

**ASSOCIATED STUDENTS OF CALIFORNIA
STATE UNIVERSITY, SACRAMENTO
SACRAMENTO, CALIFORNIA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2023 AND 2022



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Associated Students of California State University, Sacramento
Sacramento, California

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of Associated Students of California State University, Sacramento (ASI), a nonprofit corporation and a component unit of California State University, Sacramento, which comprise the statements of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ASI as of June 30, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Other Matter

The 2022 financial statements of Associated Students of California State University were audited by other auditors whose report dated September 9, 2022, expressed an unmodified opinion on those statements.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audits of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information schedules required for inclusion in California State University (supplementary information) 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 GAAP. 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 13, 2023, on our consideration of Associated Students of California State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Associated Students of California State University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students of California State University's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sacramento, California
September 13, 2023

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 13,433,703	\$ 12,142,185
Accounts Receivable - Net	189,417	319,221
Interest Receivable	22,521	17,100
Student Activity Fees Receivable - held by Sacramento State	506,844	473,912
Deposits and Prepaid Expenses	72,255	106,078
Inventory	254,009	91,453
Due from Related Parties	1,176,804	629,268
Capital Assets - Net of Accumulated Depreciation	1,431,799	1,397,832
Right-of-Use Asset - Operating, Net	14,506	-
ASSETS	\$ 17,101,858	\$ 15,177,049
LIABILITIES		
Accounts Payable	726,228	\$ 258,130
Accrued Payroll and Related Liabilities	565,793	496,560
Unearned Revenue	1,326,861	962,697
Due to Related Parties	164,619	98,074
Funds Held for Campus Organizations	307,365	365,576
Funds Held for Student Organizations	881,955	771,240
Lease Liability - Operating	14,506	-
Note Payable	113,712	148,023
TOTAL LIABILITIES	\$ 4,101,039	\$ 3,100,300
NET ASSETS		
Without Donor Restrictions:		
Board Designated	6,696,719	5,831,094
Undesignated	6,304,100	6,245,655
TOTAL NET ASSETS	13,000,819	12,076,749
TOTAL LIABILITIES AND NET ASSETS	\$ 17,101,858	\$ 15,177,049

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
REVENUES		
Student Activity Fees	\$ 4,785,009	\$ 4,757,717
Program Service Fees	4,035,384	3,283,887
Government Grants and Contracts	1,732,984	1,450,291
Financial Service Fees	178,635	168,508
Investment Income	229,911	38,434
Cash Contributions	229,170	138,661
Other Income	346,339	377,830
Fundraising Events	810	409
TOTAL REVENUES	11,538,242	10,215,737
EXPENSES		
Programs	8,671,284	7,360,086
Administration	1,949,888	1,845,309
TOTAL EXPENSES	10,621,172	9,205,395
Change in net assets before taxes	917,070	1,010,342
Less: Unrelated business income taxes (benefit)	(7,000)	-
CHANGE IN NET ASSETS	924,070	1,010,342
NET ASSETS WITHOUT DONOR RESTRICTIONS - BEGINNING		
OF YEAR	12,076,749	11,066,407
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	\$ 13,000,819	\$ 12,076,749

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	<u>Programs</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and Promotion	\$ 25,338	\$ 17,995	\$ -	\$ 43,333
Bank Fees	103,149	5,561	-	108,710
Depreciation and Amortization	120,490	105,998	-	226,488
Food	6,587	8,756	-	15,343
Grant Expenses	-	-	-	-
Grants and Other Assistance	751,954	-	-	751,954
Insurance	177,095	2,319	-	179,414
Interest Expense	7,110	211	-	7,321
Noncapital Equipment Purchases	118,964	24,340	-	143,304
Occupancy	277,386	89,313	-	366,699
Other Expenses	283,670	57,293	-	340,963
Outside Services	245,310	363,767	-	609,077
Printing	19,169	276	-	19,445
Program Supplies and Materials	504,845	6,577	-	511,422
Purchases for Resale	289,466	-	-	289,466
Salaries and Related Expenses	5,505,253	1,254,750	-	6,760,003
Travel and Meeting Expense	152,051	12,438	-	164,489
Vehicle and Equipment Costs	83,447	294	-	83,741
Subtotal	<u>8,671,284</u>	<u>1,949,888</u>	<u>-</u>	<u>10,621,172</u>
Unrelated Business Income Tax Expense (Benefit)	<u>(7,000)</u>	<u>-</u>	<u>-</u>	<u>(7,000)</u>
Total Expenses by Function	<u><u>\$ 8,664,284</u></u>	<u><u>\$ 1,949,888</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,614,172</u></u>

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Programs	Administration	Fundraising	Total
Advertising and Promotion	\$ 35,754	\$ 4,003	\$ -	\$ 39,757
Bank Fees	68,693	18,672	-	87,365
Depreciation and Amortization	117,298	102,024	-	219,322
Food	3,927	4,457	-	8,384
Grant Expenses	65,497	-	-	65,497
Grants and Other Assistance	640,111	-	-	640,111
Insurance	64,337	2,465	-	66,802
Noncapital Equipment Purchases	56,753	35,242	-	91,995
Occupancy	286,897	91,348	-	378,245
Other Expenses	286,384	60,837	-	347,221
Outside Services	195,974	433,111	-	629,085
Printing	10,160	-	-	10,160
Program Supplies and Materials	373,032	8,878	-	381,910
Purchases for Resale	309,780	-	-	309,780
Salaries and Related Expenses	4,708,009	1,078,278	-	5,786,287
Travel and Meeting Expense	89,796	5,994	-	95,790
Vehicle and Equipment Costs	47,684	-	-	47,684
Subtotal	<u>7,360,086</u>	<u>1,845,309</u>	<u>-</u>	<u>9,205,395</u>
Unrelated Business Income Tax Expense (Benefit)	-	-	-	-
Total Expenses by Function	<u>\$ 7,360,086</u>	<u>\$ 1,845,309</u>	<u>\$ -</u>	<u>\$ 9,205,395</u>

