

Associated Students, Inc., California State University, Long Beach

Financial Statements and Supplemental Information

Year Ended June 30, 2023



ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Financial Statements and Supplemental Information

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
Associated Students, Inc., California State University, Long Beach

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Associated Students, Inc., California State University, Long Beach (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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, Inc., California State University, Long Beach 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 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, Long Beach 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, as of July 1, 2022, Associated Students, Inc. modified their bylaws which permitted the adoption of the generally accepted accounting principles as prescribed by the Financial Accounting Standards Board. The guidance was applied retrospectively as of July 1, 2022. Our opinion is not modified with respect to this matter.

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, Inc., California State University, Long Beach's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements, continued

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.

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, Long Beach'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, Long Beach'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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on page 19-30 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2023, on our consideration of Associated Students, Inc., California State University, Long Beach'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, Long Beach'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, Long Beach's internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

Brea, California
October 2, 2023

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH**Statement of Financial Position**June 30, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$	18,250,520
Accounts receivable		463,741
Accounts receivable - related parties		165,646
Inventory		6,721
Prepaid expenses		88,163
Total Current Assets		<u>18,974,791</u>

Noncurrent Assets:

Investments		3,634,029
Property and equipment, net of accumulated depreciation		4,678,426
Total Noncurrent Assets		<u>8,312,455</u>
Total Assets	\$	<u><u>27,287,246</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$	449,622
Accounts payable - related parties		347,441
Accrued expenses		1,441,316
Funds held for affiliates		1,583,114
Unearned revenues		111,946
Total Current Liabilities		<u>3,933,439</u>

Noncurrent Liabilities:

Post-retirement medical benefit obligation		3,658,434
Pension obligation		7,114,570
Total Noncurrent Liabilities		<u>10,773,004</u>
Total Liabilities		14,706,443

Net Assets - Without Donor Restrictions:

Invested in property and equipment		4,678,426
Undesignated		7,902,377
Total Net Assets - Without Donor Restrictions		<u>12,580,803</u>
Total Liabilities and Net Assets	\$	<u><u>27,287,246</u></u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Activities

Year Ended June 30, 2023

Revenue and Other Support Without Donor Restrictions:	
Student activity fees	\$ 16,695,146
Sales and services of auxiliary enterprises	2,368,690
Grants and contracts	682,569
Sales and services of educational activities	208,085
Other operating revenues	85,873
Total Operating Revenues	<u>20,040,363</u>
Operating Expenses:	
Program services	16,262,547
Supporting services - general and administrative	2,746,930
Total Operating Expenses	<u>19,009,477</u>
Change in Net Assets from Operations	1,030,886
Non-Operating Revenues (Expenses):	
Investment return, net	499,095
Pension related charges other than periodic pension cost	<u>(3,224,465)</u>
Total Non-Operating Expenses	<u>(2,725,370)</u>
Change in Net Assets	(1,694,484)
Cumulative Effect of Change in Accounting Principle (Note 12)	4,721,146
Net Assets - Without Donor Restrictions, beginning	<u>9,554,141</u>
Net Assets - Without Donor Restrictions, ending	<u>\$ 12,580,803</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services				Supporting Services		Total
	Student Programs	Student Union	Childcare Center	SRWC	Total Programs	General and Administrative	
Payroll	\$ 5,088,649	\$ 795,131	\$ 841,071	\$ 567,751	\$ 7,292,602	\$ 1,255,325	\$ 8,547,927
Benefits	1,157,993	468,685	350,934	213,788	2,191,400	379,430	2,570,830
Total Personnel	6,246,642	1,263,816	1,192,005	781,539	9,484,002	1,634,755	11,118,757
Services	1,022,210	1,281,131	18,741	130,879	2,452,961	643,962	3,096,923
Utilities	10,275	955,350	7,285	37,716	1,010,626	12,184	1,022,810
Supplies	173,872	378,662	87,353	91,098	730,985	22,463	753,448
Grants and scholarships	651,170	-	-	-	651,170	225	651,395
Depreciation	136,335	201,098	76,958	118,397	532,788	59,198	591,986
Repairs and maintenance	37,732	239,668	24,576	92,106	394,082	143,848	537,930
Student organization grants	528,667	-	-	-	528,667	-	528,667
Insurance	-	-	48,743	75,088	123,831	174,590	298,421
Miscellaneous	228,517	2,721	27,114	10,152	268,504	16,747	285,251
Events	45,837	6,098	4,783	28,213	84,931	38,958	123,889
Total Operating Expenses	9,081,257	4,328,544	1,487,558	1,365,188	16,262,547	2,746,930	19,009,477
Pension related charges other than net periodic pension cost	-	-	-	-	-	3,224,465	3,224,465
Total Expenses	\$ 9,081,257	\$ 4,328,544	\$ 1,487,558	\$ 1,365,188	\$ 16,262,547	\$ 5,971,395	\$ 22,233,942

