

Associated Students of California State University, Chico

Financial Statements and Supplemental Information

Year Ended June 30, 2022

(With Summarized Comparative Totals for the Year Ended June 30, 2021)



ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Financial Statements and Supplemental Information

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Associated Students of California State University, Chico

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Associated Students of California State University, Chico (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Associated Students of California State University, Chico as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022, Associated Students of California State University, Chico adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. Our opinion is not modified with respect to this matter.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Associated Students of California State University, Chico 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT, CONTINUED

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Associated Students of California State University, Chico'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, Chico's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Associated Students of California State University, Chico's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included on pages 24-41 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 20, 2022, on our consideration of Associated Students of California State University, Chico's June 30, 2022 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, Chico'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, Chico's internal control over financial reporting and compliance.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Financial Position

June 30, 2022 (With Summarized Comparative Totals as of June 30, 2021)

	General	Plant	Board	Auxiliary	Sponsored	Student	Total All Funds	
	(Activity Fee) Fund	Fund	Designated Fund	Activities Fund	Programs Fund	Union Operating Fund	2022	2021
ASSETS								
Cash and cash equivalents:								
Cash on hand and in banks	\$ 385,849	\$ -	\$ 2,682	\$ 1,183,427	\$ -	\$ 356,290	\$ 1,928,248	\$ 3,506,814
Cash in investments	4,474,799	-	990,663	8,037,098	-	9,229,271	22,731,831	22,564,302
Total Cash and Cash Equivalents	4,860,648	-	993,345	9,220,525	-	9,585,561	24,660,079	26,071,116
Accounts and other receivables	-	-	6,576	185,479	-	15,425	207,480	355,097
Accounts receivable - related parties	560,034	-	-	221,633	41,289	455	823,411	288,020
Sponsored programs receivable	-	-	-	-	3,260	-	3,260	-
Interfund receivables (payables)	98,775	-	-	(433,749)	34,416	300,558	-	-
Inventories	-	-	-	85,941	-	-	85,941	86,906
Prepaid expenses	11,970	-	-	28,790	-	50,697	91,457	103,315
Investments	-	-	100,000	100,000	-	-	200,000	400,000
Buildings and equipment - net of accumulated depreciation	-	34,357	-	375,084	-	1,701,328	2,110,769	2,127,586
Long-term deposits	-	-	-	-	-	20,000	20,000	20,000
Total Assets	\$ 5,531,427	\$ 34,357	\$ 1,099,921	\$ 9,783,703	\$ 78,965	\$ 11,674,024	\$ 28,202,397	\$ 29,452,040
LIABILITIES AND NET ASSETS								
Liabilities:								
Accounts payable	\$ 35,402	\$ -	\$ -	\$ (204,979)	\$ 66,698	\$ 161,488	\$ 58,609	\$ 56,428
Accounts payable - related parties	29,105	-	-	279,847	4,022	135,317	448,291	311,732
Accrued expenses	187,028	-	-	618,965	-	623,657	1,429,650	1,552,173
Deferred revenue	30,854	-	-	11,382	8,245	4,475	54,956	46,948
Postretirement benefit obligation	56,661	-	-	62,154	-	110,428	229,243	220,037
Total Liabilities	339,050	-	-	767,369	78,965	1,035,365	2,220,749	2,187,318
Net assets:								
Without donor restrictions	5,192,377	34,357	1,099,921	9,016,334	-	10,638,659	25,981,648	27,264,722
Total Liabilities and Net Assets	\$ 5,531,427	\$ 34,357	\$ 1,099,921	\$ 9,783,703	\$ 78,965	\$ 11,674,024	\$ 28,202,397	\$ 29,452,040

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Activities

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2022	2021
Revenues and Other Support Without Donor Restrictions:								
Wildcat Store, dining services, and other sales	\$ -	\$ -	\$ -	\$ 8,044,012	\$ -	\$ -	\$ 8,044,012	\$ 2,945,789
Allocation of revenue funds from campus	1,680,772	-	-	-	-	5,030,006	6,710,778	8,618,524
Grants	-	-	-	-	869,028	-	869,028	758,051
Other income	62,396	-	42	97,099	-	186,166	345,703	289,929
Student and campus programs	26,373	-	-	-	-	136,605	162,978	49,852
Campus support	-	-	-	125,000	-	-	125,000	1,019,818
Interest income	17,262	-	7,984	31,070	-	35,462	91,778	141,491
Indirect income	45,754	-	-	-	-	-	45,754	41,091
Gifts	1,417	-	-	-	-	-	1,417	2,563
Total Revenues and Other Support Without Donor Restrictions	1,833,974	-	8,026	8,297,181	869,028	5,388,239	16,396,448	13,867,108
Expenses:								
Program services:								
Auxiliary activities	-	-	-	7,032,401	-	-	7,032,401	2,092,076
Student union and recreation center building operations	-	-	-	-	-	3,918,921	3,918,921	3,318,958
Student and campus programs	1,173,061	-	-	-	-	2,025,911	3,198,972	2,127,125
Sponsored programs	-	-	-	-	869,028	-	869,028	758,051
Other	-	-	-	-	-	-	-	2,589
Supporting services:								
Management and general	365,054	-	-	571,200	-	1,099,238	2,035,492	1,745,941
Total Program and Supporting Services Expenses	1,538,115	-	-	7,603,601	869,028	7,044,070	17,054,814	10,044,740
Other Expenses:								
Pension and postretirement benefit cost amortization	114,442	-	-	113,331	-	237,160	464,933	339,991
Total Other Expenses	114,442	-	-	113,331	-	237,160	464,933	339,991
Total Expenses	\$ 1,652,557	\$ -	\$ -	\$ 7,716,932	\$ 869,028	\$ 7,281,230	\$ 17,519,747	\$ 10,384,731

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Activities, continued

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2022	2021
Change in Net Assets Before Transfers and Other	\$ 181,417	\$ -	\$ 8,026	\$ 580,249	\$ -	\$ (1,892,991)	\$ (1,123,299)	\$ 3,482,377
Transfers:								
Plant fund transfer	18,324	(18,324)	-	-	-	-	-	-
Other fund transfers	-	-	-	(564,773)	-	564,773	-	-
Other:								
Pension changes other than net periodic benefit cost	(27,980)	-	-	30,320	-	(67,080)	(64,740)	435,026
Postretirement benefit changes other than net periodic benefit cost	(21,713)	-	-	(34,399)	-	(38,923)	(95,035)	(95,035)
Change in Net Assets	150,048	(18,324)	8,026	11,397	-	(1,434,221)	(1,283,074)	3,822,368
Net Assets Without Donor Restrictions - Beginning of Year	5,042,329	52,681	1,091,895	9,004,937	-	12,072,880	27,264,722	23,442,354
Net Assets Without Donor Restrictions - End of Year	\$ 5,192,377	\$ 34,357	\$ 1,099,921	\$ 9,016,334	\$ -	\$ 10,638,659	\$ 25,981,648	\$ 27,264,722