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 924,070	\$ 1,010,342
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	220,397	219,322
Amortization	6,091	-
Change in Operating Lease Asset and Liability	(6,091)	-
(Increase) Decrease in:		
Accounts Receivable	129,804	(66,041)
Interest Receivable	(5,421)	(9,060)
Student Activity Fees Receivable	(32,932)	69,926
Deposits and Prepaid Expenses	33,823	(5,261)
Inventory	(162,556)	68,472
Due from Related Parties	(547,536)	(67,487)
Increase (Decrease) in:		
Accounts Payable	468,098	(148,148)
Accrued Payroll and Related Liabilities	69,233	103,130
Unearned Revenue	364,164	38,197
Due to Related Parties	66,545	17,685
Funds Held for Campus Organizations	(58,211)	(24,744)
Funds Held for Student Organizations	110,715	12,528
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,580,193	1,218,861
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Capital Assets	(254,364)	(62,843)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Note Payable	(34,311)	(32,658)
NET CASH PROVIDED USED IN FINANCING ACTIVITIES	(34,311)	(32,658)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,291,518	1,123,360
Cash and Cash Equivalents - Beginning of Year	12,142,185	11,018,825
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 13,433,703	\$ 12,142,185
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
ROU Asset Obtained in Exchange for New Operating Lease Liability	\$ 20,597	\$ -

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Associated Students of California State University, Sacramento (ASI), a component unit of California State University, Sacramento (Sacramento State), is a nonprofit, tax-exempt auxiliary organization of Sacramento State organized to administer various student programs and activities. Student activity fees and other program revenues are collected for the support of student related programs and activities. Managed programs include the student body leadership in the Government Office; the Aquatic Center; the ASI Office of Business and Administration; Student Services, which includes cap and gown sales; the Children's Center; Peak Adventures; and the Student Engagement and Outreach department.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

ASI is required to classify net assets and revenues, expenses, and gains and losses into two categories, based on the existence or absence of donor-imposed restrictions. The categories are described below:

Net Assets Without Donor Restrictions – Net assets in this category are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of ASI's management and the board of directors.

Net Assets With Donor Restrictions – Net assets in this category are subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ASI or by passage of time. Other donor restrictions are perpetual in nature, whereby the donors have stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported in the statements of activities as Increases in Net Assets with Donor Restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to Net Assets without Donor Restrictions in the statements of activities.

Cash and Cash Equivalents

ASI invests its excess cash with the State of California Local Agency Investment Fund (LAIF). ASI reports its investment in LAIF at fair value. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of ASI's position in the LAIF pool. Management has concluded that amortized cost basis approximates fair value. ASI considers highly liquid investments with a maturity of three months or less to be cash and cash equivalents. At times, cash balances exceed the FDIC insured limit.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The framework for measuring fair value 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), and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

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

Although ASI has funds held in LAIF, they are available for withdrawal on demand and are, therefore, recorded as cash equivalents. LAIF is sponsored by the California State Treasurer and prepares its market value report detailing the carrying cost and estimated fair value for the entire pool. ASI used the multiplier provided by LAIF to determine the estimated fair value of ASI's investment in the pool. ASI's investments in LAIF are measured on a recurring basis throughout the year.

Accounts Receivable

Accounts receivable are composed of uncollected revenue generated from program activities, grant reimbursements, and administrative fees from ASI's funds held for others. ASI reviews accounts receivable on a monthly basis to determine if any receivables are potentially uncollectible. ASI has recorded an allowance for doubtful accounts in the amounts of \$1,000 and \$2,000 as of June 30, 2023 and 2022, respectively.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Student Activity Fees Receivable – Held by Sacramento State

Student activity fees receivable consist of the fees collected by Sacramento State during student registration for the 2023 fall semester. These fees will be remitted to ASI during the subsequent fiscal year. As of June 30, 2023 and 2022, student fees receivable were \$506,844 and \$473,912, respectively.

Deposits and Prepaid Expenses

These amounts are the result of payments made for goods and services to be utilized in future periods.

Inventory

ASI inventory is reported at the lower of cost or net realizable value. The first-in, first-out method is used in determining cost. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of disposal. Inventory consists of items such as caps, gowns, bike parts, retail clothing, and accessories for ASI internal programs including Student Services, Peak Adventures, and the Aquatic Center.

Due From Related Parties

Due from related parties represents amounts owed to ASI from Sacramento State; University Enterprises, Inc. (UEI); the University Union Operation of California State University, Sacramento (Union WELL Inc.); and The University Foundation at Sacramento State (UFSS) for goods and services provided by ASI program activities.

Capital Assets

Capital assets are stated at cost. It is the policy of ASI to capitalize all furniture and equipment and leasehold improvements costing \$5,000 or more with a useful life greater than one year. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets, typically between 3 and 30 years.