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year Ended June 30, 2023

Cash Flows from Operating Activities:	
Change in net assets	\$ (1,694,484)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	591,986
Post-employment medical benefits gain	(631,411)
Realized and unrealized gain on investments	(499,095)
Noncash leasing cost	48,897
Changes in operating assets and liabilities:	
Accounts receivable	(508,553)
Inventory	1,493
Prepaid expenses	123,341
Accounts payable	(283,588)
Accrued expenses	868,162
Funds held for affiliates	160,424
Unearned revenues	106,246
Pension obligation	3,855,876
Net Cash Provided by Operating Activities	<u>2,139,294</u>
Cash Flows from Investing Activities:	
Proceeds from investments	2,576,296
Purchases of investments	(2,403,872)
Purchases of property and equipment	<u>(142,774)</u>
Net Cash Provided by Investing Activities	<u>29,650</u>
Net Increase in Cash and Cash Equivalents	2,168,944
Cash and Cash Equivalents, beginning	<u>16,081,576</u>
Cash and Cash Equivalents, ending	<u>\$ 18,250,520</u>
Supplemental Disclosures of Noncash Activities:	
Change pension obligation due to change in accounting principal	<u>\$ 664,068</u>
Change in lease receivable due to change in accounting principal	<u>\$ 1,217,184</u>
Change in post-retirement benefits obligation due to change in accounting principal	<u>\$ 2,839,894</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Notes to Financial Statements

Year Ended June 30, 2023

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

Associated Students, Inc., California State University, Long Beach (Associated Students) is a nonprofit, tax exempt, California State University auxiliary organization located on the campus of California State University, Long Beach (University). The University is one of 23 campuses in the California State University System (System). Associated Students was established to administer various student programs and activities which include the following significant operations:

1) Associated Students Operations

The charitable purpose of Associated Students is to promote and assist in carrying out the educational services of the student body and perform other functions related to the student activities of the University; promote and maintain a student self-government organization under the supervision of University officials for the purpose of providing essential activities closely related to, but not normally included as part of, the regular instructional program of the University, specifically designed to contribute to the development of leadership ability and the recreational and social needs of the students; to build, construct, lease, or purchase buildings, which may be necessary to carry out the purposes of the University; and, to apply funds and property coming within its possession toward furthering the education services and/or welfare of the students and to perform other functions related to the student activities of the University.

The mission of Associated Students is to facilitate the achievement of students' educational objectives and life goals through programs, services, and facilities that advocate for student needs and interests, compel student representation in campus decision making and provide students with resources that they identify as necessary for their intellectual, social and physical development.

Associated Students is the student government component of the campus and arranges for public speakers, music, bands, and other cultural and recreational events for the students' enjoyment. Associated Students' main purpose is to represent students' interests to the University administration and provide out-of-classroom experiences for students. Associated Students also provides miscellaneous services to students such as fax transmittals, notary public services, movie and amusement park ticket sales, and a food pantry.

2) Childcare Center Operations

The Isabel Patterson Child Development Center (Center) is a childcare facility operated by Associated Students on the campus of the University under a lease and operating agreement with the System. The Center provides the following programs:

- a) Associated Students component for fee-paying parents (students, staff, and faculty) who do not qualify for programs b) and c) described below.
- b) Full-day State Preschool Program – Under contract with the California State Department of Education, Office of Child Development.
- c) Child Care Food Program – Provides free and subsidized meals.
- d) Child Care Access Means Parents in School Program – Supports the participation of low-income parents in postsecondary education through the provision of campus-based childcare services.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Notes to Financial Statements

Year Ended June 30, 2023

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

Nature of Activities, continued

3) University Student Union (Union) Operations

Associated Students manages and maintains a building (Student Union) on behalf of the System and University campus. The building contains a food court operated under contract with outside vendors, a game room for student use, a bowling alley, administrative offices used by Associated Students, and a room to be used by student organizations as well as the Associated Students' Board Room. A variety of conference rooms are available in the building for use by the University and community organizations for a fee.