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services					Supporting Services	Total Expenses
	Auxiliary Activities	Student Union and Recreation Center Building Operations	Student and Campus Programs	Sponsored Programs	Total Program Services	Management and General	
Expenses:							
Salaries and wages	\$ 2,925,645	1,781,763	\$ 1,704,194	\$ 489,654	\$ 6,901,256	\$ 1,111,367	\$ 8,012,623
Cost of sales	2,216,705	-	-	-	2,216,705	-	2,216,705
Employee benefits	587,281	398,823	352,601	219,492	1,558,197	476,873	2,035,070
Programs	-	49,046	734,554	41,651	825,251	-	825,251
Professional services	104,482	250,924	85,242	11,028	451,676	288,345	740,021
Utilities	146,422	457,632	4,390	-	608,444	4,794	613,238
Supplies and small equipment	203,213	202,897	97,091	25,045	528,246	25,471	553,717
Depreciation	97,551	383,413	12,872	-	493,836	45,433	539,269
Repairs and maintenance	257,739	213,312	10,983	33,037	515,071	8,505	523,576
Contributions to campus mission	274,484	-	-	-	274,484	-	274,484
Insurance	50,336	106,356	39,355	-	196,047	7,907	203,954
Miscellaneous	42,094	17,181	32,751	-	92,026	33,871	125,897
Communications	25,644	37,063	30,398	-	93,105	22,777	115,882
Professional development and travel	7,436	7,421	60,830	3,052	78,739	7,598	86,337
Wildcat and credit card charges	69,417	-	-	-	69,417	-	69,417
Sponsored programs indirect costs	-	-	-	45,754	45,754	-	45,754
Advertising and printing	3,723	13,090	19,030	315	36,158	2,551	38,709
Rent	20,229	-	14,681	-	34,910	-	34,910
Total Program and Supporting Services Expense	7,032,401	3,918,921	3,198,972	869,028	15,019,322	2,035,492	17,054,814
Pension and postretirement benefit cost amortization	113,331	173,364	178,238	-	464,933	-	464,933
Total Expenses	\$ 7,145,732	\$ 4,092,285	\$ 3,377,210	\$ 869,028	\$ 15,484,255	\$ 2,035,492	\$ 17,519,747

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services						Supporting Services	Total Expenses
	Student Union and Recreation Center Building Operations	Student and Campus Programs	Auxiliary Activities	Sponsored Programs	Other	Total Program Services	Management and General	
Expenses:								
Salaries and wages	\$ 1,127,833	\$ 1,052,232	\$ 761,320	\$ 405,801	\$ -	\$ 3,347,186	\$ 977,061	\$ 4,324,247
Employee benefits	567,818	436,850	360,852	218,665	-	1,584,185	368,957	1,953,142
Professional services	267,203	65,884	23,830	8,010	-	364,927	283,690	648,617
Depreciation	426,969	13,006	132,271	-	2,589	574,835	33,485	608,320
Utilities	308,010	7,230	109,254	-	-	424,494	4,266	428,760
Programs	23,151	339,610	-	57,012	-	419,773	-	419,773
Repairs and maintenance	277,129	15,206	59,880	18,094	-	370,309	6,703	377,012
Supplies and small equipment	159,036	57,649	88,522	8,885	-	314,092	13,710	327,802
Contributions to campus mission	-	-	240,301	-	-	240,301	-	240,301
Insurance	91,352	38,825	47,438	-	-	177,615	6,531	184,146
Cost of sales	-	-	171,390	-	-	171,390	-	171,390
Communications	35,240	39,056	18,554	-	-	92,850	24,831	117,681
Miscellaneous	11,702	26,403	27,659	-	-	65,764	17,757	83,521
Sponsored programs indirect costs	-	-	-	41,091	-	41,091	-	41,091
Rent	7,716	11,914	20,624	-	-	40,254	-	40,254
Advertising and printing	13,134	14,102	85	300	-	27,621	701	28,322
Wildcat and credit card charges	-	-	27,344	-	-	27,344	-	27,344
Professional development and travel	2,665	9,158	2,752	193	-	14,768	8,249	23,017
Total Program and Supporting Services Expense	3,318,958	2,127,125	2,092,076	758,051	2,589	8,298,799	1,745,941	10,044,740
Pension and postretirement benefit cost amortization	113,142	136,995	89,854	-	-	339,991	-	339,991
Total Expenses	\$ 3,432,100	\$ 2,264,120	\$ 2,181,930	\$ 758,051	\$ 2,589	\$ 8,638,790	\$ 1,745,941	\$ 10,384,731

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds	
							2022	2021
Cash and Cash Equivalents - Beginning of Year	\$ 4,983,925	\$ -	\$ 889,843	\$ 9,673,368	\$ -	\$ 10,523,980	\$ 26,071,116	\$ 21,438,149
Cash Flows from Operating Activities:								
Change in net assets	150,048	(18,324)	8,026	11,397	-	(1,434,221)	(1,283,074)	3,822,368
Adjustments to reconcile changes in net assets to net cash provided by operating activities:								
Depreciation	-	18,399	-	113,237	-	407,633	539,269	608,320
(Gain) loss on sale or disposal of equipment	-	1,181	-	265	-	(1,386)	60	4,131
Change in operating assets and liabilities:								
Receivables - net	(394,813)	-	(4,524)	26,130	(11,092)	(6,735)	(391,034)	(58,814)
Interfund receivables (payables)	187,140	-	-	(753,880)	16,825	549,915	-	-
Inventories	-	-	-	965	-	-	965	49,715
Prepaid expenses	(1,256)	-	-	27,642	-	(14,528)	11,858	(3,392)
Accounts payable	20,209	-	-	951	(5,081)	122,661	138,740	189,359
Accrued expenses	(94,410)	-	-	35,016	-	(63,129)	(122,523)	123,580
Deferred revenue	5,677	-	-	(907)	(652)	3,890	8,008	(59)
Postretirement benefit obligation	4,128	-	-	(5,357)	-	10,435	9,206	8,922
Net Cash Provided (Used) by Operating Activities	(123,277)	1,256	3,502	(544,541)	-	(425,465)	(1,088,525)	4,744,130
Cash Flows from Investing Activities:								
Sale of investments	-	-	100,000	100,000	-	-	200,000	400,000
Purchase of equipment	-	(1,256)	-	(8,302)	-	(514,560)	(524,118)	(521,511)
Proceeds from sale of equipment	-	-	-	-	-	1,606	1,606	10,348
Net Cash Provided (Used) by Investing Activities	-	(1,256)	100,000	91,698	-	(512,954)	(322,512)	(111,163)
Increase (Decrease) in Cash and Cash Equivalents	(123,277)	-	103,502	(452,843)	-	(938,419)	(1,411,037)	4,632,967
Cash and Cash Equivalents - End of Year	\$ 4,860,648	\$ -	\$ 993,345	\$ 9,220,525	\$ -	\$ 9,585,561	\$ 24,660,079	\$ 26,071,116

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Associated Students of California State University, Chico (the Organization), a not-for-profit organization of the students at California State University, Chico (CSU, Chico), operates various auxiliary enterprises, including a student store (Wildcat Store) and campus dining services; receives an allocation of student union and activity fees to support student-related programs; and acquires assets for the benefit of the student body and the campus community. The Organization also administers sponsored programs for the benefit of the student body and the campus community. The accompanying financial statements combine the accounts and the results of operations of the General Fund, Plant Fund, Board Designated Fund, Auxiliary Activities Fund, Sponsored Programs Fund, and Student Union Operating Fund in accordance with reporting instructions received from the Office of the Chancellor of the California State University.

New Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This standard update, along with related subsequently issued updates, improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for not-for-profit entities, including additional disclosure requirements for recognized contributed services, under accounting principles generally accepted in the United States of America (US GAAP). The Organization adopted Topic 958 effective July 1, 2021. The new guidance was applied retrospectively.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with US GAAP, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported 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. The Organization did not have any donor restrictions that were perpetual or temporary in nature for the years ended June 30, 2022 and 2021.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office and occupancy, which is allocated on a square footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies, continued

Use of Estimates

The preparation of financial statements in conformity with US GAAP includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Fund Accounting

The accounts of the Organization are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. The funds are organized into seven categories as follows:

1. *General (Activity Fee) Fund*: This fund is used to account for activity fee funds and all financial resources except those required to be accounted for in another fund.
2. *Plant Fund*: This fund is used to account for acquisition of physical properties and funds expended and invested in physical properties for the General Fund.
3. *Board Designated Fund*: This fund is used to account for all amounts specifically allocated by the Board of Directors to certain programs. These funds have been used for Board of Director approved programs, which primarily benefit students. The Board of Directors designated funds with the intent to allow the funds to grow to a principal balance of \$1 million when the earnings can be used to support student programs and services.
4. *Auxiliary Activities Fund*: This fund is used to account for the operations of ongoing revenue-producing activities. Included in this fund are the operations of the Wildcat Store and dining services.

The Organization has an agreement with Follett Higher Education Group, Inc. (Follett), in which Follett operates the Wildcat Store. In 2020-21, the agreement was amended to extend the agreement through June 30, 2024, and to provide for a commission to be paid on gross revenues as defined. The 2020-21 commission is calculated as 14.6% of the first \$8 million in gross revenues, plus 16.6% on gross revenues in excess of \$8 million. Prior to the 2020-21 amendment, the commission was calculated as 16.6% of the first \$8 million in gross revenues, plus 17.6% on gross revenues in excess of \$8 million.

5. *Sponsored Programs Fund*: This fund reflects the activity of sponsored grants and contracts for instruction, research, and community service programs. These programs are funded by external agencies.
6. *Student Union Operating Fund*: This fund accounts for the programs and operations of the Bell Memorial Union and the Wildcat Recreation Center buildings.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

The Organization considers cash and cash equivalents to include cash on hand and commercial checking and savings accounts, time certificates of deposit with initial maturities of 3 months or less, and other short-term deposits in the Local Agency Investment Fund (LAIF). At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limits of \$250,000.

The Organization has a contract for deposit of monies with Tri Counties Bank whereby deposits up to \$2.5 million will be subject to the security provided to local public agencies.

The Organization has a significant concentration of cash invested in LAIF. The LAIF pool is managed by the State of California Treasurer's Office with oversight provided by the Local Investment Advisory Board (LIAB).

Fair Value Measurements

Fair Value Measurements and Disclosures defines fair value and establishes a framework for measuring fair value under generally accepted accounting principles.

The Organization defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Organization applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

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.

Accounts Receivable

Accounts receivable primarily consists of related-party receivables and amounts due from grants. The Organization utilizes the allowance method where uncollectible accounts are determined based on past payment history. The Organization reviews all balances older than 12 months and writes off amounts determined to be uncollectible. At June 30, 2022 and 2021, no price concession for uncollectible amounts was deemed necessary.

Interfund Receivables and Payables

The Organization records direct interfund receivables and payables as they occur.

Inventories

Food and supplies inventories are stated at the lower of cost or net realizable value on a first-in, first-out basis.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies, continued

Investments

Investments are carried at fair value in the statements of financial position. Realized and unrealized gains and losses are reflected in the changes in net assets in the statement of activities. Certificates of deposit are valued at cost plus accrued interest, which approximates fair value. The value of each participating LAIF dollar equals the fair value divided by the amortized cost.

Building and Equipment

Building and equipment are stated at cost or at fair market value if donated. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Planned major maintenance is accounted for using the direct-expense method. Expenditures for new construction, major renewals and replacements, and equipment costing over \$5,000, are capitalized.

Revenue Recognition

Allocation of revenue funds from campus - Each semester, CSU, Chico collects an activity fee and a student union fee from each matriculated student that has been determined by CSU, Chico to be subject to the fee. The activity fee was \$71 per semester for the years ended June 30, 2022 and 2021. The student union fee was \$425 per semester for the years ended June 30, 2022 and 2021. Revenues are transferred from CSU, Chico to the Organization during the fiscal year to provide programs and services to the students of CSU, Chico.

Activity fees - The activity fee provides for the student governance for CSU, Chico, as well as a variety of other student-related programs and services. The allocation of revenue funds from campus for activity fee programs are recognized as revenue by the Organization as program-related expenses are incurred and funds are transferred by CSU, Chico to the Organization.

Student union fees - A portion of the student union fee provides for the programs and operations of the Bell Memorial Union and the Wildcat Recreation Center buildings. The allocation of revenue funds from campus for the student union are determined through a budgetary process approved by the Organization's governing board and University President. Revenue is recognized when transferred by CSU, Chico to the Organization.

Wildcat Store sales commission revenue - The Organization receives sales commission revenue from Follett Higher Education Group, Inc. from the operation of the student store. The commissions are based on gross sales as defined in the contract (refer to Note 1, Fund Accounting, Auxiliary Activities Fund section). Revenue is recognized by the Organization as sales are generated by the store.

Dining services and other sales - The Organization operates all dining facilities on the CSU, Chico campus, including several retail locations and the Sutter Hall residential dining program. Revenue for the dining services retail locations is recognized as goods are sold. Sutter Hall residential dining program revenue is based on a contract with CSU, Chico and is recognized on a ratable basis over the fiscal year. Revenue for other sales are recorded as goods are sold or services are provided.

Grants - Grants and contracts are received from federal and state governmental agencies and various other organizations. The Organization receives an administration fee for indirect overhead costs and recognizes this fee as income over the life of the grant or contract as a percentage of total expenditures or salaries and wages as specified in the grant or contract. Sponsored programs' revenue from grants and contracts is recognized as funds are expended.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Grants - that are, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Shipping and Handling Costs

Shipping and handling costs are included in cost of sales in the statements of functional expenses.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies, continued

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred.

Income Taxes

The Organization 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*. The Organization functionally supports CSU, Chico, and has been classified in accordance with Section 509(a)(3), Type III. The Organization has not entered into any activities that would jeopardize its tax-exempt status. Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. However, expenses associated with the unrelated business income exceed the income or are insignificant. Accordingly, no provision for income taxes is required.

The Organization accounts for income taxes in accordance with FASB ASC 740, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in the Organization's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740, *Income Taxes*, also provides guidance on recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on this analysis, a liability is recorded if uncertain tax benefits have been received. The Organization's practice is to recognize interest and penalties, if any, related to uncertain tax positions in the tax expense. There were no uncertain tax positions identified or related interest and penalties recorded as of June 30, 2022 and 2021, and the Organization does not expect this to change significantly over the next 12 months.

Future Accounting Standard

The FASB has issued a substantial ASU which will become effective in a future year.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The primary change in GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the balance sheet a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. On July 17, 2019, FASB voted to propose delaying the effective date by one year. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Organization is evaluating the effect that the provisions of ASU 2016-02 will have on its financial statements and related disclosures.

