

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

Financial Statements and Supplemental Information

Year Ended June 30, 2021



ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH
Financial Statements and Supplemental Information
Year Ended June 30, 2021

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Associated Students, Inc., California State University, Long Beach (a nonprofit organization, referred to as "Associated Students"), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, Inc., California State University, Long Beach as of June 30, 2021, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require management's discussion and analysis on pages 3 - 9, the schedule of Associated Students' proportionate share of net pension liability on page 28, the schedule of Associated Students' contributions on page 29, the schedule of funding progress and employer contributions for other post-employment benefits plan on page 30, and the schedule of changes in other post-employment benefit obligation liability on page 31 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information for the California State University Chancellor's Office, beginning on page 34, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2021, on our consideration of Associated Students' 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' 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' internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
September 17, 2021

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

Management's Discussion and Analysis

Year Ended June 30, 2021

This section of Associated Students, Inc., California State University, Long Beach (Associated Students) annual financial report includes some of management's insights and analyses of Associated Students' financial performance for the year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Introduction to the Basic Financial Statements

The annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. This standard is applicable to Associated Students because it is a component unit of California State University, Long Beach (University). Consistent with the University, Associated Students has adopted the business-type activity (BTA) reporting model to represent its activities.

The financial statements include: The statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. These statements are supported in the annual report by the notes to the financial statements and this section. All sections should be considered together to obtain a complete understanding of the financial picture of Associated Students.

Statement of Net Position: The statement of net position includes all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting as of the statement date. The difference between the two classifications is represented as "Net Position." This section of the statement identifies major categories of restrictions and reflects the overall financial position of Associated Students as a whole. Over time, increases and decreases in total net position can be an indicator of whether the financial health of the organization is improving or declining.

Statement of Revenues, Expenses, and Changes in Net Position: The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year on an accrual basis.

Statement of Cash Flows: The statement of cash flows presents the inflows and outflows of cash, summarized by operating, noncapital financing, capital and related financing, and investing activities. The statement is prepared using the direct method of cash flows, and therefore, presents gross rather than net amounts for the year's operating activities.

Notes to Financial Statements: This additional information is essential to a full understanding of the data reported in the basic financial statements.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH**Management's Discussion and Analysis**

Year Ended June 30, 2021

Analytical Overview

A summary of key financial statement information is presented below:

	2021	2020	Increase (Decrease)	Percent Change
Assets:				
Current assets	\$ 13,838,128	\$ 9,019,597	\$ 4,818,531	53%
Long-term investments	3,694,372	3,018,861	675,511	22%
Capital assets, net of accumulated depreciation	5,500,311	6,202,079	(701,768)	(11%)
Total Assets	23,032,811	18,240,537	4,792,274	26%
Deferred Outflows of Resources	2,055,171	1,262,555	792,616	63%
Liabilities:				
Current liabilities	2,450,103	2,508,720	(58,617)	(2%)
Other post-employment benefits liability	4,950,341	6,041,214	(1,090,873)	(18%)
Net pension liability	5,884,167	5,410,868	473,299	9%
Total Liabilities	13,284,611	13,960,802	(676,191)	(5%)
Deferred Inflows of Resources	4,220,026	4,038,146	181,880	5%
Net Position (Deficit):				
Net investment in capital assets	5,500,311	6,202,079	(701,768)	(11%)
Restricted for:				
Expendable:				
Capital projects	896,097	687,191	208,906	30%
Others	5,895,165	6,733,954	(838,789)	(12%)
Unrestricted	(4,708,228)	(12,119,080)	7,410,852	61%
Total Net Position	\$ 7,583,345	\$ 1,504,144	\$ 6,079,201	404%

The increase in the current assets results from the accumulation of cash receipts in excess of cash payments, which have been invested in the Local Agency Investment Fund (LAIF) until needed for expenditure. Due to the campus closure, there were fewer expenditures in many areas including student staff payroll, maintenance, cleaning, and contracted services, as well as the Isabel Patterson Child Development Center (IPCDC) and the Student Recreation and Wellness Center (SRCW).

The increase in long-term investments represents the increase in market value. The rate of return on investments was over 18% for both Associated Students (ASI) and the University Student Union (USU) during the year ended June 30, 2021.

The decrease in capital assets is due to the disposal of the assets for the Recycling Center which was closed during the fiscal year ended June 30, 2020. In addition, there were minimal acquisitions of additional capital assets during the fiscal year ending June 30, 2021 and the depreciation of the current capital assets further decreased their net book value.

The increase in the deferred outflows of resources is due a correction in the subsequent pension contribution and difference in proportions of pension expense as of June 30, 2021, while the decrease in other post-employment benefits (OPEB) liability is due to a \$550,000 contribution by ASI and USU made during the year combined with improved market conditions on the invested trust assets.

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

Management's Discussion and Analysis

Year Ended June 30, 2021

The increase in net position restricted for capital projects reflects the increase in accumulated depreciation expense on assets from previous fiscal year adjusted for a slight increase in the consumer price index (CPI).

Operating Results Years Ended June 30, 2021 and 2020

	2021	2020	Increase (Decrease)	Percent Change
Revenues:				
Operating revenues	\$ 16,119,607	\$ 16,771,512	\$ (651,905)	(4%)
Non-operating revenues	703,219	224,357	478,862	213%
Total Revenues	16,822,826	16,995,869	(173,043)	(1%)
Expenses:				
Operating expenses	10,743,625	16,386,273	(5,642,648)	(34%)
Change in Net Position	6,079,201	609,596	5,469,605	897%
Net Position, beginning	1,504,144	894,548	609,596	68%
Net Position, ending	\$ 7,583,345	\$ 1,504,144	\$ 6,079,201	404%

Operating revenues are a combination of student activity fees and revenues derived from programs, user fees, and services offered by Associated Students. Approximately 94% of operating revenues are student activity fees. The remaining 6% are revenues derived from programs and services. Although there was a slight increase in student activity fee revenues due to an increase in enrollment, the other operating revenues decreased as the facilities remained closed for majority of the fiscal year, including the SRWC, IPCDC, the shops, and gaming center.

The increase in non-operating revenues reflects an increase in unrealized gains on investments.

