |
| Deferred inflows - net pension liability | 32,267 |
| Deferred inflows - net OPEB liability | - |
| Deferred inflows - unamortized gain on debt refunding(s) | - |
| Deferred inflows - nonexchange transactions | - |
| Deferred inflows - others: | |
| Sales/intra-entity transfers of future revenues | |
| Gain/loss on sale leaseback | |
| Loan origination fees and costs | |
| Change in fair value of hedging derivative instrument | |
| Irrevocable split-interest agreements | |
| | |
| Total deferred inflows - others | <u>-</u> |
| Total deferred inflows of resources | <u>\$ 32,267</u> |

11 Other nonoperating revenues (expenses)

| | |
|---|--------------------|
| Other nonoperating revenues | - |
| Other nonoperating (expenses) | - |
| Total other nonoperating revenues (expenses) | <u>\$ -</u> |

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**INDEPENDENT AUDITORS' 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**

Board of Directors
Associated Students, Incorporated
California State University, San Bernardino
San Bernardino, 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, Incorporated of San Bernardino, 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the ASI's internal control over financial reporting (internal control) as a basis for designing the 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. 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 may exist that have not been identified.

Board of Directors
Associated Students, Incorporated
California State University, San Bernardino

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 determination of financial statement amounts. 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*.

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

CliftonLarsonAllen LLP

Glendora, California
September 29, 2023

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**ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2023**

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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