Due to Related Parties

Due to related parties represents outstanding billings for administrative services, space management, and catering services provided to ASI programs by Sacramento State, UEI, and Union WELL Inc.

Funds Held for Campus Organizations

ASI acts as a collecting and disbursing agency for several Sacramento State organizations and departments. Funds held for campus organizations are related to deposits received from these organizations and departments. Currently, ASI holds only two of these accounts for Sacramento State, which include the State Hornet and the Jesse Snow accounts.

Funds Held for Student Organizations

As a service to Sacramento State affiliated student organizations and programs, ASI acts as a collecting and disbursing agency for over 300 student organizations. These amounts are related to deposits received from these organizations.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

Unearned revenue represents the amount ASI has received in advance of providing the related services. To facilitate preparation for the many classes, camps, courses, and trips provided by Peak Adventures and the Aquatic Center, ASI requires advance registration and payment. Unearned revenue also consists of student activity fees collected by Sacramento State from students during student registration for the 2023 fall semester.

Revenues from Contracts with Customers

A five-step model is used to determine the amount and timing of revenue recognized. The five-step model requires ASI to apply the following steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, ASI satisfies the performance obligations.

ASI's revenues are generated from its operations and are recognized as described below:

Student Activity Fees

Student activity fees represent mandatory fees assessed to students by Sacramento State each semester to support ASI programs. The fees are collected by Sacramento State and remitted to ASI. Student activity fees are recognized over the period of service, which is the academic semester during which the program services are delivered.

Program Service Fees

Program service fees are fees ASI receives for providing childcare, recreational classes, student services, and other activities. Program service fees also include sales of graduation apparel, such as caps and gowns, as well as retail clothing and accessories related to Student Services, Peak Adventures, and the Aquatic Center. The fees are collected by ASI and recognized on the date the service is provided or the product is sold.

Financial Service Fees

Financial service fees are received for providing accounting and financial services to Union WELL Inc., the University IRAs, the State Hornet, clubs, and organizations. Revenue is recognized over the period of service.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues from Contracts with Customers (Continued)

See below for a summary of activity of the deferred revenue balances and the student activity fee receivable:

	<u>2023</u>	<u>2022</u>
Deferred Revenue, Beginning of the Year	\$ 962,697	\$ 924,500
Refunds or Returns	-	-
Revenue Recognized	(962,697)	(924,500)
Cash Received in Advance of Performance	<u>1,326,861</u>	<u>962,697</u>
Deferred Revenue, End of the Year	<u>\$ 1,326,861</u>	<u>\$ 962,697</u>
	<u>2023</u>	<u>2022</u>
Student Activity Fee Receivable, Beginning of the Year	\$ 473,912	\$ 543,838
Payments Made	(473,912)	(543,838)
Charges for Fees	<u>506,844</u>	<u>473,912</u>
Student Activity Fee Receivable, End of the Year	<u>\$ 506,844</u>	<u>\$ 473,912</u>

Contributions

Cash and in-kind contributions are received to support ASI's programs and services. Generally, contributions are recognized in revenue when they are received. Contributions with conditions, such as eligibility requirements, are not recorded until the conditions have been met.

Government Grants and Contracts

ASI receives grants from the state of California and various other grantors for direct and indirect program costs associated with specific programs and projects. The grants received are subject to certain restrictions, which are met by incurring qualifying expenses for the particular program or project that is funded by the grant. Revenue from such grants is recognized when the funds have been expended on activities stipulated in the grant agreement. For unconditional grants, revenue is recognized and increases net assets with donor restrictions at the time the grant is received or pledged, and the funds are released from restriction when the qualifying expenses have been incurred. For conditional grants, funds received in advance are classified as unearned revenue and held as a liability until the conditions have been met. Once all conditions are met, revenue is recognized and increases net assets without donor restrictions.

Advertising

ASI expenses advertising costs as incurred. Advertising expenses for the years ended June 30, 2023 and 2022, were \$43,333 and \$39,757, respectively.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

The Internal Revenue Service has granted ASI status as an exempt organization under section 501(c)(3) of the Internal Revenue Code (IRC). The ruling provides that ASI is not subject to excise tax under Section 4940(a). Income determined to be unrelated business income is taxable. For the fiscal year ended June 30, 2023, ASI accrued \$-0- federal and \$-0- state tax liabilities for unrelated business income taxes. For the fiscal year ended June 30, 2022, ASI accrued \$-0- federal and \$-0- state tax liabilities for unrelated business income taxes.

ASI analyzes whether there is uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. An uncertain tax position can be recognized in the financial statements only if the position is more-likely-than-not to be sustained if the position were to be challenged by a taxing authority. ASI's practice is to recognize interest and penalties, if any, related to uncertain tax positions in tax expense. ASI files exempt organization returns in the U.S. federal and California jurisdictions. The federal and state tax returns remain subject to examination by the taxing authorities for three years and four years, respectively. ASI has processes presently in place to ensure the maintenance of its tax-exempt status (its group exemption) to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. ASI has determined that there is no impact on the accompanying financial statements related to this standard. There were no uncertain tax positions identified or related interest and penalties recorded as of June 30, 2023 and 2022, and ASI does not expect this to change significantly over the next 12 months.