The decrease in operating expenses primarily resulted from the closure of the facilities which resulted in limited programs and services during the year.

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

Management’s Discussion and Analysis

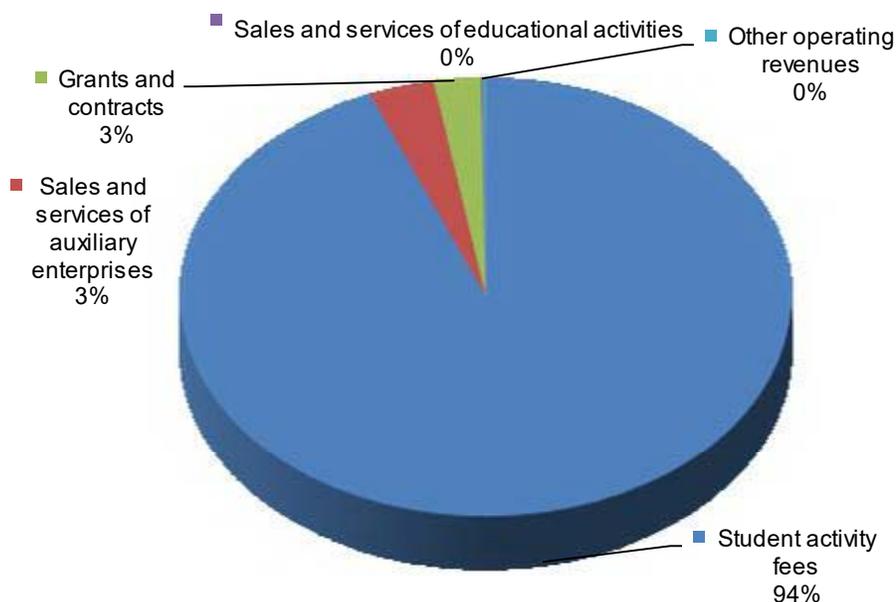
Year Ended June 30, 2021

Operating Revenues
Years Ended June 30, 2021 and 2020

The following is detail of operating revenues by source:

	2021	2020	Increase (Decrease)	Percent Change
Operating Revenues:				
Student activity fees	\$ 15,116,489	\$ 14,288,091	\$ 828,398	6%
Sales and services of auxiliary enterprises	557,632	1,822,824	(1,265,192)	(69%)
Grants and contracts	403,415	423,856	(20,441)	(5%)
Sales and services of educational activities	16,556	214,278	(197,722)	(92%)
Other operating revenues	25,515	22,463	3,052	14%
Total Operating Revenues	\$ 16,119,607	\$ 16,771,512	\$ (651,905)	(4%)

The following is a graphic illustration of 2021 operating revenues by source:



The increase in student activity fees is due to an increase in student enrollment.

Sales and services of auxiliary enterprises and sales and services of educational activities revenue both decreased due to closure of the University Student Union building (Union) and other facilities. As a result of the closure, minimal events took place in the buildings for the majority of the year and fewer lease payments were collected during that period.

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

Management's Discussion and Analysis

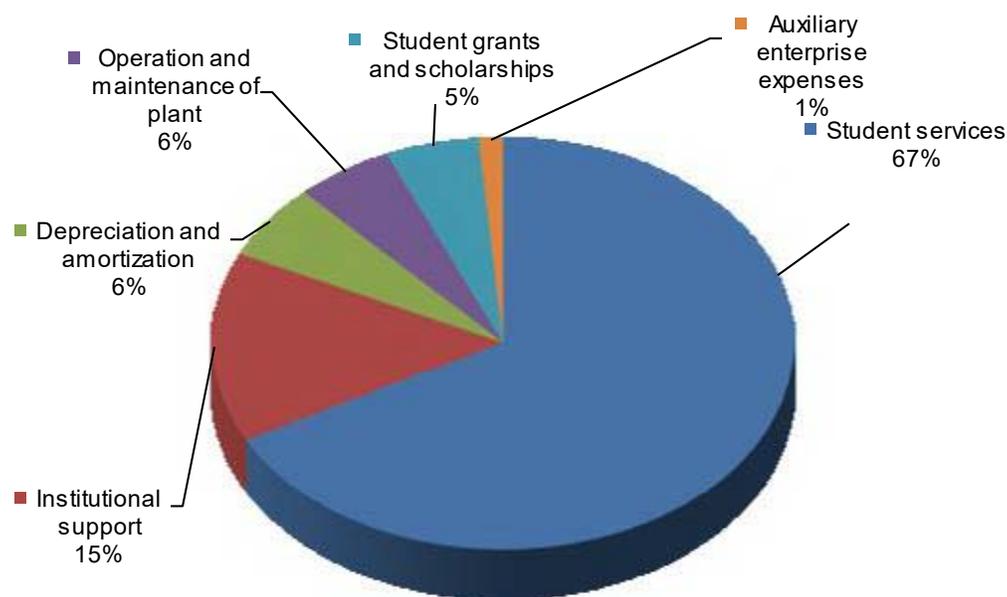
Year Ended June 30, 2021

Operating Expenses Years Ended June 30, 2021 and 2020

The following is detail of operating expenses:

	2021	2020	Increase (Decrease)	Percent Change
Operating Expenses:				
Student services	\$ 7,212,260	\$ 11,825,272	\$ (4,613,012)	(39%)
Institutional support	1,604,514	2,000,216	(395,702)	(20%)
Depreciation and amortization	637,015	601,691	35,324	6%
Operation and maintenance of plant	583,323	637,493	(54,170)	(8%)
Student grants and scholarships	561,030	727,784	(166,754)	(23%)
Auxiliary enterprise expenses	145,483	593,817	(448,334)	(76%)
Total Operating Expenses	\$ 10,743,625	\$ 16,386,273	\$ (5,642,648)	(34%)

The following is a graphic illustration of 2021 operating expenses:



The decrease in operating expenses across the board is mainly due to less activities resulting from the closure of facilities. There were also fewer student employees employed and fewer contracted cleaning services throughout the year.