Subsequent Events

Management has evaluated subsequent events through September 20, 2022, the date on which the report was available to be issued.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 2 - Fair Value Measurements

The following is a schedule of investments at fair value, by level within the fair value hierarchy at June 30, 2022.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
LAIF	\$ -	\$ -	\$ -	\$ 22,731,831	\$ 22,731,831
Certificates of deposit	-	200,000	-	-	200,000
	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 22,731,831</u>	<u>\$ 22,931,831</u>

The following is a schedule of investments at fair value, by level within the fair value hierarchy at June 30, 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
LAIF	\$ -	\$ -	\$ -	\$ 22,564,302	\$ 22,564,302
Certificates of deposit	-	400,000	-	-	400,000
	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 22,564,302</u>	<u>\$ 22,964,302</u>

Note 3 - Buildings and Equipment

Property and equipment consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Building improvements	\$ 3,149,735	\$ 3,247,402
Equipment and furnishings	5,116,805	4,919,786
Vehicles	162,965	162,965
Subtotals	8,429,505	8,330,153
Less: accumulated depreciation	6,318,736	6,202,567
Buildings and Equipment - Net	<u>\$ 2,110,769</u>	<u>\$ 2,127,586</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 4 - Postretirement Benefit Obligation

The Organization sponsors a defined benefit postretirement plan that covers both salaried and non-salaried career employees. The postretirement plan provides an extension of medical and dental benefits after an employee retires. The postretirement plan is contributory with retiree contributions adjusted annually. To be eligible for the postretirement plan, the employees have a vesting period to 10 years of credited service and attainment of age 60 with the Organization.

The accumulated postretirement benefit obligation is a standardized measure of the present value of postretirement benefits estimated to be payable in the future as a result of employee service to date. The postretirement benefit obligation at June 30, 2022, was computed based on an actuarial valuation performed as of July 1, 2019, with estimates for costs and amortization through June 30, 2022, including consideration of the 2011 and 2020 postretirement plan amendments.

As of the June 30, 2011 plan amendment, the postretirement plan provides a monthly fixed participant benefit of \$200. Retirees previously enrolled in the postretirement plan will continue to receive benefits of \$200 or \$400 for a participant or a participant and spouse, respectively. As of the January 1, 2020 plan amendment, the postretirement plan provides a monthly fixed participant benefit of \$300 until the participant reaches age 65. The postretirement plan will be funded on the pay-as-you-go basis.

The following table sets forth the changes in the postretirement benefit obligation and the funded status of the postretirement plan at June 30:

	<u>2022</u>	<u>2021</u>
Change in Postretirement Benefit Obligation:		
Postretirement Benefit Obligation - Beginning of Year	\$ 220,037	\$ 211,115
Service cost	21,624	21,624
Interest cost	6,409	6,409
Benefits paid	<u>(18,827)</u>	<u>(19,111)</u>
Postretirement Benefit Obligation - End of Year	<u>\$ 229,243</u>	<u>\$ 220,037</u>
Funded Status:		
Unamortized prior service cost	199,321	256,185
Unrecognized net actuarial gain (loss)	<u>569,585</u>	<u>607,756</u>
Items Not Yet Recognized as a Component of Net Periodic Benefit Cost	768,906	863,941
Accrued Benefit Cost	<u>\$ 998,149</u>	<u>\$ 1,083,978</u>
Funded Status - End of Year	<u>\$ (229,243)</u>	<u>\$ (220,037)</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 4 - Postretirement Benefit Obligation, continued

The components of net periodic benefit cost are as follows:

	<u>2022</u>	<u>2021</u>
Net Periodic Benefit Cost:		
Service cost	\$ 21,624	\$ 21,624
Interest cost	6,409	6,409
Amortization of prior service costs	(56,864)	(56,864)
Amortization of net actuarial (gain) loss	<u>(38,171)</u>	<u>(38,171)</u>
Net Periodic Benefit Cost	<u>\$ (67,002)</u>	<u>\$ (67,002)</u>

The expected amortization to be recognized next year is as follows:

Amounts included in net assets that are expected to be recognized as net periodic benefit cost during the fiscal year ended June 30, 2023:

Amortization of prior service cost	\$ (56,864)
Amortization of net actuarial gain	<u>(38,171)</u>
Total Amortization Expected to be Included in Net Periodic Benefit Cost - June 30, 2023	<u>\$ (95,035)</u>

The expected benefits to be paid over the next ten years are as follows:

Years Ending June 30:	
2023	\$ 5,266
2024	5,359
2025	9,183
2026	19,083
2027	19,083
Thereafter	<u>57,251</u>
Total	<u>\$ 115,225</u>

The assumptions used to determine the postretirement benefit obligation are as follows:

	<u>2022</u>	
	<u>Pre-65</u>	<u>Post-65</u>
Discount rate	2.96%	-
Health care cost trend rate assumed for next year	7.85%	-
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.25%	-
Year that the rate reaches the ultimate trend rate	2035	-

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 5 - Net Asset Reserves

The Board of Directors of the Organization, under guidelines established by the Chancellor's Office, developed reserve policies for net assets. Future increases in net assets will also be reserved by these policies. Net asset reserves are as follows as of June 30, 2022:

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Student Union Operating Fund	Total
Investments in buildings and equipment	\$ -	\$ 34,357	\$ -	\$ 375,084	\$ 1,701,328	\$ 2,110,769
Reserve for facilities upgrade	-	-	-	1,200,000	-	1,200,000
Operating reserve	337,017	-	-	42,548	1,358,571	1,738,136
Contingency reserve	202,170	-	-	10,329	99,977	312,476
Capital replacement reserve	25,546	-	-	75,000	250,000	350,546
Reserve for allocated funds	-	-	1,099,921	-	-	1,099,921
Future operations reserve	-	-	-	2,500,000	-	2,500,000
Sustainability fund reserve	-	-	-	-	655,746	655,746
	<u>564,733</u>	<u>34,357</u>	<u>1,099,921</u>	<u>4,202,961</u>	<u>4,065,622</u>	<u>9,967,594</u>
Total Net Asset Reserves						
Available for general purposes	<u>4,627,644</u>	<u>-</u>	<u>-</u>	<u>4,813,373</u>	<u>6,573,037</u>	<u>16,014,054</u>
Total Net Assets Without Donor Restrictions	<u>\$ 5,192,377</u>	<u>\$ 34,357</u>	<u>\$ 1,099,921</u>	<u>\$ 9,016,334</u>	<u>\$ 10,638,659</u>	<u>\$ 25,981,648</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 5 - Net Asset Reserves, continued

Net reserves are as follows as of June 30, 2021:

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Student Union Operating Fund	Total
Investments in buildings and equipment	\$ -	\$ 52,681	\$ -	\$ 480,284	\$ 1,594,621	\$ 2,127,586
Reserve for facilities upgrade	-	-	-	1,200,000	-	1,200,000
Operating reserve	214,558	-	-	222,437	1,666,287	2,103,282
Contingency reserve	128,709	-	-	35,000	99,977	263,686
Capital replacement reserve	25,546	-	-	75,000	250,000	350,546
Reserve for allocated funds	-	-	1,091,895	-	-	1,091,895
Future operations reserve	-	-	-	2,500,000	-	2,500,000
Sustainability fund reserve	-	-	-	-	602,101	602,101
Total Net Asset Reserves	368,813	52,681	1,091,895	4,512,721	4,212,986	10,239,096
Available for general purposes	4,673,516	-	-	4,492,216	7,859,894	17,025,626
Total Net Assets Without Donor Restrictions	\$ 5,042,329	\$ 52,681	\$ 1,091,895	\$ 9,004,937	\$ 12,072,880	\$ 27,264,722

Investments in Building and Equipment

The investments in building and equipment reserve is a non-liquid reserve that represents the cost of buildings and equipment held by the Organization, less accumulated depreciation and related debt.