Use of Estimates

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

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing various program and supporting activities have been summarized on a functional basis in the statements of activities. The presentation of expenses by function and nature is included in the statements of functional expenses. ASI charges direct expenses incurred for a specific function directly to the program or supporting service category. These costs can be specifically identified as being incurred for the activities of that program or supporting service. Other costs that are incurred by ASI benefit more than one program or supporting service and are allocated on a reasonable basis that is consistently applied. Payroll and related costs are allocated based on estimates of time and effort; other costs, including depreciation, occupancy, office costs, computers, and software, are allocated based on estimates of usage or benefit received by each program. Expenses that are not directly associated with a program are allocated to administration expenses. ASI reevaluates its allocation method each year to determine if there are adjustments that are necessary to the allocation method based on actual activities conducted during the year.

Leases

Associated Students of California State University, Sacramento leases office equipment and determines if an arrangement is a lease at inception. Both operating and finance leases are reported on the balance sheet as a right-of-use (ROU) asset and lease liability.

ROU assets represent ASI's right to use an underlying asset for the lease term and lease liabilities represent ASI's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that ASI will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. ASI has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the balance sheets.

The individual lease contracts do not provide information about the rate implicit in the lease. Therefore, ASI has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities. ASI has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of Right-of-Use (ROU) Assets and Lease Liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASI adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

Evaluation of Subsequent Events

Management has evaluated subsequent events through September 13, 2023, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY OF ASSETS

The following represents ASI's financial assets:

	2023	2022
Financial Assets - End of Year		
Cash and cash equivalents	\$ 13,433,703	\$ 12,142,185
Accounts receivable	1,388,742	965,589
Student activity fees receivable - held by Sacramento State	506,844	473,912
Total Financial Assets - End of Year	15,329,289	13,581,686
Less: Amounts Not Available to be Used Within One Year		
Board designated net assets	(6,696,719)	(5,831,094)
Add back: working capital reserve	1,687,105	1,525,830
Unavailable Board Designated Net Assets	(5,009,614)	(4,305,264)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 10,319,675	\$ 9,276,422

In order to manage liquidity, ASI has structured its financial assets to be available as its general expenditures and liabilities become due. As part of its liquidity plan, excess cash is invested in LAIF. ASI is substantially supported by student activity and program services fees, which are unrestricted and are available to meet general expenditure obligations.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3 FAIR VALUE MEASUREMENT

As of June 30, 2023 and 2022, the LAIF pool included structured notes and asset backed securities, which totaled 2.78% and 1.88%, respectively, of the total portfolio. These structured notes and asset-backed securities are subject to market risk as interest rates fluctuate. As of June 30, 2023 and 2022, the fair value of LAIF was 98.48% and 98.71%, respectively, of the carrying value. There were no LAIF funds invested in derivatives as of June 30, 2023 and 2022. LAIF has oversight by the Local Investment Advisory Board (LIAB), which consists of five members as designated by statute. ASI is considered to be a voluntary participant in the LAIF investment pool.

The following table sets forth by level, within the fair value hierarchy, ASI's assets at fair value at June 30, 2023:

	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)	Total
LAIF	\$ -	\$ -	\$ -	\$ 3,667,871	\$ 3,667,871

The following table sets forth by level, within the fair value hierarchy, ASI's assets at fair value at June 30, 2022:

	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)	Total
LAIF	\$ -	\$ -	\$ -	\$ 9,710,762	\$ 9,710,762

The investments in LAIF are carried at amortized cost, which is deemed to not represent a material difference from fair value. The fair value methods may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while ASI believes its valuation methods are appropriate and consistent with similar investments, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at June 30, 2023 and 2022.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 CAPITAL ASSETS

Capital assets consisted of the following:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 2,502,515	\$ 2,427,632
Leasehold improvements	2,647,006	2,635,506
Construction work in progress	57,938	11,148
Software and websites	35,210	-
Totals	<u>5,242,669</u>	<u>5,074,286</u>
Accumulated depreciation/amortization	<u>(3,810,870)</u>	<u>(3,676,454)</u>
Capital Assets - Net	<u><u>\$ 1,431,799</u></u>	<u><u>\$ 1,397,832</u></u>

Depreciation expense for the fiscal years ended June 30, 2023 and 2022 was \$222,820 and \$219,322, respectively.

ASI leases a parcel of land from the Trustees of the California State University, Sacramento (the Trustees), located on its campus, for the purpose of operating and maintaining a childcare center (the Facility). The Facility is required to be used primarily to provide day care services for the children of Sacramento State students, staff, and faculty. The lease agreement terminates on December 31, 2028. ASI has no monetary obligation to the Trustees for rental payments under the terms of the lease agreement; however, ASI financed the construction and operation of the Facility. The costs of construction of the Facility were capitalized as leasehold improvements.