Increase in depreciation and amortization expense is attributed to the mechanical, electrical, and plumbing (MEP) project which was finalized last year and began depreciating.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH**Management's Discussion and Analysis**

Year Ended June 30, 2021

Cash Flows
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Net cash provided (used) by:				
Operating activities	\$ 3,745,928	\$ 1,797,162	\$ 1,948,766	108%
Capital and related financing activities	(113,570)	(1,184,167)	1,070,597	90%
Investing activities	<u>206,031</u>	<u>238,257</u>	<u>(32,226)</u>	(14%)
 Net Increase in Cash and Cash Equivalents	 3,838,389	 851,252	 2,987,137	 351%
 Cash and cash equivalents, beginning	 <u>8,790,916</u>	 <u>7,939,664</u>	 <u>851,252</u>	 11%
Cash and cash equivalents, ending	<u>\$ 12,629,305</u>	<u>\$ 8,790,916</u>	<u>\$ 3,838,389</u>	44%

The increase in net cash provided by operating activities results from decreased operating expenditures due to the closure of the facilities. This allowed for a higher cash balance to be maintained in the bank accounts.

Investments in capital improvements was relatively low during this fiscal year due to management suspending nonessential capital projects as part of its strategy for managing resources during the coronavirus pandemic. This resulted in a net decrease in cash used by capital and related financing activities from prior year.

The decrease in net cash provided by investing activities reflects the increased purchasing of equities and other investments to take advantage of the strong market performance.

Capital Assets, Net
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Capital Assets:				
Leasehold improvements	\$ 6,570,876	\$ 6,587,808	\$ (16,932)	(0%)
Equipment	3,674,486	3,792,712	(118,226)	(3%)
Building	<u>70,757</u>	<u>277,950</u>	<u>(207,193)</u>	(75%)
 Total	 10,316,119	 10,658,470	 (342,351)	 (3%)
 Less Accumulated Depreciation	 <u>(4,815,808)</u>	 <u>(4,456,391)</u>	 <u>(359,417)</u>	 (8%)
Net Capital Assets	<u>\$ 5,500,311</u>	<u>\$ 6,202,079</u>	<u>\$ (701,768)</u>	(11%)

Investment in capital improvements was relatively low during this fiscal year as no new large projects were undertaken. The decrease in buildings resulted from the disposal of the Recycling Center's mobile office.

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

Management's Discussion and Analysis

Year Ended June 30, 2021

Net Position June 30, 2021 and 2020

	2021	2020	Increase (Decrease)	Percent Change
Net Position (Deficit):				
Net investment in capital assets	\$ 5,500,311	\$ 6,202,079	\$ (701,768)	(11%)
Restricted for:				
Expendable:				
Capital projects	896,097	687,191	208,906	30%
Others	5,895,165	6,733,954	(838,789)	(12%)
Unrestricted	<u>(4,708,228)</u>	<u>(12,119,080)</u>	<u>7,410,852</u>	61%
Total Net Position	<u>\$ 7,583,345</u>	<u>\$ 1,504,144</u>	<u>\$ 6,079,201</u>	404%

Associated Students' total net position has increased as a result of operating revenues exceeding operating expenses and an increase in unrealized gains from investments. As is the case with many businesses and organizations worldwide, the novel coronavirus (COVID-19) pandemic has had a significant impact on the operations and financial position of Associated Students. Despite this, management's efforts to decrease expenditures has resulted in the change in net position for the year remaining positive.

Contacting the Associated Students' Financial Management

The Associated Students' financial report is designed to provide the Associated Students' Board of Directors, management, legislative and oversight agencies, citizens and customers with an overview of the California State University, Long Beach, Associated Students, Inc.'s finances and to demonstrate its accountability for funds received. For additional information about this report, please contact Miles Nevin, Ed.D., Executive Director at 1212 Bellflower Blvd., Long Beach, CA 90815.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH**Statement of Net Position**June 30, 2021

ASSETS

Current Assets:

Cash and cash equivalents	\$ 12,629,305
Related party accounts receivable	1,069,723
Other current assets	139,100
Total Current Assets	<u>13,838,128</u>

Noncurrent Assets:

Long-term investments	3,694,372
Capital assets, net of accumulated depreciation	5,500,311
Total Noncurrent Assets	<u>9,194,683</u>
Total Assets	<u>23,032,811</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources:

Net pension liability	1,336,040
Net other post-employment benefits liability	719,131
Total Deferred Outflows of Resources	<u>2,055,171</u>

LIABILITIES

Current Liabilities:

Accounts payable	546,472
Accrued expenses	504,575
Funds held for affiliates	1,399,056
Total Current Liabilities	<u>2,450,103</u>

Noncurrent Liabilities:

Net other post-employment benefits liability	4,950,341
Net pension liability	5,884,167
Total Noncurrent Liabilities	<u>10,834,508</u>
Total Liabilities	<u>13,284,611</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources:

Net pension liability	688,664
Net other post-employment benefits liability	3,531,362
Total Deferred Inflows of Resources	<u>4,220,026</u>

NET POSITION (DEFICIT)

Net investment in capital assets	5,500,311
Restricted for:	
Expendable:	
Capital projects	896,097
Others	5,895,165
Unrestricted	<u>(4,708,228)</u>
Total Net Position	<u>\$ 7,583,345</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH**Statement of Revenues, Expenses, and Changes in Net Position**Year Ended June 30, 2021

Operating Revenues:

Student activity fees	\$ 15,116,489
Sales and services of auxiliary enterprises	557,632
Grants and contracts	403,415
Sales and services of educational activities	16,556
Other operating revenues	<u>25,515</u>
Total Operating Revenues	<u>16,119,607</u>

Operating Expenses:

Student services	7,212,260
Institutional support	1,604,514
Depreciation and amortization	637,015
Operation and maintenance of plant	583,323
Student grants and scholarships	561,030
Auxiliary enterprise expenses	<u>145,483</u>
Total Operating Expenses	<u>10,743,625</u>

Operating Income 5,375,982

Non-Operating Revenues (Expenses):

Investment return, net	881,540
Loss of disposal of capital assets	<u>(178,321)</u>
Total Non-Operating Revenues	703,219

Change in Net Position 6,079,201

Net Position, beginning	<u>1,504,144</u>
Net Position, ending	<u>\$ 7,583,345</u>