Reserve for Facilities Upgrade

The reserve for facilities upgrade sets aside resources to perform future facility upgrades. The facilities upgrade reserve represents a fixed value as determined by the Board of Directors.

Operating Reserve

The operating reserve sets aside resources to maintain the daily operations of the Organization during predictable periods of reduced cash flow. The operating reserve is determined as a percentage of the prior fiscal year's expenditures.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 5 - Net Asset Reserves, continued

Contingency Reserve

The contingency reserve sets aside resources for unexpected or non-recurring expenses and increases to student programming. The contingency reserve is determined as a percentage of the prior fiscal year's expenditures, up to a maximum fixed value as determined by the Board of Directors.

Capital Replacement Reserve

The capital replacement reserve sets aside resources to purchase future buildings and equipment needed for the operations of the Organization. The capital replacement reserve is determined as a percentage of the prior fiscal year's expenditures, up to a maximum fixed value as determined by the Board of Directors.

Reserve for Allocated Funds

The reserve for allocated funds represents resources specifically allocated by the Board of Directors to certain programs that primarily benefit students. The amount in the Board Designated fund, in excess of the \$1,000,000 minimum restricted principal balance, may be allocated to approved programs and projects.

Future Operations Reserve

The future operations reserve sets aside resources to establish a self-operated student store, should the need arise. The future operations reserve represents a fixed value as determined by the Board of Directors.

Sustainability Fund Reserve

The sustainability fund reserve sets aside resources to fund the Organization's future sustainability efforts. The sustainability fund reserve is determined based on the cumulative unallocated or unspent sustainability funding from prior years.

Note 6 - Revenue Recognition

Contract Balances

Accounts receivable from contracts with customers were as follows at June 30:

	<u>2022</u>		<u>2021</u>
Beginning of year	\$ 587,793	\$	486,783
End of year	\$ 941,888	\$	587,793

Significant Judgments

The Organization analyzes revenue recognition on a portfolio approach under ASC Topic 606. Significant judgment is utilized in determining the appropriate portfolios to assess for meeting the criteria to recognize revenue under ASC Topic 606. The Organization has determined that, for each distinct revenue stream identified, all contracts can be grouped into one portfolio. Based on past experience, customers within each distinct stream all behave similarly, contracts contain similar terms, and policies are the same across all contracts. The Organization does not expect that revenue earned for the portfolio is significantly different as compared to revenue that would be earned if they were to assess each contract separately.

Significant judgment is also required to assess collectability. The Organization assesses collectability each reporting period to monitor that the collectability threshold is met and does not recognize revenue if collection is not probable. Impairment losses are recognized when there are significant changes in a customer's assessed collectability.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 7 - Student Union Operating Fund

Construction of the Bell Memorial Union (BMU) was authorized by a student vote in 1964, and the original building was completed in 1969. Legal title to the building is retained by the California State University Trustees (the Trustees). Of the \$1,500,000 in original building construction costs, \$1,100,000 was financed with the original debt fully repaid in 2006.

In spring 1996, a referendum was approved by the students at CSU, Chico, to increase the Student Union fee for funding to expand and remodel the BMU. Additionally, the Organization's Board of Directors approved a project to provide space in the remodeled Student Union for the Wildcat Store. Construction of the projects began in December 1998, with final completion in July 2001, for a total of \$33,433,639 in building construction and financing costs. Of the total costs, \$23,370,000 was financed by the issuance of revenue bonds. In August 2007, the revenue bonds were refinanced with system-wide revenue bonds in the amount of \$18,525,000, which bear interest at an average coupon rate of 5.0%. The system-wide revenue bonds are payable in annual principal and interest installments of approximately \$1,421,000 until the entire debt is repaid in 2029. This refinancing decentralized the Student Union fees so they can be used for operations in the year collected. The decentralized bonds do not require reserves. The system-wide revenue bonds are not a liability of the state of California, but are a special obligation of the Trustees payable from, and secured by, the mandatory Student Body Center fee.

In spring 2005, a referendum was approved by the students at CSU, Chico, to increase the Student Union fee by \$175 per semester beginning when the Wildcat Recreation Center (the WREC) opened. This fee was approved to provide debt service for the construction costs and operating expenses for the WREC. Construction began in July 2007, with completion in August 2009. Construction costs for the WREC were approximately \$68,665,000. Funds for construction were provided by the sale of system-wide revenue bonds in the amount of \$66,425,000, interest earned during construction and capitalized interest earnings of \$562,000, net bond premium of \$930,000, and student fees of \$748,000. These bonds are not a liability of the state of California, but are a special obligation of the Trustees payable from, and secured by, the mandatory Student Body Center fee.

The students at CSU, Chico, voted to require that students pay Student Union fees to service the above described debt, through the mandatory Student Body Center fee, and to operate the Student Union and the WREC. Student Union fees totaled \$12,382,669 and \$13,453,036 for the years ended June 30, 2022 and 2021, respectively. CSU, Chico, collects Student Union fees and transfers to the Trustees the amount necessary to fund the annual debt service requirement. The remaining student fees are available for transfer to the Organization after the reserve requirements of the Chancellor's Office Executive Order No. 994 have been met and any outstanding liabilities to CSU, Chico, have been paid. The Auxiliary Activities Fund reimburses the Student Union for the space it occupies in proportion to the Trustees' annual debt service.

CSU, Chico held reserves as follows at June 30:

	2022	2021
Revenue fund reserve	\$ 21,606,200	\$ 22,369,144
Repair and replacement reserve	3,142,248	3,403,828
Capital improvements reserve	3,650,165	2,452,424
Total Reserves Held by CSU, Chico	<u>\$ 28,398,613</u>	<u>\$ 28,225,396</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 8 - Retirement Plans

Plan Description

The Organization contributes to multiple-employer public employee retirement system defined benefit pension plans administered by CalPERS. The Organization has two CalPERS plans, one for those hired prior to 2013 (Classic) and one for those hired in 2013 or later (PEPRA). The plans provide retirement, disability benefits, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a publicly available *Comprehensive Annual Financial Report* (CAFR) that includes financial statements and required supplementary information. Copies of the CAFR may be obtained from CalPERS, 400 Q Street, Sacramento, California, 95811, and from www.calpers.ca.gov.

The risks of participating in multiple-employer plans is different from single-employer plans in the following aspects:

- Assets contributed to multiple-employer plans by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plans may be borne by the remaining participating employers.
- If the Organization chooses to stop participating in the multiple-employer plans, it may be required to pay those plans an amount based on the underfunded status of the plans, referred to as a withdrawal liability.