NOTE 5 NOTE PAYABLE

Note payable consisted of the following:

	<u>2023</u>	<u>2022</u>
Note payable to Yankee Finance Company, LLC related to a new fleet of rowing shells for the Aquatic Center. Payments will be made in semi-annual installments of \$20,644 through May 2026, including interest at 5%. The loan is secured by the fleet.	<u>\$ 113,712</u>	<u>\$ 148,023</u>

The Capital Crew Booster Club and the Lake Natoma Rowing Association have committed to make contributions to ASI, which are intended to cover the cost of the note payable installments. However, there are certain conditions related to the contributions; consequently, the contributions will be recorded as the note payable installments are paid and as the conditions are met.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5 NOTE PAYABLE (CONTINUED)

Future minimum note payable payments are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2024	\$ 36,048
2025	37,873
2026	39,791
Total	<u>\$ 113,712</u>

NOTE 6 LEASE COMMITMENTS

Associated Students of California State University, Sacramento has three lease commitments for copiers and printers under noncancelable leases. The following table provides quantitative information concerning leases for the year ended June 30, 2023:

	<u>2023</u>
Operating Lease Costs	\$ 20,597
Amortization of right-to-use assets	(6,091)
Total Cost	<u>\$ 14,506</u>

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	\$ 20,597

ROU Assets Obtained in Exchange for New Operating Lease Liabilities	20,597
Weighted Average Remaining Lease Term:	
Operating Leases	2.39
Weighted Average Discount Rate:	
Operating Leases	3.63

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2024	\$ 6,745
2025	4,385
2026	2,499
2027	1,610
Total Lease Payments	\$ 15,239
Less: Interest	(733)
Present Value of Lease Liabilities	<u>\$ 14,506</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 RELATED PARTY TRANSACTIONS

For the fiscal years ended June 30, 2023 and 2022, ASI earned revenues of \$142,708 and \$136,885, respectively, for providing financial services to Union WELL Inc., a component unit of Sacramento State.

For the fiscal years ended June 30, 2023 and 2022, ASI earned revenues of \$35,577 and \$31,564, respectively, for providing financial services to Sacramento State organizations, which include the State Hornet, Alumni Center, and the financial administration of Sacramento State's IRA grants.

Other than those disclosed elsewhere in these financial statements, transactions between ASI and related organizations during the fiscal years ended June 30, 2023 and 2022, included the payments by ASI to Sacramento State of \$88,788 and \$85,823, respectively, for campus cost recovery services that include administration, telephone, postage, IT support, and utilities; and \$189,861 and \$263,311, respectively, for personnel costs. Sacramento State made payments totaling \$363,933 and \$420,785 for services, space, and programs for the fiscal years ended June 30, 2023 and 2022, respectively. For the fiscal years ended June 30, 2023 and 2022, ASI donated \$30,000 and \$30,000, respectively, for gifts in-kind to Sacramento State. Public safety charges were paid to Union WELL Inc. from ASI for the fiscal years ended June 30, 2023 and 2022, with a charge of \$4,139 and \$4,410, respectively, for Peak Adventures to cover police calls in the WELL building. Peak Adventures also used the services of Capital Public Radio for advertising during the years ended June 30, 2023 and 2022.

The amounts due from related entities were comprised of the following:

	<u>2023</u>	<u>2022</u>
Sacramento State	\$ 1,148,144	\$ 617,834
University Enterprises, Inc.	4,999	-
Union WELL, Inc.	23,661	11,434
Totals	<u>\$ 1,176,804</u>	<u>\$ 629,268</u>

The amounts due to related entities were comprised of the following:

	<u>2023</u>	<u>2022</u>
Sacramento State	\$ 140,596	\$ 98,074
Union WELL, Inc.	24,023	-
Totals	<u>\$ 164,619</u>	<u>\$ 98,074</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 PENSION PLAN

ASI sponsors a tax sheltered annuity defined contribution retirement plan (the Plan) under IRC Section 403(b). Participating employees are eligible to join the Plan after 1,000 hours of service in twelve consecutive months. Upon joining the Plan, employees are eligible for an employer contribution of 10% of gross salary, subject to certain statutory limits. The Plan provides 100% immediate vesting. Employer contributions to the Plan were \$265,499 and \$240,554 for the fiscal years ended June 30, 2023 and 2022, respectively.

SUPPLEMENTARY INFORMATION SECTION

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF MANAGED PROGRAMS
JUNE 30, 2023

	Managed Programs									
	Business and Administration	Student Services	Government	Student Engagement and Outreach	Aquatic Center	Children's Center	Peak Adventures	ASI External Grants	Total Managed Programs	
REVENUES										
Student Activity Fees	\$ 2,175,322	\$ -	\$ 899,629	\$ 497,487	\$ -	\$ 222,721	\$ 639,850	\$ 350,000	\$ 4,785,009	
Program Service Fees	16,939	531,590	2,472	9,676	2,525,614	422,551	526,542	-	4,035,384	
Government Grants and Contracts	-	-	-	-	41,994	1,685,991	4,999	-	1,732,984	
Financial Service Fees	177,890	745	-	-	-	-	-	-	178,635	
Investment Income	228,083	-	-	-	1,828	-	-	-	229,911	
Cash Contributions	-	-	1,000	177,738	49,812	200	420	-	229,170	
Other Income	-	-	-	255,445	-	85,000	5,894	-	346,339	
Fundraising Events	-	-	-	-	-	810	-	-	810	
Total Revenues	2,588,234	532,335	903,101	940,346	2,619,248	2,417,273	1,177,705	350,000	11,538,242	
EXPENSES										
Salaries and Related Expenses	1,254,750	161,913	303,812	527,907	1,721,382	2,023,256	766,984	-	6,760,004	
Services and Supplies	589,141	255,692	544,340	243,903	988,146	382,094	281,724	349,640	3,634,680	
Depreciation	105,998	-	-	2,010	103,250	11,923	3,307	-	226,488	
Total Expenses	1,949,889	417,605	848,152	773,820	2,812,778	2,417,273	1,052,015	349,640	10,621,172	
CHANGE IN NET ASSETS BEFORE TAXES	648,345	114,730	54,949	166,526	(193,530)	-	125,690	360	917,070	
Unrelated Business Income Taxes	-	-	-	-	(7,000)	-	-	-	(7,000)	
CHANGE IN NET ASSETS	\$ 648,345	\$ 114,730	\$ 54,949	\$ 166,526	\$ (186,530)	\$ -	\$ 125,690	\$ 360	\$ 924,070	

See accompanying Note to Supplementary Information.