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH**Statement of Cash Flows**Year Ended June 30, 2021

Cash Flows from Operating Activities:	
Student activity fees	\$ 14,064,174
Sales and services of auxiliary enterprises	537,330
Sales and services of educational activities	17,071
Other operating revenues	484,370
Payments to employees	(7,749,636)
Payments to suppliers	(3,046,351)
Payments to students	(561,030)
	<hr/>
Net Cash Provided by Operating Activities	3,745,928
Cash Flows Used by Capital and Related Financing Activities:	
Acquisitions of capital assets	(113,570)
Cash Flows from Investing Activities:	
Proceeds from investments	2,203,195
Purchases of investments	(1,997,164)
	<hr/>
Net Cash Provided by Investing Activities	206,031
	<hr/>
Net Increase in Cash and Cash Equivalents	3,838,389
Cash and Cash Equivalents, beginning	<hr/>
	8,790,916
Cash and Cash Equivalents, ending	\$ <hr/> <hr/>
	12,629,305
Cash Flows from Operating Activities:	
Operating income	\$ 5,375,982
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	637,015
Pension loss	(182,679)
Other post-employment benefits gain	(1,045,631)
Changes in operating assets and liabilities:	
Related party accounts receivable	(1,064,460)
Other current assets	84,318
Accounts payable	(113,524)
Accrued expenses	44,784
Funds held for affiliates	17,173
Unearned revenues	(7,050)
	<hr/>
Net Cash Provided by Operating Activities	\$ <hr/> <hr/>
	3,745,928

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

Notes to Financial Statements

Year Ended June 30, 2021

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 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. Due to campus closures, the Center provided virtual programming for the majority of the year ended June 30, 2021. When the Center reopened in April 2021, it resumed operation of 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, 2021

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 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, filtered water fountains, and flat screens with touch technology. Due to campus closures, the SRWC was unable to provide many of these services during the fiscal year ended June 30, 2021 but instead provided virtual and outdoor programming including virtual personal training and fitness programs, outdoor adventure events, and online health education courses.

Financial Reporting Entity

The basic financial statements include the accounts of Associated Students. Associated Students is a government organization under accounting principles generally accepted in the United States of America (US GAAP) and is also a component unit of the University. Associated Students has chosen to use the reporting model for special-purpose governments engaged only in business-type activities.

Basis of Presentation

The basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with US GAAP as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Voluntary non-exchange transactions are recognized as revenue as soon as all eligibility requirements have been met.

Use of Estimates

The preparation of financial statements in conformity with US 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 receivable are fully collectible, therefore, no allowance for doubtful accounts is considered necessary.

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

Notes to Financial Statements

Year Ended June 30, 2021

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

Inventory

Inventory, which is included in other current assets on the Statement of Net Position, 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 net position. Unrealized gains and losses are reflected in the change in net position in the statement of revenues, expenses, and changes in net position.

Capital Assets

Acquisitions of capital assets of \$10,000 or more are capitalized. Capital assets are stated at cost or, if donated, at the approximate fair market value at the date of donation. Expenditures for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of three 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 net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 6 and 7 to the financial statements.

In addition to liabilities, the statement of net financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and thus, will not be recognized as revenue until then. See Notes 6 and 7 to the financial statements.

Other Post-Employment Benefits (OPEB)

The annual OPEB cost reported in the accompanying financial statements is equal to the annual required contributions (ARC) of Associated Students plus or minus ARC adjustments and interest. The ARC is calculated using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The OPEB obligation at June 30, 2021 is determined by adding the annual OPEB cost to the net OPEB obligation at the beginning of the year and deducting any contributions to the plan during the year.

Pension Liability

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to the pension, and pension expense, information about the fiduciary net position of the California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position 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.

Net Position

Associated Students' net position is classified into the following categories:

- Net investment in capital assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted – expendable: Amounts subject to externally imposed conditions that can be fulfilled by the actions of Associated Students.
- Unrestricted: All other categories of net position.

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

Notes to Financial Statements

Year Ended June 30, 2021

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

Net Position, continued

The purpose of restricted – expendable net position (reserves) is to ensure the stability of the mission, programs, employment, and ongoing operations of Associated Students. The reserves are intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or sudden reductions in enrollment. In determining the amount of funds to be held in reserve, Associated Students employs a risk-based approach that examines plausible risks associated with the current operations of Associated Students. These reserves are not intended to replace a permanent loss of funds or to eliminate an ongoing budget gap.

In the event any of the reserves fall below their targeted reserve levels, the shortfall must be eliminated within a minimum of three years, with at least one third of the deficit balance being funded in the each of the three subsequent years' operating budgets, until the reserve is restored to the target balance.

Classification of Revenues and Expenses

Associated Students considers operating revenues and expenses in the statement of revenues, expenses, and changes in net position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly with Associated Students' primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as non-operating revenues and expenses in accordance with GASB Statement No. 35. These non-operating activities include Associated Students' net investment income.

Student Activity Fees

Each matriculated student of 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. In addition, Associated Students qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). 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 US 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 revenues, expenses, and changes in net position, when applicable. Management has determined that Associated Students has no uncertain tax positions at June 30, 2021 and therefore no amounts have been accrued.

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

Notes to Financial Statements

Year Ended June 30, 2021

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

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.

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, 2021, due to the relative short maturities of these instruments.

Subsequent Events

Associated Students has evaluated subsequent events through September 17, 2021, which is the date the financial statements were available to be issued.

Note 2 - Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 3 - 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, the Associated Students had \$12,188,931 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 net 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 revenues, expenses, and changes in net position. 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, 2021.

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

Notes to Financial Statements

Year Ended June 30, 2021

Note 3 - Concentration of Credit Risk, continued

Investments in LAIF, continued

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 net position.