4) Student Recreation and Wellness Center Operations

The Student Recreation and Wellness Center (SRWC) is a 126,500-square-foot, two-story, state-of-the-art recreation facility located on the east side of the University campus. The facility is a hub for recreational activities, programs, and opportunities for intramural sports, fitness, and wellness services. The SRWC is managed by Associated Students, Inc. Recreation and is open to all University students, associates, and affiliates. The facility contains a three-court gym, a multi-activity court gym, indoor jogging track, 20,000 square feet of weight and cardio equipment, racquetball courts, activity rooms for group exercise, a custom-made rock-climbing wall, a wellness center, swimming pool and spa, as well as many other services. The SRWC is Leadership in Environmental and Energy Design (LEED) certified and offers many technological advances, such as biometric hand scanners for entry along with contactless building entry via a smart phone application, filtered water fountains, and flat screens with touch technology. Due to partial campus closures, the SRWC provided virtual and outdoor programming including virtual personal training and fitness programs, outdoor adventure events, and online health education courses.

Financial Statement Presentation

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

Associated Students reports contributions restricted by donors as increases in net assets without donor restrictions, if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Notes to Financial Statements

Year Ended June 30, 2023

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

Leases

Adoption of New Policy

Effective July 1, 2022, Associated Students 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 U.S. GAAP guidance on leases and requires substantially all leases to be reported on the statement of financial position as right-of-use assets and lease liabilities, as well as additional disclosures. Management has analyzed the provisions contained in ASC Topic 842 and determined that there is no impact on net assets as of July 1, 2022, due to the adoption of the new policy.

Use of Estimates

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

Cash and Cash Equivalents

Associated Students considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

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. Management believes that all accounts receivables are fully collectible, therefore, no allowance for doubtful accounts is considered necessary.

Inventory

Inventory consists of gifts, candy, and other food and supplies sold at the candy counter and snack shop. Inventory is stated at the lower of cost or net realizable value, and is determined on a first-in, first-out basis.

Investments

Investments are carried at fair value in the statement of financial position. Unrealized gains and losses are reflected in the change in net assets in the statement of activities.

Property and Equipment

Associated Students capitalizes all expenditures for vehicles, equipment and furniture, building, and building improvements in excess of \$10,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset of 3 to 40 years.

Funds Held for Affiliates

Associated Students receives and holds resources for student organizations on behalf of the University over which it does not have the unilateral (variance) power to redirect the use of the money without the approval of the student organization. Money held without variance power is classified as a liability in the statement of financial position.

Pension Liability

For purposes of measuring the net pension liability related to the pension, and pension expense, information about the fiduciary net assets of the CalPERS plan (Plan) and additions to/deductions from the Plan's fiduciary net assets has 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. Investments are reported at fair value.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Notes to Financial Statements

Year Ended June 30, 2023

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

Student Activity Fees

Each matriculated student at the University is required to pay student body fees each semester. These payments support Associated Students' operations and other activities and are collected by the University Business Office, who makes disbursements to Associated Students on a regular basis to cover its operating budget. Undisbursed funds are withheld by the University in a reserve account and can be requested by Associated Students on an as-needed basis. Associated Students records revenues from student activity fees based on cash requests made to the University during the year.

Additionally, each matriculated student is required to pay student body fees to service debt related to the construction of the Union and SRWC buildings and their operations. These funds are collected by the University Business Office. The System's Board of Trustees has the right of first call on these funds for revenue bond debt service requirements and repairs and replacement of plant assets, with remaining funds available for use in operating the Union for the benefit of the students.

Advertising

Associated Students follows the policy of charging the costs of advertising to expense as incurred.

Income Taxes

Associated Students 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, Associated Students 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.

Associated Students follows U.S. GAAP 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.

Fair Value Measurements

Accounting standards provide 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 below:

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, LONG BEACH

Notes to Financial Statements

Year Ended June 30, 2023

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

Fair Value Measurements, 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.

The carrying value of cash, receivables, and payables are approximate fair values as of June 30, 2023, due to the relative short maturities of these instruments.

Functional Allocation of Expenses

The Associated Students allocates its expenses on a functional basis among their various programs and support services. Expenses that can be identified with a specific program or support services are allocated directly according to their natural expenditure classification. Salaries and wages, employee benefits, employees' appreciation, professional services, service, training and travel are based on time and effort. Certain costs such as advertising and promotional, bad debts, bank and credit card fees, discounts and markdowns, postage, general expenses, inventory adjustments, subscriptions and dues and supplies are allocated based on estimated usage on general and administrative. Costs related to space include insurance, interest, repairs and maintenance which include maintenance of information and technology and other, telephone and data lines and utilities are allocated on a square footage basis.