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

Assets:

Current assets:

Cash and cash equivalents	9,765,832
Short-term investments	3,667,871
Accounts receivable, net	1,895,586
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	326,264

Total current assets	15,655,553
-----------------------------	-------------------

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	1,446,305
Other assets	-

Total noncurrent assets	1,446,305
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Total assets	17,101,858
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Deferred outflows of resources:

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

Total deferred outflows of resources	-
---------------------------------------------	----------

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

Liabilities:

Current liabilities:

Accounts payable	726,228
Accrued salaries and benefits	309,387
Accrued compensated absences, current portion	93,643
Unearned revenues	1,326,861
Lease liabilities, current portion	6,340
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	36,048
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	1,189,320
Other liabilities	164,619
Total current liabilities	3,852,446

Noncurrent liabilities:

Accrued compensated absences, net of current portion	162,763
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	8,166
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	77,664
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	248,593

Total liabilities

4,101,039

Deferred inflows of resources:

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

Net position:

Net investment in capital assets	1,431,799
Restricted for:	
Nonexpendable – endowments	
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	11,569,020
Total net position	13,000,819

See accompanying Note to Supplementary Information.

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

Revenues:

Operating revenues:

Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	274,593
State	1,458,391
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	4,035,384
Scholarship allowances (enter as negative)	-
Other operating revenues	5,310,793
	<hr/>
Total operating revenues	11,079,161

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	2,535,633
Institutional support	373,885
Operation and maintenance of plant	366,698
Student grants and scholarships	751,954
Auxiliary enterprise expenses	6,358,886
Depreciation and amortization	226,487
	<hr/>
Total operating expenses	10,613,543
	<hr/>
Operating income (loss)	465,618

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	229,170
Investment income (loss), net	229,911
Endowment income (loss), net	-
Interest expense	(629)
Other nonoperating revenues (expenses)	-
	<hr/>
Net nonoperating revenues (expenses)	458,452
	<hr/>
Income (loss) before other revenues (expenses)	924,070

See accompanying Note to Supplementary Information.

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

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
	-
Increase (decrease) in net position	924,070
Net position:	
Net position at beginning of year, as previously reported	12,076,749
Restatements	-
	-
Net position at beginning of year, as restated	12,076,749
	12,076,749
Net position at end of year	13,000,819
	13,000,819

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
YEAR ENDED JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

Noncurrent restricted cash and cash equivalents

Current cash and cash equivalents

Total

	-
	9,765,832
	\$ 9,765,832

2.1 Composition of investments:

	Current	Noncurrent	Total
Investment Type			
Money market funds			-
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities			-
Municipal bonds			-
Corporate bonds			-
Asset-backed securities			-
Mortgage-backed securities			-
Commercial paper			-
Supranational			-
Mutual funds			-
Exchange-traded funds			-
Equity securities			-
Alternative investments:			-
Private equity (including limited partnerships)			-
Hedge funds			-
Managed futures			-
Real estate investments (including REITs)			-
Commodities			-
Derivatives			-
Other alternative investments			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)	3,667,871		3,667,871
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
			-
			-
			-
			-
			-
Total other investments	-	-	-
Total investments	3,667,871	-	3,667,871
Less endowment investments (enter as negative number)			-
Total investments, net of endowments	\$ 3,667,871	-	3,667,871

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
YEAR ENDED JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -				
Repurchase agreements	-				
Certificates of deposit	-				
U.S. agency securities	-				
U.S. treasury securities	-				
Municipal bonds	-				
Corporate bonds	-				
Asset-backed securities	-				
Mortgage-backed securities	-				
Commercial paper	-				
Supranational	-				
Mutual funds	-				
Exchange-traded funds	-				
Equity securities	-				
Alternative investments:					
Private equity (including limited partnerships)	-				
Hedge funds	-				
Managed futures	-				
Real estate investments (including REITs)	-				
Commodities	-				
Derivatives	-				
Other alternative investments	-				
Other external investment pools	-				
CSU Consolidated Investment Pool (formerly SWIFT)	3,667,871				3,667,871
State of California Local Agency Investment Fund (LAIF)	-				
State of California Surplus Money Investment Fund (SMIF)	-				
Other investments:					
	-				
Total other investments	-				
Total investments	\$ 3,667,871	-	-	-	3,667,871

2.3 Investments held by the University under contractual agreements:

Investments held by the University under contractual agreements
e.g. - CSU Consolidated Investment Pool (formerly SWIFT):

Current	Noncurrent	Total
\$ -	\$ -	-

See accompanying Note to Supplementary Information.