Note 4 - Investments

Associated Students' investment policy is to earn a rate of return consistent with a safety objective of 100% preservation of capital. Associated Students can invest in the following:

- Repurchase agreements using U.S. Government or any of its agencies
- U.S. Treasury and Federal agency securities with maturities of one year or less
- Banker's acceptances eligible for purchase by the Federal Reserve
- Certificates of deposit (not to exceed \$100,000 per institution)
- Equities (with market capitalization in excess of \$100 million or foreign entities, real estate investment trusts, and commodities up to 15% of the asset allocation)
- Notes and bonds due in one year or less (not rated less than P-1 or A-1 by Moody's or Standard & Poor's)
- Money market accounts
- Mutual funds
- Local Agency Investment Fund (LAIF)

Long-term investments consist of the following:

Equities	\$ 2,276,876
Fixed Income	220,296
Mutual Funds	641,788
Real Estate Investment Trusts (REIT)	555,412
	<u>\$ 3,694,372</u>

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>
Equities:					
Small cap - domestic	\$ 168,425	\$ -	\$ -	\$ -	168,425
Mid cap - domestic	130,679	-	-	-	130,679
Large cap - domestic	1,622,959	-	-	-	1,622,959
Small cap - foreign	6,468	-	-	-	6,468
Large cap - foreign	348,345	-	-	-	348,345
Fixed Income:					
Corporate bonds - domestic	215,875	-	-	-	215,875
Asset backed securities - domestic	4,421	-	-	-	4,421
Mutual Funds:					
Bond funds	641,788	-	-	-	641,788
REIT - domestic	555,412	-	-	-	555,412
	<u>\$ 3,694,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,694,372</u>

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

Notes to Financial Statements

Year Ended June 30, 2021

Note 5 - Capital Assets

Capital assets consist of the following:

Description	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Cost:				
Leasehold improvements	\$ 6,587,808	\$ 29,410	\$ (46,342)	\$ 6,570,876
Equipment	3,792,712	84,160	(202,386)	3,674,486
Building	277,950	-	(207,193)	70,757
Total cost	10,658,470	113,570	(455,921)	10,316,119
Total accumulated depreciation	4,456,391	637,015	(277,598)	4,815,808
Capital assets, net	\$ 6,202,079	\$ (523,445)	\$ (178,323)	\$ 5,500,311

Note 6 - Other Post-Employment Benefits (OPEB) Plan

General Information about the OPEB Plan

Plan Description – Associated Students participates in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association) Trust to fund the cost of health and welfare benefits provided to its employees, who have completed one month of continuous employment, defined as having worked 11 full days within one month, with group health insurance under a postretirement benefit plan. Associated Students' employees who reach age 50 with 10 years of full-time employment are eligible to receive lifetime medical and dental insurance coverage upon retirement. Spouses of eligible retirees are also eligible for life.

Eligibility and Benefits Provided – Associated Students pays a portion of the health care premium for an eligible retiree and an eligible retiree plus spouse. Eligibility is determined as at least 50 years of age with five years of service. Associated Students' portion of the health care premium is multiplied by a percentage factor as defined in the following table, but not to exceed the Associated Students' dollar maximum as defined in the funding policy below.

Plan	Percentage Factor
I (Unequal Method)	5% multiplied by the number of calendar years from 8/1/2000 (including 2000) until the year of contribution (to a maximum of 20 years)
II (Vesting Schedule)	5% multiplied by the number of years of service at retirement with the following limits of the definition of "number of years of service at retirement" Minimum – 10 Maximum – 20

Plan I contains all participants who are not in Plan II. Plan II contains: a) all participants hired on or after July 1, 2003, b) all participants hired before July 1, 2003 and retired prior to August 1, 2000, and c) all participants hired before July 1, 2003 and retired on or after August 1, 2000, if elected such plan. Employees hired on or after January 1, 2013 are ineligible for benefits under the defined benefit healthcare plan for retirees.

Funding Policy – For the year ended June 30, 2021, Associated Students' share of the monthly medical premiums was limited to \$798 (single), \$1,519 (two parties), and \$1,937 (families). For the year ended June 30, 2021, Associated Students' share of the monthly dental premiums was limited to \$18 (single), \$30 (two parties), and \$44 (families) for its HMO plan and \$60 (single), \$114 (two parties), \$179 (families), and \$124 (single adult and children) for its PPO plan. Retirees are responsible for premiums in excess of Associated Students' share.

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

Notes to Financial Statements

Year Ended June 30, 2021

Note 6 - Other Post-Employment Benefits (OPEB) Plan, continued

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

Associated Students' contribution to the defined benefit healthcare plan is annually approved by the Business and Finance Committee. During the fiscal year ended June 30, 2021, Associated Students made \$550,000 of contributions to the VEBA Trust. In addition, Associated Students paid \$182,680 for retiree benefit expenses in the fiscal year ended June 30, 2021.

Associated Students' annual OPEB cost is an amount actuarially determined in accordance with GASB Statement No. 75. The actuarially determined contribution (ADC) is an amount actuarially determined by the Actuarial Standards of Practice and applicable Federal and State laws. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

At June 30, 2021, Associated Students reported a net OPEB liability of \$4,950,341 per the GASB actuarial report. The net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019. The total plan fiduciary net position (assets) as a percentage of the total OPEB liability was 40% or \$ 3,335,586 as of June 30, 2021.

The census data as of June 2021 used in the measurement of the total OPEB liability included 29 active members, average age of 50 and average years of service of 15, and 15 retired members including eight under age 65, seven age 65 and over, and an average age of 66, for a grand total of 44.

For the year ended June 30, 2021, Associated Students recognized OPEB recovered expense of \$1,045,631. At June 30, 2021, Associated Students reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 48,946	\$ (3,069,955)
Net difference between projected and actual earnings on investments	11,990	(421,385)
Adjustments due to changes in assumptions	<u>658,195</u>	<u>(40,022)</u>
	<u>\$ 719,131</u>	<u>\$ (3,531,362)</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB resulting from employer contributions and withdrawals subsequent to the measurement date will be recognized as a net reduction of the net OPEB liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2022	\$ (453,055)
2023	(446,890)
2024	(448,414)
2025	(451,396)
2026	(347,593)
Thereafter	<u>(664,883)</u>
	<u>\$ (2,812,231)</u>