The following schedule reflects information for the CalPERS plans, in accordance with the most recently available CAFR for the fiscal year ended June 30, 2021:

	Classic	PEPRA
Plan identification number	2178631467	2178631467
Rate plan number	8323	26216
Accumulated benefit obligation	\$ 16,015,893	\$ 2,477,405
Total plan assets	\$ 17,328,279	\$ 2,707,135
Unfunded accrued liability	\$ (1,312,386)	\$ (229,730)
Funded status	108.2%	109.3%
Organization's contributions represent less than 5% of total contributions to the plan	Yes	Yes
Funding improvement plan or rehabilitation plan	N/A	N/A
Surcharge imposed	No	No

Funding Policy

Annually, CalPERS determines the required employer contribution rates for each participating agency. The required employer contribution rates for the Classic plan were 8.65% and 9.316% for years ended June 30, 2022 and 2021, respectively. To participate in the CalPERS plan, Classic plan employees are required to contribute 7.000% of their earnings to which the Board of Directors agreed to contribute 2.000% of the employees' required contribution, bringing the total employer contribution rate to 11.316%. The required employer contribution rates for the PEPRA plan were 7.59% and 7.732% for years ended June 30, 2022 and 2021, respectively. PEPRA plan employees are required to contribute 6.750% of their earnings to participate in the CalPERS plan. Expenses recognized for the CalPERS plans amounted to \$161,085 and \$504,192 for the years ended June 30, 2022 and 2021, respectively.

In 2021, the Board of Directors approved a payment to CalPERS for the Classic and PEPRA plans remaining unfunded accrued liability (UAL), as provided by CalPERS. The payment of \$624,708 is reflected in the Statements of Functional Activities and Changes in Net Assets as Pension Changes Other Than Net Periodic Benefit Cost.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 9 - Related-Party Transactions

Campus Food Service Agreement

Under contract with CSU, Chico, the Organization provides residential dining services, in the state-owned residence halls, for the students of the six campus residence halls. The contract for the 2019-20 fiscal year through the 2021-22 fiscal year was negotiated and signed by both parties on September 18, 2019 and provides for reimbursement of all operational costs plus a fixed fee of \$500,000. Due to the operational impacts of COVID-19, an amendment to the agreement for the 2020-21 year was signed on January 4, 2021 allowing reimbursement to dining services for actual costs, not to exceed \$2,767,563. An amendment for the 2021-22 year was signed on September 23, 2021, allowing reimbursement for dining services for actual costs, not to exceed \$5,746,703.

Operating Lease and Facility Use Agreements

The Organization operates as an auxiliary organization to CSU, Chico, under an operating lease agreement negotiated every ten years. An operating lease agreement, ending December 31, 2026, was negotiated and signed by both parties on December 30, 2015, whereby \$300,000 plus 2.25% of Wildcat Store and dining services cash operations net sales are payable at the end of each fiscal year. Due to the operational impacts of COVID-19, an amendment to the agreement for fiscal years 2020-21 and 2021-22 was approved temporarily reducing the payment to CSU, Chico, to \$192,000 per year and eliminated the 2.25% charged on dining services cash operations net sales. As required by the operating lease agreement, CSU, Chico, directs the operating lease payments to Chico State Enterprises.

The Organization uses certain CSU, Chico, facilities under lease agreements requiring rental payments or space trade. These facilities include the BMU (nominal), residence dining, certain warehouse space, and Creekside Coffee. CSU, Chico, provides facilities for the Child Development Laboratory at no cost.

The following is a schedule of transactions with related parties:

	<u>2022</u>	<u>2021</u>
Transactions with CSU, Chico:		
Payments to University for other than salaries of University personnel	\$ 1,351,655	\$ 1,354,407
Payments received from University for services, space, and programs	\$ 12,805,977	\$ 12,199,304
Gifts-in-kind to the University from recognized Auxiliary Organization	\$ -	\$ 17,206
Gifts (cash or assets) to the University from recognized Auxiliary Organization	\$ 73,427	\$ 32,999
Accounts payable to University	\$ (169,786)	\$ (67,724)
Accounts receivable from University	\$ 768,383	\$ 253,899
Other amounts receivable from University	\$ -	\$ 4
Transactions with the Chico State Enterprises:		
Accounts receivable from Chico State Enterprises	\$ 50,075	\$ 33,482
Accounts payable to Chico State Enterprises	\$ (278,505)	\$ (244,008)
Transactions with the University Foundation CSU, Chico:		
Accounts receivable from the University Foundation CSU, Chico	\$ 4,953	\$ 635

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

Note 10 - Availability and Liquidity of Assets

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 24,660,079	\$ 26,071,116
Accounts and other receivables	207,480	355,097
Sponsored programs receivable	3,260	-
Investments	<u>200,000</u>	<u>400,000</u>
Total financial assets	25,070,819	26,826,213
Less amounts not available to be used within one year for general purposes:		
Long-term brokered certificates of deposit	(200,000)	(400,000)
Board Designated Reserve Funds (Note 5)	<u>(7,856,825)</u>	<u>(8,111,510)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 17,013,994</u>	<u>\$ 18,314,703</u>

The Organization's financial assets are included in the qualitative analysis above. Those assets available to meet cash needs for general expenditures within one year of the statement of financial position date are not subject to donor or other contractual restrictions that would make them unavailable. The amounts considered not available to be used within one year for general expenditures are long-term brokered certificates of deposit and certain board designated reserve funds, including investments in buildings and equipment. The board designated reserve funds could be made available, if necessary, and are fully described in Note 5.

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Activities of the Auxiliary Activities Fund

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

	Wildcat Store	Dining Services			Combined Total	
		Cash Operations	Residence Dining Halls	Total	2022	2021
Sales	\$ -	\$ 1,847,921	\$ 5,512,165	\$ 7,360,086	\$ 7,360,086	\$ 2,596,099
Less: cost of sales	-	821,644	1,395,061	2,216,705	2,216,705	171,390
Sales commissions	487,933	195,993	-	195,993	683,926	349,690
Gross Profit	487,933	1,222,270	4,117,104	5,339,374	5,827,307	2,774,399
Operating Expenses:						
Salaries and wages	11,693	737,554	2,176,398	2,913,952	2,925,645	761,320
Employee benefits	4,636	49,549	533,096	582,645	587,281	360,852
Accounting, human resources and administration services	44,597	195,573	228,294	423,867	468,464	419,764
Contributions to campus mission	274,484	-	-	-	274,484	240,301
Repairs and maintenance	25,042	172,367	60,330	232,697	257,739	59,880
Supplies and small equipment	-	54,856	148,357	203,213	203,213	88,522
Utilities	43,096	103,326	-	103,326	146,422	109,254
Depreciation	8,670	104,567	-	104,567	113,237	139,412
Professional services	-	8,910	95,572	104,482	104,482	23,830
Information technology services	-	41,175	45,875	87,050	87,050	67,191
Wildcat and credit card charges	-	62,550	6,867	69,417	69,417	27,344
Insurance	10,363	21,687	18,286	39,973	50,336	47,438
Miscellaneous	874	22,313	11,792	34,105	34,979	26,489
Communications	9,760	12,486	3,398	15,884	25,644	18,554
Rent	-	20,229	-	20,229	20,229	20,624
Professional development and travel	-	109	7,327	7,436	7,436	2,752
Advertising and printing	-	2,067	1,656	3,723	3,723	85
Total Operating Expenses	433,215	1,609,318	3,337,248	4,946,566	5,379,781	2,413,612
Income (Loss) From Operations	54,718	(387,048)	779,856	392,808	447,526	360,787
Interest income, realized gains and other income	91,981	23,151	13,037	36,188	128,169	130,275
Campus support	125,000	-	-	-	125,000	744,754
Pension and postretirement benefit cost-other	-	(4,079)	-	(4,079)	(4,079)	89,854
Other expenses	-	(4,145)	(2,970)	(7,115)	(7,115)	(1,170)
Pension and postretirement benefit cost-amortization	-	(113,331)	-	(113,331)	(113,331)	(89,854)
Other fund transfers	(400,212)	(164,561)	-	(164,561)	(564,773)	(564,221)
Change in Net Assets Without Donor Restrictions	\$ (128,513)	\$ (650,013)	\$ 789,923	\$ 139,910	\$ 11,397	\$ 670,425