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
YEAR ENDED JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

3.1 Capital Assets, excluding ROU assets:									
Composition of Capital Assets, excluding ROU assets:									
	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2022 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements				\$					
Works of art and historical treasures					3,648	57,938		(3,648)	57,938
Construction work in progress (CWIP)	11,148	(7,500)							
Intangible assets:									
Rights and easements									
Patents, copyrights and trademarks									
Intangible assets in progress (PWIP)		7,500			7,500			(7,500)	
Licenses and permits									
Other intangible assets:									
Total Other intangible assets					7,500	57,938		(7,500)	57,938
Total intangible assets	11,148				11,148			(11,148)	57,938
Total non-depreciable/non-amortizable capital assets									
Depreciable/amortizable capital assets:									
Buildings and building improvements									
Improvements, other than buildings									
Infrastructure	2,635,506				2,635,506	11,500			2,647,006
Leasehold improvements					2,427,632	157,215	(85,980)	3,648	2,502,515
Personal property:									
Equipment	2,427,632								
Library books and materials									
Intangible assets:									
Software and websites						27,710		7,500	35,210
Rights and easements									
Patents, copyrights and trademarks									
Licenses and permits									
Other intangible assets:									
Total Other intangible assets:						27,710		7,500	35,210
Total intangible assets	5,063,138				5,063,138	196,425		11,148	5,184,731
Total depreciable/amortizable capital assets	5,074,286				5,074,286	254,363		(85,980)	5,242,669
Total capital assets									
Less accumulated depreciation/amortization:									
Buildings and building improvements									
Improvements, other than buildings									
Infrastructure	(1,990,759)				(1,990,759)	(58,428)			(2,049,187)
Leasehold improvements					(1,685,695)	(158,300)	85,980		(1,758,015)
Personal property:									
Equipment									
Library books and materials									
Intangible assets:									
Software and websites									
Rights and easements									
Patents, copyrights and trademarks									
Licenses and permits									
Other intangible assets:									
Total Other intangible assets:						(3,668)			(3,668)
Total intangible assets	(3,676,454)				(3,676,454)	(220,396)		85,980	(3,810,870)
Total accumulated depreciation/amortization	1,397,832				1,397,832	33,967			1,331,799
Total capital assets, net excluding ROU assets									

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
YEAR ENDED JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net	Balance June 30, 2022	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Revised)	Additions	Removals	Balance June 30, 2023
Non-depreciable/non-amortizable lease assets:								
Land and land improvements	20,597	-	-	-	20,597	-	-	20,597
Total non-depreciable/non-amortizable lease assets	20,597				20,597			20,597
Depreciable/amortizable lease assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure, other than buildings	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Total depreciable/amortizable lease assets	-				-			-
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure, other than buildings	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-				(6,091)			(6,091)
Total capital assets - lease ROU, net	-				14,506			14,506

Composition of capital assets - SBTA ROU, net	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Revised)	Additions	Removals	Balance June 30, 2023
Depreciable/amortizable SBTA assets:								
Sellable	-	-	-	-	-	-	-	-
Total depreciable/amortizable SBTA assets	-				-			-
Less accumulated depreciation/amortization:								
Sellable	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-				-			-
Total capital assets - SBTA ROU, net	-				-			-

Composition of capital assets - P3 ROU, net	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Revised)	Additions	Removals	Balance June 30, 2023
Non-depreciable/non-amortizable P3 assets:								
Land and land improvements	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-				-			-
Depreciable/amortizable P3 assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-				-			-
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-				-			-
Total capital assets - P3 ROU, net	-				-			-
Total capital assets, net including ROU assets	\$ 1,446,385				\$ 1,446,385			\$ 1,446,385

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU	220,396
Amortization expense - Lease ROU	6,091
Amortization expense - SBTA ROU	-
Depreciation and Amortization expense - P3 ROU	-
Total depreciation and amortization	226,487

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
YEAR ENDED JUNE 30, 2023
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

4 Long-term liabilities:									
	Balance	Prior Period	Balance	Additions	Reductions	Balance	Current Portion	Noncurrent Portion	
	June 30, 2022	Adjustments/Reclassifications	June 30, 2022 (Restated)	238,240	140,857	June 30, 2023	93,643	162,763	
	\$				(122,691)	256,406			
1. Accrued compensated absences	238,240	-	238,240	-	-	-	-	-	
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-	
3. Capital lease obligations (pre-ASC 842):									
Gross balance	-	-	-	-	-	-	-	-	
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-	
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-	
4. Long-term debt obligations:									
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-	
4.2 Commercial paper	-	-	-	-	-	-	-	-	
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-	
4.4 Finance purchase of capital assets	-	-	-	-	-	-	-	-	
4.5 Others:									
Yankee Finance LLC	148,023	-	148,023	-	(34,311)	113,712	36,048	77,664	
Copter lease obligations	-	-	-	-	-	-	-	-	
Total others	-	-	-	-	-	-	-	-	
Sub-total long-term debt	148,023	-	148,023	-	(34,311)	113,712	36,048	77,664	
	148,023	-	148,023	-	(34,311)	113,712	36,048	77,664	
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-	
Total long-term debt obligations	148,023	-	148,023	-	(34,311)	113,712	36,048	77,664	
	148,023	-	148,023	-	(34,311)	113,712	36,048	77,664	
5. Lease, SBITA, P3 liabilities:									
Lease liabilities	Balance	Prior Period	Balance	Additions	Reductions	Balance	Current Portion	Noncurrent Portion	
SBITA liabilities	June 30, 2022	Adjustments/Reclassifications	June 30, 2022	14,506	-	June 30, 2023	6,340	8,166	
P3 liabilities - SCA	-	-	-	-	-	-	-	-	
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-	
Sub-total P3 liabilities	-	-	-	14,506	-	14,506	6,340	8,166	
Total Lease, SBITA, P3 liabilities	-	-	-	14,506	-	14,506	6,340	8,166	
	-	-	-	14,506	-	14,506	6,340	8,166	
Total long-term liabilities	\$	\$	\$	\$	\$	\$	\$	\$	
	384,624	384,624	384,624	384,624	136,031	248,593	248,593	248,593	