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

Notes to Financial Statements

Year Ended June 30, 2021

Note 6 - Other Post-Employment Benefits (OPEB) Plan, continued

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB, continued

Actuarial Assumptions – The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Valuation Date	July 1, 2019
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.85% based on a blend of the long-term investment return on the OPEB Trust assets and June 2021 Bond Buyer 20-Bond General Obligation Index
Inflation Rate	2.00%
Salary Increases	3.00%
Investment Rate of Return	4.30% based on a blend of the long-term investment return on the OPEB Trust assets and June 2019 Bond Buyer 20-Bond General Obligation Index
Mortality Rate	RP 2014 Mortality Table projected to 2024 with Scale BB
Premium Increases	7.00% initial rates; 5.00% ultimate rate; five-year grading period

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Associated Students, calculated using the discount rate of 3.85%, as well as what the Associated Students' net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.85%) or one percentage-point higher (4.85%) than the current rate:

Discount Rate -1% (2.85%)	
Net OPEB Liability	\$ 6,700,329
Current Discount Rate (3.85%)	
Net OPEB Liability	\$ 4,950,341
Discount Rate +1% (4.85%)	
Net OPEB Liability	\$ 3,617,964

Sensitivity of the Net OPEB Liability to Changes in the Trend Rate – The following presents the net OPEB liability of the Associated Students, calculated using the trend rate of 7.00%, as well as what the Associated Students' net OPEB liability would be if it were calculated using a trend rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

Trend Rate -1% (6.00%)	
Net OPEB Liability	\$ 3,550,848
Current Trend Rate (7.00%)	
Net OPEB Liability	\$ 4,950,341
Trend Rate +1% (8.00%)	
Net OPEB Liability	\$ 6,760,816

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

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

Notes to Financial Statements

Year Ended June 30, 2021

Note 7 - Pension Plan

General Information about the Pension Plan

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Associated Students miscellaneous cost-sharing multiple-employer defined benefit pension plan (Plan) administered by CalPERS. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<u>Tier 1</u>	<u>Tier 2</u>	<u>PEPRA</u>
Hire date	3/1/1967	10/1/2008	1/1/2013
Benefit formula	2.00% @ 55	2.00% @ 60	2.00% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly	Monthly	Monthly
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	2.00%	2.00%	2.00%
Required employee contribution rates	5.00%	5.00%	7.88%
Required employer contribution rates	13.746%	11.442%	7.250%

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, 2020 (the measurement date), the active employee contribution rate is 5.00 percent of annual pay for Tier 1 and Tier 2 and 7.88 percent of annual pay for PEPRA, and the average employer's contribution rate is 10.81 percent 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, 2021, the contributions paid to the Plan were as follows:

Contributions - employer	\$	373,210
Contributions - employee (paid by employer)	\$	17,600

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

Notes to Financial Statements

Year Ended June 30, 2021

Note 7 - Pension Plan, continued

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, Associated Students reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

Net Pension Liability	\$ 5,884,167
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The Associated Students net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. Associated Students' proportion of the net pension liability was based on a projection of Associated Students' long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. Associated Students' proportionate share of the net pension liability for each Plan as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.13512%
Proportion - June 30, 2020	0.13950%
Change - Increase	0.00438%

For the year ended June 30, 2021, Associated Students recognized pension expense of \$1,092,798. At June 30, 2021, Associated Students reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 273,756	\$ -
Adjustments due to changes in assumptions	-	(37,890)
Adjustments due to difference in actual and projected contributions	-	(547,278)
Adjustments due to difference in proportions	531,265	(103,496)
Net differences between projected and actual earnings on plan investments	157,809	-
Net pension contributions subsequent to measurement date	373,210	-
	<u>\$ 1,336,040</u>	<u>\$ (688,664)</u>

The \$373,210 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. All other deferred inflows of resources or deferred outflows of resources are amortized over the expected remaining service life (EARSL) of the plan participants. The EARSL for the June 30, 2020 measurement date is 3.8 years. Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,		
2021	\$	526,502
2022		(30,759)
2023		75,944
2024		75,689
	\$	<u>647,376</u>

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

Notes to Financial Statements

Year Ended June 30, 2021

Note 7 - Pension Plan, continued

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation Rate	2.50%
Salary Increases	Varies by entry age and service
Investment Rate of Return	5.00%, 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 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return including administrative expenses would have been 6.50%. Using this higher discount rate has resulted in a slightly lower Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Notes to Financial Statements

Year Ended June 30, 2021

Note 7 - Pension Plan, continued

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (1)	Real Return Years 11+ (2)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00	1.00	2.62
Inflation Assets	0.00	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Infrastructure and Forestland			
Liquidity	1.00	0.00	(0.92)

(1) An expected inflation of 2.00% used for this period.

(2) An expected inflation of 2.92% used for this period.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Associated Students' for each Plan, calculated using the discount rate of 7.15%, as well as what the Associated Students' net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

Discount Rate -1% (6.15%)		
Net Pension Liability	\$	9,460,134
Current Discount Rate (7.15%)		
Net Pension Liability	\$	5,884,167
Discount Rate +1% (8.15%)		
Net Pension Liability	\$	3,002,189

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Note 8 - Operating Leases

Associated Students leases space in the Union building to outside vendors for the operation of a food court. Leases with the vendors expire at various dates through August 2031. The monthly payments vary based on sales volume and other factors included in the contracts. Future minimum lease payments expected to be received are as follows:

Year Ended		
June 30,		
2022	\$	220,016
2023		99,495
2024		89,390
2025		84,699
2026		82,226
Thereafter		188,803
	\$	<u>764,629</u>

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

Notes to Financial Statements

Year Ended June 30, 2021

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 net 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 position, or liquidity.

Coronavirus Pandemic

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States of America (U.S.) has caused business disruption through mandated and voluntary closings of businesses and shelter-in-place orders, including California, where Associated Students is headquartered. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of business closures, shelter-in-place orders, and the ultimate impact of governmental initiatives. It is at least reasonable possible that this matter will negatively impact Associated Students. However, the financial impact and duration cannot be reasonably estimated at this time.

Associated Students has implemented risk mitigation tactics for Associated Students as to the risk of the impact of COVID-19 related to all aspects of Associated Students' business transactions with customers and vendors and human interaction within and outside of Associated Students.