Subsequent Events

Associated Students has evaluated subsequent events through October 2, 2023, which is the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

Associated students' financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 18,250,520
Accounts receivable	463,741
Accounts receivable - related parties	165,646
Investments	<u>3,634,029</u>
Total Financial Assets Available for General Operations	22,513,936
Less amounts not available to be used within one year:	
Funds held for affiliates	<u>(1,583,114)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 20,930,822</u>

Associated Students' financial assets have been reduced by funds held for affiliates of \$1,583,114. Since the amount is not available for general use. Associated Students maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

In addition to financial assets available to meet general expenditures over the next 12 months, Associated Students operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH**Notes to Financial Statements**Year Ended June 30, 2023

Note 3 - Investments

The fair market value of investments is categorized as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Money Market Funds	\$ 55,101	\$ -	\$ -	\$ -	\$ 55,101
Equities:					
Large cap - domestic	1,135,975	-	-	-	1,135,975
Mid cap - domestic	423,297	-	-	-	423,297
Large cap - foreign	353,946	-	-	-	353,946
Small cap - domestic	171,728	-	-	-	171,728
Mid cap - foreign	52,806	-	-	-	52,806
Small cap - foreign	22,519	-	-	-	22,519
Fixed Income:					
Government securities	-	464,094	-	-	464,094
Corporate bonds - domestic	102,764	-	-	-	102,764
Asset backed securities - domestic	2,048	-	-	-	2,048
Mutual Funds:					
Bond funds	779,613	-	-	-	779,613
REIT - domestic	70,138	-	-	-	70,138
	<u>\$ 3,169,935</u>	<u>\$ 464,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,634,029</u>

Note 4 - Property and Equipment

Property and equipment and the related accumulated depreciation consist of the following:

Leasehold improvements	\$ 6,570,876
Equipment	3,975,001
Building	70,757
Total cost	<u>10,616,634</u>
Total accumulated depreciation	<u>(5,938,208)</u>
Property and equipment, net	<u>\$ 4,678,426</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Notes to Financial Statements

Year Ended June 30, 2023

Note 5 - Operating Agreements

Associated Students leases space in the Student Union building to outside vendors for the operation of a food court and various other services with agreements ranging from 2 years to 5 years with varying optional extension periods expiring at various dates through August 2031, with interest rates between 0.28% and 1.423%.

Future minimum rent receipts are as follows:

Year Ended June 30,	Principal
2024	\$ 293,703
2025	284,968
2026	287,104
2027	279,451
2028	234,280
Thereafter	114,626
	<u>\$ 1,494,132</u>

Included in the above, Associated Students leased space to the University for Union use under a non-cancellable two-year agreement with a five-year option to extend at a monthly rate of \$9,827.

In addition, Associated Students leases space in the Student Union building to outside vendors with varying monthly payments based on sales volume and other factors listed in the contracts. Since these contracts do not contain payments that are fixed in substance, they do not meet the criteria for recognition in the statement of financial position. Associated Students also leases space on a short-term basis with contracts that do not meet the criteria for recognition in the statement of financial position. Leases with varying lease payments and short-term leases are recognized as revenue in the period in which the payments relate.

Associated Students recognized \$758,855 of revenue, included in sales and services of auxiliary enterprises on the statement of activities, for all leases during the year ended June 30, 2023.

Note 6 - Pension Plan (CalPERS)

Associated Students participates in a cost-sharing multiple-employer defined benefit plan through the California Public Employees' Retirement System plan (CalPERS) which covers substantially all regular salaried full-time employees of the Associated Students. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Associated Students' CalPERS Employer Identification Number is 2850490807.

CalPERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the California Public Employees' Retirement System Executive Office- 400 P Street - Sacramento, CA 95814.

The recorded unfunded pension liabilities at June 30, 2023, were derived from the most recent Accounting Valuation Reports provided by CalPERS. The measurement date for the report was June 30, 2022. Actuarial information as of June 30, 2023 is currently unavailable.