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO OTHER INFORMATION YEAR ENDED JUNE 30, 2023 (FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

5 Future minimum payments schedule - Leases, SBTA, P3:

Year ending June 30:	Lease Liabilities		SBTA Liabilities		Public/Private or Public-Private Partnership (P3)		Total Leases, SBTA, P3 Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal Only	Principal and Interest
\$	63,409	405	63,745	-	-	-	63,409	6,745
2024	4,171	214	4,385	-	-	-	4,171	4,385
2025	2,407	92	2,499	-	-	-	2,407	2,499
2026	1,588	22	1,610	-	-	-	1,588	1,610
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-
Total minimum payments	14,506	733	15,239	-	-	-	14,506	14,506
Less: current portion	-	-	-	-	-	-	-	-
Present value of future minimum payments	-	-	-	-	-	-	-	-
Total Leases, SBTA, P3 Liabilities	-	-	-	-	-	-	-	-
Leases, SBTA, P3 liabilities, net of current portion	-	-	-	-	-	-	-	-

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

Year ending June 30:	Salary, revenue bonds (non-SRB related)		All other long-term debt obligations		Total long-term debt obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
\$	-	-	113,712	10,155	113,712	10,155
2024	-	-	36,048	5,241	36,048	5,241
2025	-	-	41,289	4,289	41,289	4,289
2026	-	-	37,873	3,416	37,873	3,416
2027	-	-	41,289	1,498	41,289	1,498
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
Total minimum payments	-	-	113,712	10,155	113,712	10,155
Less: amounts representing interest	-	-	-	-	-	-
Unamortized net premiums (discount)	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-
Less: current portion	-	-	-	-	-	-
Long-term debt obligations, net of current portion	-	-	-	-	-	-

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 189,861	
Payments to University for other than salaries of University personnel	88,788	
Payments received from University for services, space, and programs	363,933	
Gifts-in-kind to the University from discretely presented component units	30,000	
Gifts (cash or assets) to the University from discretely presented component units	(1,022,551)	
Accounts payable to University	(307,745)	
Other amounts payable to University	1,148,145	
Accounts receivable from University	585,808	
Other amounts receivable from University	-	

8 Reimbursements

Reimbursement #1	Debit/Credit
Enter transaction description	
	-
Reimbursement #2	
Enter transaction description	
	-

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
YEAR ENDED JUNE 30, 2023
(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	1,642,052	444,417	-	-	-	449,164	-	2,535,633
Institutional support	293,012	-	-	-	-	80,873	-	373,885
Operation and maintenance of plant	-	-	-	-	-	366,698	-	366,698
Student grants and scholarships	-	-	-	-	751,954	-	-	751,954
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	3,881,010	792,525	-	-	-	1,685,331	226,487	6,386,886
Total operating expenses	\$ 5,816,074	1,236,942	-	-	751,954	2,882,086	226,487	10,613,543

No pension plan reported
N/A

10 Deferred outflows/inflows of resources:

- 1. **Deferred Outflows of Resources**
- Deferred outflows - unamortized loss on refunding(s)
- Deferred outflows - net pension liability
- Deferred outflows - net OPEB liability
- Deferred outflows - leases
- Deferred outflows - P3
- Deferred outflows - others:
- Sales/intra-entity transfers of future revenues
- Gain/loss on sale leaseback
- Loan origination fees and costs
- Change in fair value of hedging derivative instrument
- Irrevocable split-interest agreements

Total deferred outflows - others
Total deferred outflows of resources
\$ -

2. **Deferred Inflows of Resources**

- Deferred inflows - P3 service concession arrangements
- Deferred inflows - net pension liability
- Deferred inflows - net OPEB liability
- Deferred inflows - unamortized gain on debt refunding(s)
- Deferred inflows - nonexchange transactions
- Deferred inflows - leases
- Deferred inflows - P3
- Deferred inflows - others:
- Sales/intra-entity transfers of future revenues
- Gain/loss on sale leaseback
- Loan origination fees and costs
- Change in fair value of hedging derivative instrument
- Irrevocable split-interest agreements

Total deferred inflows - others
Total deferred inflows of resources
\$ -

11 **Other nonoperating revenues (expenses)**

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

\$ -

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 1 BASIS OF PRESENTATION

These schedules are prepared in accordance with the instructions listed in an Administrative Directive dated June 24, 2003, entitled Financial Reporting Requirements for Auxiliary Organizations, from the California State University Office of the Chancellor. As a result, these schedules do not represent financial statements that are prepared in accordance with accounting principles generally accepted in the United States of America issued by the Financial Accounting Standards Board.



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

Board of Directors
Associated Students of California State University, Sacramento
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Associated Students of California State University which comprise the statement of financial position as of June 30, 2023; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements, and have issued our report thereon dated September 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Associated Students of California State University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Associated Students of California State University's internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students of California State University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Sacramento, California
September 13, 2023



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