Continued closure of commercial programs, such as the Isabel Patterson Child Development Center, Student Recreation and Wellness Center, and University Student Union, will have ongoing impacts to Associated Students' revenues. These facilities, and the various services within them, typically generate about 20% of Associated Students' overall operating revenue and were dormant for the majority of the fiscal year ending June 30, 2021. Management has taken these factors into consideration when preparing the consolidated operating budget, revenue projections, and planned expenses for the fiscal year ended June 30, 2022. Associated Students is confident it can continue to navigate these impacts through expense reductions which primarily fall within the areas of student payroll, non-critical capital expenditures, travel and professional development funds, and reserve allocations in excess of policy requirements.

Relatedly, several of Associated Students' business vendors that operate storefronts in the University Student Union are experiencing complete or near-complete elimination of revenues due to the campus closure, requiring adjustment of their lease agreements. This is a measure Associated Students is taking in support of their needs and in recognition that a shared approach to managing the impacts of COVID-19 will help sustain these businesses for an eventual reopening when it is feasible and allowed by health and safety officials.

Through these measures, Associated Students believes it will be able to manage the financial strains of COVID-19 through the mentioned expense reductions while not utilizing reserve funds during the fiscal year ending June 30, 2022.

Aside from a strict look at Associated Students' fiscal health, it is important to note that Associated Students' primary stakeholders – students, student leaders, and customers of commercial operations (who are mostly comprised of students) – are navigating virtual learning and virtual student engagement that may dictate a long-term adjustment in how services are delivered upon repopulation on the physical campus. Through this pandemic, Associated Students' staff have effectively transitioned programming and, in some contexts, have learned how to operate more efficiently and, potentially, more effectively on a long-term basis. This is one potential impact that will continue to be monitored moving forward.

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

Notes to Financial Statements

Year Ended June 30, 2021

Note 10 - Transactions with Affiliates

Associated Students enters into transactions with the University. During the year ended June 30, 2021, 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 others on the statement of net position.

Payments made (received) were as follows:

Payments made to the University	\$ 1,592,480
Payments received from the University	<u>(14,258,742)</u>
Net payments received from the University	<u>\$ (12,666,262)</u>

Amounts receivable (payable) are as follows:

University:	
Accounts receivable	\$ 1,069,723
Accounts payable and accrued expenses	\$ (1,508,320)

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH
Schedule of Associated Students' Proportionate Share of Net Pension Liability (Unaudited)
Year Ended June 30, 2021

Net pension liability and fiduciary net position are allocated to the plan based on its proportion of the Miscellaneous Risk Pool. However, GASB 68 requires that employers report certain proportions as a percentage of the total plan (PERF C, excluding the 1959 Survivors Risk Pool), which includes both the Miscellaneous and Safety Risk Pools. All cost-sharing public agency plans, are categorized as either Miscellaneous or Safety within PERF C. Proportions shown in the table below represent the plan's proportion of PERF C, excluding the 1959 Survivors Risk Pool, and not its proportion of the Miscellaneous Risk Pool.

	2021	2020	2019	2018
Proportion of the Net Pension Liability	0.14044%	0.14028%	0.12795%	0.12370%
Proportionate Share of the Net Pension Liability	\$ 5,884,167	\$ 5,410,868	\$ 4,945,778	\$ 5,060,856
Covered-Employee Payroll	\$ 3,755,610	\$ 3,963,057	\$ 3,744,773	\$ 3,651,297
Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	156.68%	136.53%	132.07%	138.60%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	103.19%	101.81%	101.22%	138.60%
Proportionate Share of Aggregate Employer Contributions	\$ 801,742	\$ 723,904	\$ 621,910	\$ 580,206

Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH**Schedule of Associated Students' Contributions (Unaudited)**Year Ended June 30, 2021

Schedule of Plan Contributions

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 801,742	\$ 723,904	\$ 621,910	\$ 580,206
Contributions in Relation to the Actuarially Determined Contribution	<u>(390,810)</u>	<u>(407,804)</u>	<u>(363,442)</u>	<u>(352,525)</u>
Contribution Deficiency	<u>\$ 410,932</u>	<u>\$ 316,100</u>	<u>\$ 258,468</u>	<u>\$ 227,681</u>
Covered-Employee Payroll	\$ 3,755,610	\$ 3,963,057	\$ 3,744,773	\$ 3,651,297
Contributions as a Percentage of Covered-Employee Payroll	21.35%	18.27%	16.61%	15.89%

Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

ASSOCIATED STUDENTS, INC., CALIFORNIA STATE UNIVERSITY, LONG BEACH
Schedule of Funding Progress and Employer Contributions for Other Post-Employment Benefit Plan
(Unaudited)

Year Ended June 30, 2021

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Liability (Entry Age Normal Cost Method) (AAL)	Unfunded Actuarial Liability (UAAL)	Funding Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2019	\$ 2,096,408	\$ 7,475,551	\$ 5,379,143	28.04%	\$ 1,757,712	306.03%
7/1/2017	\$ 1,089,905	\$ 9,930,628	\$ 8,840,723	10.98%	\$ 1,397,280	632.71%

Schedule of Employer Contributions					
Year Ended June 30	Actuarial Determined Contribution	Contribution in Relation to Actuarially Required	Contribution Deficiency	Covered Payroll	Percentage of Covered Payroll Contributed
2021	\$ 832,562	\$ 550,000	\$ (282,562)	\$ 1,810,443	30.38%
2020	\$ 20,675	\$ -	\$ (20,675)	\$ 1,757,712	0.00%
2019	\$ 619,590	\$ 600,000	\$ (19,590)	\$ 1,397,280	42.94%
2018	\$ 575,891	\$ 250,000	\$ (325,891)	\$ 1,820,220	13.73%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no other data prior to 2018 is available. However, additional years will be included as they become available.