As of the measurement date, the plan was 87% funded. The plan's proportionate share of the fiduciary's unfunded accumulated net pension liability as of the measurement date was \$7,114,570.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Notes to Financial Statements

Year Ended June 30, 2023

Note 6 - Pension Plan (CalPERS), continued

Actuarial Assumptions – The total pension liability in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.80%
Inflation Rate	2.30%
Salary Increases	Varies by entry age and service
Investment Rate of Return	4.50%, net of pension plan investment expenses, including inflation
Mortality Rate Table	Derived using CalPERS Membership Data for all Funds
Post-Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.00% thereafter

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. 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. Associated Students is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2023 (the measurement date), the active employee contribution rate is 5.00% of annual pay for Tier 1 and Tier 2 and 8.25% of annual pay for PEPRA, and the average employer's contribution rate is 8.18% of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

For the year ended June 30, 2023, the employer and employee contributions were \$438,722 and \$15,300, respectively.

The following benefit payments, which reflect expected future service, are expected to be paid as follows:

Year Ending June 30,	Tier 1	Tier 2	PEPRA	Total
2023	\$ 520,756	\$ 12,471	\$ -	\$ 533,227
2024	539,767	19,188	8,634	567,589
2025	584,000	22,000	15,000	621,000
2026	626,000	26,000	20,000	672,000
2027	660,000	28,000	26,000	714,000
Thereafter	3,656,299	174,562	175,893	4,006,754
	<u>6,586,822</u>	<u>282,221</u>	<u>245,527</u>	<u>7,114,570</u>
Unfunded Accrued Liability (UAL)	7,108,047	295,205	253,559	7,656,811
Less:				
Current Year UAL Payment	<u>(521,225)</u>	<u>(12,984)</u>	<u>(8,032)</u>	<u>(542,241)</u>
Unfunded Accrued Liability (UAL)	<u>\$ 6,586,822</u>	<u>\$ 282,221</u>	<u>\$ 245,527</u>	<u>\$ 7,114,570</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Notes to Financial Statements

Year Ended June 30, 2023

Note 7 - Post-Retirement Medical Benefits

Associated Students provides post-retirement health care and dental insurance benefits for certain qualified retired employees. Only full-time salaried employees hired prior to January 1, 2013, that were participating in CalPERS as of January 1, 2013, that terminate employment after attaining five years of service time and have reached age 50 while working for Associated Students, are eligible for the plan.

As of June 30, 2023, the number of eligible retired employees participating in the plan is 44. Currently, there are 24 active employees that could be eligible to participate in the plan in the future.

The board of directors previously approved participation in the Auxiliary Multiple Employer VEBA, a consortium of CSU Auxiliary organizations organized to provide retiree health care benefits through a Voluntary Employees Benefit Organization (VEBA) recognized under 501(c)(9). During the year ending June 30, 2023, no contributions were made to the account. The assets of the VEBA Trust are invested primarily in equity and fixed income securities. The assets held in the VEBA Trust reduce the accumulated post retirement obligation, as reported in the statement of financial position. As of June 30, 2023, the VEBA trust held assets at fair market value of \$3,010,982.

As of June 30, 2023, the accumulated post-retirement benefit obligation amount has been accrued in the statement of financial position.

The following table sets forth the funded status of the plan reconciled to the recorded post-retirement benefits cost recognized in Associated Students' financial statements:

Accumulated Post Retirement Benefit Obligation	
Retirees	\$ 3,735,625
Active Employees	2,933,790
	<u>6,669,415</u>
Fair Value of Assets	3,010,982
Unfunded Accumulated Benefit Obligation	
Unamortized transition obligation	<u>3,658,433</u>
	<u>\$ 3,658,433</u>
Net periodic post retirement benefit cost	
Service cost	\$ 66,576
Interest cost	316,438
Expected return on assets	113,253
Amortization of unrecognized prior service cost	<u>361,650</u>
Net periodic benefit cost	<u>\$ 631,411</u>

The weighted average discount rate used in determining the accumulated post-retirement benefit obligation is 4.92%. The Consumer Price Index assumed is 1.99% less than the discount rate assumption. Medical costs are assumed to increase 7.00% during the year beginning July 1, 2022, with the rate of increase decreasing each year thereafter until the year beginning July 1, 2027, and thereafter the Medical Cost trend rate is assumed to be 5.00%.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Notes to Financial Statements

Year Ended June 30, 2023

Note 7 - Post-Retirement Medical Benefits, continued

Associated Students' policy is to have an actuarial study of the plan performed every 3 years. Associated Students had a study performed in 2023. The next study is expected to be performed for the fiscal year ending 2026. Associated Students performs its own estimates and assumptions in interim years, also taking into consideration past actuarial assumptions.

As of June 30, 2023, Associated Students' Post-Retirement Medical Benefit Obligation is underfunded by \$3,658,433. A corridor is not used to amortize any actuarial gains and losses.