See independent auditor's report.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**Schedule of Activity Fee Program Operations**

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Revenue and Other Support:		
Allocation of revenue funds from campus	\$ 1,680,772	\$ 1,954,531
Other income	62,396	34,244
Indirect income	45,754	41,091
Student and campus programs	26,373	26,000
Interest income	17,262	23,341
Gifts	1,417	2,563
Campus support	-	38,090
	<u>1,833,974</u>	<u>2,119,860</u>
Total Revenue and Other Support		
	<u>1,833,974</u>	<u>2,119,860</u>
Expenses:		
Programs	531,048	233,820
Salaries and wages	475,964	414,789
Accounting, human resources and administration services	272,123	213,498
Information technology services	85,538	74,095
Professional services	34,104	30,855
Miscellaneous	26,395	20,158
Employee benefits	24,859	172,960
Insurance	23,277	23,054
Depreciation	18,399	19,509
Communications	16,444	19,985
Professional development and travel	6,854	5,868
Rent	6,830	6,830
Supplies and small equipment	5,655	14,069
Utilities	4,390	7,230
Advertising and printing	3,315	1,614
Repairs and maintenance	2,920	5,312
	<u>1,538,115</u>	<u>1,263,646</u>
Total Expenses		
	<u>1,538,115</u>	<u>1,263,646</u>
Excess Revenues From Operations	295,859	856,214
Other fund transfers	18,324	13,296
Pension and postretirement benefit cost-other	(49,693)	81,620
Pension and postretirement benefit cost-amortization	(114,442)	(81,620)
	<u>150,048</u>	<u>869,510</u>
Increase in Net Assets Without Donor Restrictions	\$ <u>150,048</u>	\$ <u>869,510</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**Schedule of Student Union Operating Fund Operations**

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Revenue and Other Support:		
Allocation of revenue funds from campus	\$ 5,030,006	\$ 6,663,993
Other income	186,166	169,999
Recreation programming	87,002	11,992
Conference services	49,603	11,860
Interest income	35,462	61,805
Campus support	-	236,974
	<u>5,388,239</u>	<u>7,156,623</u>
Total Revenue and Other Support		
	<u>5,388,239</u>	<u>7,156,623</u>
Expenses:		
Salaries and wages	3,009,993	1,765,276
Accounting, human resources and administration services	844,734	728,601
Employee benefits	726,565	831,708
Utilities	457,632	308,010
Depreciation	407,633	446,810
Professional services	302,062	302,232
Supplies and small equipment	294,333	202,616
Program	252,552	128,941
Information technology services	232,150	209,307
Repairs and maintenance	221,375	287,023
Insurance	122,434	107,123
Professional development and travel	61,397	5,955
Communications	51,017	54,311
Advertising and printing	28,805	25,622
Miscellaneous	23,537	17,947
Rent	7,851	12,800
	<u>7,044,070</u>	<u>5,434,282</u>
Total Expenses		
	<u>7,044,070</u>	<u>5,434,282</u>
Excess (Deficiency) Revenues From Operations	(1,655,831)	1,722,341
Other fund transfers	564,773	568,400
Pension and postretirement benefit cost-other	(106,003)	168,517
Pension and postretirement benefit cost-amortization	(237,160)	(168,517)
	<u>(278,390)</u>	<u>(168,517)</u>
Increase in Net Assets Without Donor Restrictions	<u>\$ (1,434,221)</u>	<u>\$ 2,290,741</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO**Schedule of Source of Funding and Expenses for Sponsored Programs**

Year Ended June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Source of Funding (Direct):		
State of California	\$ 540,064	\$ 467,883
Federal funds	283,210	243,073
Parent fees and other income	-	6,004
	<u>823,274</u>	<u>716,960</u>
Total Direct Sources		
	<u>823,274</u>	<u>716,960</u>
Source of Indirect Cost Reimbursements:		
State of California and local governments	40,109	35,446
Federal government	5,645	5,645
	<u>45,754</u>	<u>41,091</u>
Total Indirect Cost Reimbursements		
	<u>45,754</u>	<u>41,091</u>
Total Funding	<u>869,028</u>	<u>758,051</u>
Direct Expenses:		
Personnel services:		
Salaries and wages	467,658	383,805
Employee benefits	207,637	206,810
Operating expenses	152,642	126,345
	<u>827,937</u>	<u>716,960</u>
Total Direct Expenses		
	<u>827,937</u>	<u>716,960</u>
Indirect Expenses:		
Personnel services:		
Salaries and wages	21,996	21,996
Employee benefits	11,855	11,855
Operating expenses	7,240	7,240
	<u>41,091</u>	<u>41,091</u>
Total Indirect Expenses		
	<u>41,091</u>	<u>41,091</u>
Total Expenses	<u>\$ 869,028</u>	<u>\$ 758,051</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Investments and Savings

June 30, 2022 (With Summarized Comparative Totals for the Year Ended June 30, 2021)

The following is a schedule of investments and savings for the year ended June 30, 2022:

	<u>Cost</u>	<u>Market Value</u>	<u>Date of Purchase</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Short-Term Investment Pools:					
Local Agency Investment Fund - State Pool	\$ 22,731,831	\$ 22,731,831	Various	On demand	0.38%
Investments:					
Certificates of Deposit	\$ 200,000	\$ 200,000	Various	Various	2.400%

**Interest rates vary. Stated rate is approximate average for the year.*

The following is a schedule of investments and savings for the year ended June 30, 2021:

	<u>Cost</u>	<u>Market Value</u>	<u>Date of Purchase</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Short-Term Investment Pools:					
Local Agency Investment Fund - State Pool	\$ 22,564,302	\$ 22,564,302	Various	On demand	0.58%
Investments:					
Certificates of Deposit	\$ 400,000	\$ 400,000	Various	Various	2.092%

**Interest rates vary. Stated rate is approximate average for the year.*

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Net Position

June 30, 2022

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	1,928,248
Short-term investments	22,731,831
Accounts receivable, net	1,034,151
Lease receivables, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	177,398

Total current assets

25,871,628

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivables, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	200,000
Capital assets, net	2,110,769
Other assets	20,000

Total noncurrent assets

2,330,769

Total assets

28,202,397

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	1,007,235
Net OPEB liability	-
Leases	-
Others	-

Total deferred outflows of resources

1,007,235

Liabilities:

Current liabilities:

Accounts payable	506,900
Accrued salaries and benefits	660,962
Accrued compensated absences, current portion	297,082
Unearned revenues	-
Lease liabilities, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	279,440

Total current liabilities

1,744,384

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Net Position, continued

June 30, 2022

(for inclusion in the California State University)