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

Schedule of Changes in Other Post-Employment Benefit Obligation Liability (Unaudited)

Year Ended June 30, 2021

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended June 30:	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 15,647	\$ 13,954	\$ 159,147	\$ 156,713
Interest cost	319,265	461,764	458,128	438,800
Benefit payments	(282,562)	(20,675)	(19,590)	(213,591)
Differences between expected and actual experience	(31,305)	(3,495,782)	(284,656)	(112,300)
Change in assumptions	52,036	528,830	275,866	(64,390)
Net change in Total OPEB Liability	73,081	(2,511,909)	588,895	205,232
Total OPEB Liability - beginning	8,212,846	10,724,755	10,135,860	9,930,628
Total OPEB Liability - ending	\$ 8,285,927	\$ 8,212,846	\$ 10,724,755	\$ 10,135,860
Plan Fiduciary Net Position				
Contributions - employer	\$ 550,000	\$ -	\$ 600,000	\$ 250,000
Net investment income	625,752	85,160	85,960	78,223
Administrative expense	(11,798)	(9,936)	(7,680)	-
Net Change in Fiduciary Net Position	1,163,954	75,224	678,280	328,223
Plan Fiduciary Net Position - beginning	2,171,632	2,096,408	1,418,128	1,089,905
Plan Fiduciary Net Position - ending	\$ 3,335,586	\$ 2,171,632	\$ 2,096,408	\$ 1,418,128
Net OPEB Liability	\$ 4,950,341	\$ 6,041,214	\$ 8,628,347	\$ 8,717,732
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	40.26%	26.44%	19.55%	13.99%
Covered Employee Payroll	1,810,443	1,757,712	1,397,280	1,820,220
Plan Net OPEB Liability as a Percentage of Covered Employee Payroll	273.43%	343.70%	617.51%	478.94%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no other data prior to 2018 is available. However, additional years will be included as they become available.

**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***

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 net position for the year ended June 30, 2021, and the related statements of revenues, expenses, and changes net position, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2021.

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) to determine 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 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 may exist that have not been identified.

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 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*, 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

San Diego, California
September 17, 2021

**INFORMATION FOR THE CALIFORNIA STATE
UNIVERSITY CHANCELLOR'S OFFICE**

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

Schedule of Net Position

June 30, 2021

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	286,289
Short-term investments	12,343,016
Accounts receivable, net	1,128,894
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	79,929
Total current assets	13,838,128

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	3,694,372
Capital assets, net	5,500,311
Other assets	-
Total noncurrent assets	9,194,683
Total assets	23,032,811

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	1,336,040
Net OPEB liability	719,131
Others	-
Total deferred outflows of resources	2,055,171

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

June 30, 2021

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	546,472
Accrued salaries and benefits	71
Accrued compensated absences, current portion	338,094
Unearned revenues	-
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	1,399,056
Other liabilities	166,410
Total current liabilities	2,450,103

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	4,950,341
Net pension liability	5,884,167
Other liabilities	-
Total noncurrent liabilities	10,834,508
Total liabilities	13,284,611

Deferred inflows of resources:

Service concession arrangements	-
Net pension liability	688,664
Net OPEB liability	3,531,362
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	4,220,026

Net position:

Net investment in capital assets	5,500,311
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	896,097
Debt service	-
Others	5,895,165
Unrestricted	(4,708,228)
Total net position	7,583,345

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

Year Ended June 30, 2021

(for inclusion in the California State University)

Revenues:**Operating revenues:**

Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-

Grants and contracts, noncapital:

Federal	123,974
State	279,441
Local	-
Nongovernmental	-
Sales and services of educational activities	16,556
Sales and services of auxiliary enterprises, gross	557,632
Scholarship allowances (enter as negative)	-
Other operating revenues	15,142,004

Total operating revenues**16,119,607****Expenses:****Operating expenses:**

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	7,212,260
Institutional support	1,604,514
Operation and maintenance of plant	583,323
Student grants and scholarships	561,030
Auxiliary enterprise expenses	145,483
Depreciation and amortization	637,015

Total operating expenses**10,743,625****Operating income (loss)****5,375,982**

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

Year Ended June 30, 2021

(for inclusion in the California State University)

Nonoperating revenues (expenses):	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	881,540
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	(178,321)
Net nonoperating revenues (expenses)	703,219
Income (loss) before other revenues (expenses)	6,079,201
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	6,079,201
Net position:	
Net position at beginning of year, as previously reported	1,504,144
Restatements	-
Net position at beginning of year, as restated	1,504,144
Net position at end of year	7,583,345

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

Other Information

June 30, 2021

(for inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ 154,085	154,085	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	215,875	215,875	-	-	-
Asset backed securities	4,421	4,421	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	641,788	641,788	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	2,276,876	2,276,876	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	555,412	555,412	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	12,188,931	-	-	-	12,188,931
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other investments	\$ -	-	-	-	-
Total investments	16,037,388	3,848,457	-	-	12,188,931

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, 2021

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$	637,015
Amortization expense related to other assets		-
Total depreciation and amortization	\$	637,015

4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/Reclassificati ons	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 295,920	-	295,920	156,062	(113,888)	\$ 338,094	338,094	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations	\$ -	-	-	-	\$ -	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -	-	-	-	\$ -	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	\$ -	-	-	-	\$ -	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 295,920	-	295,920	156,062	(113,888)	\$ 338,094	338,094	\$ -

5 Capital lease obligations schedule:

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

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

Other Information

June 30, 2021

(for inclusion in the California State University)

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	3,536,972	1,442,050	120,668	(483,509)	-	2,596,079	-	7,212,260
Institutional support	903,174	348,654	102,184	(36,897)	-	287,399	-	1,604,514
Operation and maintenance of plant	-	-	-	-	-	583,323	-	583,323
Student grants and scholarships	-	-	-	-	561,030	-	-	561,030
Auxiliary enterprise expenses	96,418	787	-	-	-	48,278	-	145,483
Depreciation and amortization	-	-	-	-	-	-	637,015	637,015
Total operating expenses	\$ 4,536,564	1,791,491	222,852	(520,406)	561,030	3,515,079	637,015	10,743,625

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	-
Deferred outflows - net pension liability	1,336,040
Deferred outflows - net OPEB liability	719,131
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	\$ 2,055,171

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	-
Deferred inflows - net pension liability	688,664
Deferred inflows - net OPEB liability	3,531,362
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	-
Total deferred inflows of resources	\$ 4,220,026

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	-
Other nonoperating (expenses)	(178,321)
Total other nonoperating revenues (expenses)	\$ (178,321)