Note 8 - Net Assets

Included in Associated Students' net asset without donor restrictions are amounts invested in property and equipment and Board designated reserve funds. Reserve funds are accounts that have been created by the Board of Directors for specific purposes.

Net assets without donor restrictions at June 30, 2023, are comprised of the following:

Invested in Property and Equipment	\$ 4,678,426
Undesignated Net Assets	<u>11,560,811</u>
	<u>\$ 16,239,237</u>

Note 9 - Contingencies

Grant Programs

The Center participates in Federal and State grant programs that are subject to review and audit by the grantor agencies, which could result in requests for reimbursement to grantor agencies for disallowed expenses. Management believes that it has adhered to the terms of its grants and that any disallowed expenses resulting from such review would not have a material effect on the statement of financial position of Associated Students.

Litigation

From time to time, Associated Students is subject to various litigation as a result of their activities. Management believes that the outcome of any such litigation will not have a material adverse effect on Associated Students' financial position, changes in net assets, or liquidity.

Note 10 - Transactions with Affiliates

Associated Students enters into transactions with the University. During the year ended June 30, 2023, Associated Students paid the University for salaries, utilities, information technology management, and reimbursements for special events and students' activities. Associated Students leased space to the University for Union use. Accounts payable and accrued expense balance includes amounts from accounts payable, accrued expenses, and the total balance of funds held for affiliates on the statement of financial position.

Payments made (received) were as follows:

Payments made to the University	\$ 1,848,332
Payments received from the University	<u>(17,559,816)</u>
Net payments received from the University	<u>\$ (15,711,484)</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Notes to Financial Statements

Year Ended June 30, 2023

Note 10 - Transactions with Affiliates, continued

Amounts receivable (payable) are as follows:

University:

Accounts receivable	\$	165,646
Accounts payable and accrued expenses	\$	(1,788,757)

Note 11 - Concentration of Credit Risk

Associated Students 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. The balance at times may exceed FDIC limits. Associated Students manages this risk by using high-quality financial institutions. In addition, Associated Students had \$17,723,181 deposited in the State Treasury's Local Agency Investment Fund (LAIF). Deposits in LAIF are guaranteed by the State of California. LAIF deposits are included in cash and cash equivalents on the statement of financial position.

Investments in LAIF

LAIF is a voluntary program created by statute as an alternative for California's local governments and special districts that allows them to participate in a major investment portfolio. It is under the administration of the California State Treasurer's Office. The investment is considered a cash equivalent as it is used to fund any operating deficit. Realized gains, losses, and interest income are included in investment return in the statement of activities. Associated Students' investments in LAIF are measured and reported at NAV. The investments in LAIF have no unfunded commitment, no redemption frequency, and no redemption notice period as of June 30, 2023.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Note 12 - Change in Accounting Principle

For the year ended June 30, 2022, Associated Students prepared its financial statements under U.S. GAAP as prescribed by the Governmental Accounting Standards Board. Reported. On July 1, 2022, Associated Students modified their bylaws which permitted the adoption of U.S. GAAP as prescribed by the Financial Accounting Standards Board. Due the adoption, Associated Students recognized a decrease in the beginning balance of lease receivable of \$1,217,184, a decrease in the beginning balance of pension obligation of \$664,068, a decrease in the beginning balance of unfunded post-retirement medical benefits of \$2,839,894, and an increase in the beginning balance of net assets of \$4,712,146.

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Schedule of Net Position

June 30, 2023

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	527,339
Short-term investments	17,723,181
Accounts receivable, net	629,387
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	94,884

Total current assets 18,974,791

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	3,634,029
Capital assets, net	4,678,426
Other assets	-

Total noncurrent assets 8,312,455

Total assets 27,287,246

Deferred outflows of resources:

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

Total deferred outflows of resources -

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH**Schedule of Net Position, continued**

June 30, 2023

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	797,063
Accrued salaries and benefits	1,041,202
Accrued compensated absences, current portion	400,114
Unearned revenues	111,946
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	1,583,114
Other liabilities	-
Total current liabilities	3,933,439

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
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	-
Net other postemployment benefits liability	3,658,434
Net pension liability	7,114,570
Other liabilities	-
Total noncurrent liabilities	10,773,004

Total liabilities**14,706,443****Deferred inflows of resources:**

P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-
Total deferred inflows of resources	-

See independent auditor's report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Schedule of Net Position, continued

June 30, 2023

(for inclusion in the California State University)

Net position:

Net investment in capital assets	4,678,426
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	<u>7,902,377</u>
Total net position	<u><u>12,580,803</u></u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH**Schedule of Revenues, Expenses, and Changes in Net Assets**

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	130,536
State	552,033
Local	-
Nongovernmental	-
Sales and services of educational activities	208,085
Sales and services of auxiliary enterprises, gross	2,368,690
Scholarship allowances (enter as negative)	-
Other operating revenues	16,781,019

Total operating revenues 20,040,363

Expenses:**Operating expenses:**

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	18,954,224
Institutional support	2,687,732
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	-
Depreciation and amortization	591,986

Total operating expenses 22,233,942

Operating income (loss) (2,193,579)

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH**Schedule of Revenues, Expenses, and Changes in Net Assets, continued**

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	499,095
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	-
	<hr/>
Net nonoperating revenues (expenses)	499,095
	<hr/>
Income (loss) before other revenues (expenses)	(1,694,484)
	<hr/>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
	<hr/>
Increase (decrease) in net position	(1,694,484)
Net position:	
Net position at beginning of year, as previously reported	9,554,141
Restatements	4,721,146
	<hr/>
Net position at beginning of year, as restated	14,275,287
	<hr/>
Net position at end of year	12,580,803
	<hr/> <hr/>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Other Information

June 30, 2023

(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	<u>-</u>
Current cash and cash equivalents	527,339
Total	<u>\$ 527,339</u>

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	55,101	55,101
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	464,094	464,094
Municipal bonds	-	-	-
Corporate bonds	-	102,764	102,764
Asset-backed securities	-	2,048	2,048
Mortgage-backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	-	779,613	779,613
Exchange-traded funds	-	-	-
Equity securities	-	2,160,271	2,160,271
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	70,138	70,138
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investments	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	17,723,181	-	17,723,181
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total other investments	-	-	-
Total investments	<u>17,723,181</u>	<u>3,634,029</u>	<u>21,357,210</u>
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	<u>\$ 17,723,181</u>	<u>3,634,029</u>	<u>21,357,210</u>

See independent auditor's report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Other Information

June 30, 2023

(for inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ 55,101	55,101	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	464,094	-	464,094	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	102,764	102,764	-	-	-
Asset-backed securities	2,048	2,048	-	-	-
Mortgage-backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	779,613	779,613	-	-	-
Exchange-traded funds	-	-	-	-	-
Equity securities	2,160,271	2,160,271	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	70,138	70,138	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investments	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	17,723,181	-	-	-	17,723,181
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total other investments	-	-	-	-	-
Total investments	\$ 21,357,210	3,169,935	464,094	-	17,723,181

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):	\$ -	-	\$ -

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Other Information

June 30, 2023

(for inclusion in the California State University)

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:	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
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	-	-	-	\$ -	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	\$ -	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	70,757	-	-	-	70,757	-	-	-	70,757
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	6,570,876	-	-	-	6,570,876	-	-	-	6,570,876
Personal property:									
Equipment	3,906,296	-	-	-	3,906,296	142,774	(74,069)	-	3,975,001
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	<u>10,547,929</u>	-	-	-	<u>10,547,929</u>	<u>142,774</u>	<u>(74,069)</u>	-	<u>10,616,634</u>
Total capital assets	\$ <u>10,547,929</u>	-	-	-	\$ <u>10,547,929</u>	<u>142,774</u>	<u>(74,069)</u>	-	<u>10,616,634</u>
Less accumulated depreciation/amortization:									
Buildings and building improvements	\$ (53,953)	-	-	-	(53,953)	(3,537)	-	-	(57,490)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(3,119,637)	-	-	-	(3,119,637)	(173,667)	-	-	(3,293,304)
Personal property:									
Equipment	(2,246,701)	-	-	-	(2,246,701)	(414,782)	74,069	-	(2,587,414)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	<u>(5,420,291)</u>	-	-	-	<u>(5,420,291)</u>	<u>(591,986)</u>	<u>74,069</u>	-	<u>(5,938,208)</u>
Total capital assets, net excluding ROU assets	\$ <u>5,127,638</u>	-	-	-	\$ <u>5,127,638</u>	<u>(449,212)</u>	-	-	<u>4,678,426</u>

See independent auditor's report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Other Information

June 30, 2023

(for inclusion in the California State University)

Capital Assets, Right of Use

<u>Composition of capital assets - Lease ROU, net:</u>	Balance June 30, 2022	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable lease assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - lease ROU, net	-	-	-	-	-	-	-	-	\$ -