Noncurrent liabilities:	
Accrued compensated absences, net of current portion	192,166
Unearned revenues	54,956
Grants refundable	-
Lease liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	229,243
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	<u>476,365</u>
Total liabilities	<u>2,220,749</u>
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	734,000
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
Others	-
Total deferred inflows of resources	<u>734,000</u>
Net position:	
Net investment in capital assets	2,110,769
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	24,144,114
Total net position	<u><u>26,254,883</u></u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Revenues, Expenses, and Changes in Net Position

June 30, 2022

(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	288,855
State	580,173
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	8,141,111
Scholarship allowances (enter as negative)	-
Other operating revenues	7,168,114
Total operating revenues	16,178,253
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	4,233,366
Institutional support	1,990,059
Operation and maintenance of plant	3,708,872
Student grants and scholarships	-
Auxiliary enterprise expenses	7,048,181
Depreciation and amortization	539,269
Total operating expenses	17,519,747
Operating income (loss)	(1,341,494)
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	1,417
Investment income (loss), net	91,778
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	125,000
Net nonoperating revenues (expenses)	218,195
Income (loss) before other revenues (expenses)	(1,123,299)
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	(1,123,299)
Net position:	
Net position at beginning of year, as previously reported	27,378,182
Restatements	-
Net position at beginning of year, as restated	27,378,182
Net position at end of year	26,254,883

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2022

(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		-
Noncurrent restricted cash and cash equivalents		<u>-</u>
Current cash and cash equivalents		<u>1,928,248</u>
Total	\$	<u>1,928,248</u>

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-
Certificates of deposit	-	200,000	200,000
U.S. agency securities	-	-	-
U.S. treasury securities	-	-	-
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	-	-	-
Exchange traded funds	-	-	-
Equity securities	-	-	-
Alternative investments:	-	-	-
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	22,731,831	-	22,731,831
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Other investments	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>22,731,831</u>	<u>200,000</u>	<u>22,931,831</u>
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	<u>\$ 22,731,831</u>	<u>\$ 200,000</u>	<u>\$ 22,931,831</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2022

(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	200,000	-	200,000	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	-	-	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	22,731,831	-	-	-	22,731,831
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other investments	-	-	-	-	-
Total investments	\$ 22,931,831	\$ -	\$ 200,000	\$ -	\$ 22,731,831

2.3 Investments held by the University under contractual agreements:

Instruction: Amounts should agree with University's investments held on behalf of Discretely Presented Component Units.

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

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2022

(for inclusion in the California State University)

3.1 Composition of capital assets:

	Balance June 30, 2021	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2021 (Restated)	Additions	Retirements	completed CWIP/PWIP	Balance June 30, 2022
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	\$ 3,247,402	\$ -	\$ -	\$ -	\$ 3,247,402	\$ -	\$ (97,667)	\$ -	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	5,082,751	-	-	-	5,082,751	524,118	(327,099)	-	-
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	8,330,153	-	-	-	8,330,153	524,118	(42)	-	-
Total capital assets	\$ 8,330,153	\$ -	\$ -	\$ -	\$ 8,330,153	\$ 524,118	\$ (42)	\$ -	-

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2022

(for inclusion in the California State University)

3.1 Composition of capital assets, continued:	Balance June 30, 2021	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2021 (Restated)	Additions	Retirements	completed CWIP/PWIP	Balance June 30, 2022
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	(2,018,376)	-	-	-	(2,018,376)	(187,249)	97,668		
Improvements, other than buildings	-	-	-	-	-	-	-		
Infrastructure	-	-	-	-	-	-	-		
Leasehold improvements	-	-	-	-	-	-	-		
Personal property:									
Equipment	(4,184,191)	-	-	-	(4,184,191)	(352,020)	325,432		
Library books and materials	-	-	-	-	-	-	-		
Intangible assets:									
Software and websites	-	-	-	-	-	-	-		
Rights and easements	-	-	-	-	-	-	-		
Patents, copyrights and trademarks	-	-	-	-	-	-	-		
Licenses and permits	-	-	-	-	-	-	-		
Other intangible assets:									
	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-		
Total Other intangible assets:	-	-	-	-	-	-	-		
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(6,202,567)	-	-	-	(6,202,567)	(539,269)	42		
Total capital assets, net excluding lease assets	2,127,586	-	-	-	2,127,586	-	-		
Lease assets, net									-
Total capital assets, net									-

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2022

(for inclusion in the California State University)

3.1 Composition of capital assets, continued:

Composition of lease assets:	Balance June 30, 2021	Additions	Remeasurements	Reductions	Balance June 30, 2022
Non-depreciable/Non-amortizable lease assets:					
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-
Depreciable/Amortizable lease assets:					
Land and land improvements	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-
Infrastructure	-	-	-	-	-
Personal property:					
Equipment	-	-	-	-	-
Total depreciable/amortizable lease assets	-	-	-	-	-
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)					
Land and land improvements	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-
Infrastructure	-	-	-	-	-
Personal property:					
Equipment	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-
Total lease assets, net	\$ -	\$ -	\$ -	\$ -	\$ -

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 539,269
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 539,269

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

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June 30, 2022

(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2021	Prior Period Adjustments/Reclass ifications	Balance June 30, 2021 (Restated)	Additions	Reductions	Balance June 30, 2022	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 476,331	\$ -	\$ 476,331	\$ 331,151	\$ (318,234)	\$ 489,248	\$ 297,082	\$ 192,166
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	-	-	-	-	-	-	-	-
5. Lease Liabilities								
Total long-term liabilities								
Lease liabilities	Balance	Additions	Remeasurements	Reductions	June 30, 2022	Current Portion	Noncurrent Portion	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

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June 30, 2022

(for inclusion in the California State University)

5 Lease Liabilities schedule:

	Lease Liabilities related to SRB			All other lease liabilities			Total lease liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Total lease liabilities									-
Less: current portion									-
Lease liabilities, net of current portion									-

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									-

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2022

(for inclusion in the California State University)

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$	-
Payments to University for other than salaries of University personnel	\$	1,351,655
Payments received from University for services, space, and programs	\$	12,805,977
Gifts-in-kind to the University from discretely presented component units	\$	-
Gifts (cash or assets) to the University from discretely presented component units	\$	73,427
Accounts (payable to) University (enter as negative number)	\$	(169,786)
Other amounts (payable to) University (enter as negative number)	\$	-
Accounts receivable from University (enter as positive number)	\$	768,383
Other amounts receivable from University (enter as positive number)	\$	-

8 Restatements

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

		Debit/(Credit)
Restatement #1	None	
		\$ -
Restatement #2	None	
		\$ -

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

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(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	2,193,848	526,349	250,676	(26,694)	-	1,289,187	-	-
Institutional support	1,111,367	292,428	181,168	3,277	-	401,819	-	-
Operation and maintenance of plant	1,781,763	501,904	92,072	(21,789)	-	1,354,922	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	2,925,645	532,203	197,138	(28,729)	-	3,421,924	-	-
Depreciation and amortization	-	-	-	-	-	-	539,269	-
Total operating expenses	\$ 8,012,623	\$ 1,852,884	\$ 721,054	\$ (73,935)	\$ -	\$ 6,467,	\$ 539	

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

To the Board of Directors
Associated Students of California State University, Chico

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, Chico (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2022.

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

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

Purpose of This Report

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

San Diego, California
September 20, 2022