<u>Composition of capital assets - SBITA ROU, net</u>	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Depreciable/Amortizable SBITA assets:									
Software	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	-	-	-	-	-	-	-	-	-

<u>Composition of capital assets - P3 ROU, net:</u>	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	-	-	-	-	-	-	-	-	\$ -

Total capital assets, net including ROU assets

\$ 4,678,426

See independent auditor's report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Other Information

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3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$	591,986
Amortization expense - Leases ROU		-
Amortization expense - SBITA ROU		-
Amortization expense - P3 ROU		-
Depreciation and Amortization expense - Others		-
Total depreciation and amortization	\$	591,986

4 Long-term liabilities:

	Balance		Prior Period	Balance				Balance		
	June 30, 2022	June 30, 2022	Adjustments/Reclassifications	June 30, 2022 (Restated)	Additions	Reductions	June 30, 2023	Current Portion	Noncurrent Portion	
1. Accrued compensated absences	\$ 349,657		-	349,657	50,457	-	400,114	400,114	-	
2. Claims liability for losses and loss adjustment expenses	-		-	-	-	-	-	-	-	
3. Capital lease obligations (pre-ASC 842):										
Gross balance	-		-	-	-	-	-	-	-	
Unamortized net premium/(discount)	-		-	-	-	-	-	-	-	
Total capital lease obligations (pre ASC 842)	-		-	-	-	-	-	-	-	
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 Finance purchase of capital assets	-		-	-	-	-	-	-	-	
4.5 Others:										
	-		-	-	-	-	-	-	-	
	-		-	-	-	-	-	-	-	
	-		-	-	-	-	-	-	-	
	-		-	-	-	-	-	-	-	
Total others	-		-	-	-	-	-	-	-	
Sub-total long-term debt	-		-	-	-	-	-	-	-	
4.6 Unamortized net bond premium/(discount)	-		-	-	-	-	-	-	-	
Total long-term debt obligations	\$ -		-	-	-	-	\$ -	-	-	

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

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5. Lease, SBITA, P3 liabilities:

	Balance June 30, 2022	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
Lease liabilities	-	-	-	-	-	-	-	-
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ -	\$ -	-	-	-	-	-	-
Total long-term liabilities						\$ 400,114	400,114	-

5 Future minimum payments schedule - leases, SBITA, P3:

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 Liabilities		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	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 payments	\$ -	-	-	-	-	-	-	-	-	-	-	-
Less: amounts representing interest												-
Present value of future minimum payments												-
Total Leases, SBITA, P3 liabilities												-
Less: current portion												-
Leases, SBITA, P3 liabilities, net of current portion												\$ -

6 Future minimum payments schedule - Long-term debt obligations:

	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	\$ 10,999
Payments to University for other than salaries of University personnel	1,537,333
Payments received from University for services, space, and programs	17,559,816
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	300,000
Accounts payable to University	(1,788,757)
Other amounts payable to University	-
Accounts receivable from University	165,646
Other amounts receivable from University	-

See independent auditor's report.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH

Other Information

June 30, 2023

(for inclusion in the California State University)

8 Restatements

Restatement #1	Enter transaction description	Debit/(Credit)
		\$ -
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	7,292,602	2,191,400	3,855,876	(631,411)	-	6,245,757	-	18,954,224
Institutional support	1,255,325	379,430	-	-	-	1,052,977	-	2,687,732
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	591,986	591,986
Total operating expenses	\$ 8,547,927	2,570,830	3,855,876	(631,411)	-	7,298,734	591,986	\$ 22,233,942

Select type of pension plan >>

Defined Benefit Plan

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	\$ -
Deferred outflows - net pension liability	-
Deferred outflows - net OPEB liability	-
Deferred outflows - leases	-
Deferred outflows - P3	-
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	-
Total deferred outflows of resources	\$ -

2. Deferred Inflows of Resources

Deferred inflows - P3 service concession arrangements	\$ -
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	-
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	-
Deferred inflows - leases	-
Deferred inflows - P3	-
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	-
Total deferred inflows of resources	\$ -

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	\$ -
Other nonoperating (expenses)	-
Total other nonoperating revenues (expenses)	\$ -

See independent auditor's report.

**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 Audit Committee
Associated Students, Inc., California State University, Long Beach

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, Long Beach (Associated Students), which comprise the statement of financial position as of June 30, 2023, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 2, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Associated Students' 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 Associated Students' internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students' 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Associated Students' financial statements are free of 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 audits, 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 Associated Students' 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.

Aldrich CPAs + Advisors LLP

Brea, California
October 2, 2023