

Associated Students of California State University, Chico

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Year Ended June 30, 2024



ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Financial Statements and Supplemental Information

Year Ended June 30, 2024

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Supplemental Information	
Schedule of Activities of the Auxiliary Activities Fund	21
Schedule of Activity Fee Program Operations	22
Schedule of Student Union Operating Fund Operations	23
Schedule of Source of Funding and Expenses for Sponsored Programs	24
Schedule of Investments and Savings	25
Schedule of Net Position	26
Schedule of Revenues, Expenses, and Changes in Net Position	28
Other Information	29
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 <i>Government Auditing Standards</i>	37

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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students of California State University, Chico as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Associated Students 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 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 21-36 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 19, 2024, on our consideration of Associated Students of California State University, Chico's June 30, 2024 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.

Aldrich CPAs + Advisors LLP

San Diego, California
September 19, 2024

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Financial Position

June 30, 2024

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds
ASSETS							
Cash and cash equivalents:							
Cash on hand and in banks	\$ 138,510	\$ -	\$ 3,453	\$ 1,208,458	\$ -	\$ 267,976	\$ 1,618,397
Cash in investments	5,240,512	-	1,155,038	8,168,200	-	9,646,181	24,209,931
Total Cash and Cash Equivalents	5,379,022	-	1,158,491	9,376,658	-	9,914,157	25,828,328
Accounts and other receivables	55,378	-	12,791	556,886	-	76,268	701,323
Accounts receivable - related parties	279,137	-	-	259,305	-	18,557	556,999
Sponsored programs receivable	-	-	-	-	540	-	540
Interfund receivables (payables)	(87,290)	-	-	(184,923)	93,816	178,397	-
Inventories	-	-	-	121,823	-	-	121,823
Prepaid expenses	10,003	-	-	19,823	-	31,687	61,513
Buildings and equipment - net of accumulated depreciation	-	11,568	-	234,236	-	2,514,591	2,760,395
Long-term deposits	-	-	-	-	-	20,000	20,000
Total Assets	\$ 5,636,250	\$ 11,568	\$ 1,171,282	\$ 10,383,808	\$ 94,356	\$ 12,753,657	\$ 30,050,921
LIABILITIES AND NET ASSETS							
Liabilities:							
Accounts payable	\$ 41,157	-	-	148,791	21,283	131,130	\$ 342,361
Accounts payable - related parties	948	-	-	120,683	6,515	46,311	174,457
Accrued expenses	193,796	-	-	509,656	-	563,353	1,266,805
Deferred revenue	75,667	-	-	9,552	66,558	325	152,102
Pension obligation	114,020	-	-	91,877	-	202,525	408,422
Total Liabilities	425,588	-	-	880,559	94,356	943,644	2,344,147
Net assets:							
Without donor restrictions	5,210,662	11,568	1,171,282	9,503,249	-	11,810,013	27,706,774
Total Liabilities and Net Assets	\$ 5,636,250	\$ 11,568	\$ 1,171,282	\$ 10,383,808	\$ 94,356	\$ 12,753,657	\$ 30,050,921

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Activities

Year Ended June 30, 2024

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds
Revenues and Other Support Without Donor Restrictions:							
Wildcat Store, dining services, and other sales	\$ -	\$ -	\$ -	\$ 8,974,365	\$ -	\$ -	\$ 8,974,365
Allocation of revenue funds from campus	1,485,474	-	-	-	-	7,862,091	9,347,565
Grants	-	-	-	-	957,326	-	957,326
Interest income	211,610	-	45,856	324,316	-	401,515	983,297
Other income	115,347	-	33	99,521	-	84,608	299,509
Student and campus programs	23,240	-	-	-	-	308,831	332,071
Indirect income	68,521	-	-	-	-	-	68,521
Gifts	1,135	-	-	-	-	-	1,135
Total Revenues and Other Support Without Donor Restrictions	1,905,327	-	45,889	9,398,202	957,326	8,657,045	20,963,789
Expenses:							
Program services:							
Auxiliary activities	-	-	-	7,649,769	-	-	7,649,769
Student union and recreation center building operations	-	-	-	-	-	5,407,348	5,407,348
Student and campus programs	1,294,618	-	-	-	-	1,803,798	3,098,416
Sponsored programs	-	-	-	-	957,326	-	957,326
Supporting services:							
Management and general	329,578	-	-	628,087	-	1,019,528	1,977,193
Total Program and Supporting Services Expenses	1,624,196	-	-	8,277,856	957,326	8,230,674	19,090,052
Other Expenses:							
Pension and postretirement benefit cost amortization	37,866	-	-	118,968	-	(35,005)	121,829
Total Expenses	\$ 1,662,062	\$ -	\$ -	\$ 8,396,824	\$ 957,326	\$ 8,195,669	\$ 19,211,881

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Activities, continued

Year Ended June 30, 2024

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds
Change in Net Assets Before Transfers and Other	\$ 243,265	\$ -	\$ 45,889	\$ 1,001,378	\$ -	\$ 461,376	\$ 1,751,908
Transfers:							
Plant fund transfer	9,834	(9,834)	-	-	-	-	-
Other fund transfers	-	-	-	(564,353)	-	564,353	-
Change in Net Assets	253,099	(9,834)	45,889	437,025	-	1,025,729	1,751,908
Net Assets Without Donor Restrictions - Beginning of Year	4,957,563	\$ 21,402	\$ 1,125,393	\$ 9,066,224	\$ -	\$ 10,784,284	25,954,866
Net Assets Without Donor Restrictions - End of Year	\$ 5,210,662	\$ 11,568	\$ 1,171,282	\$ 9,503,249	\$ -	\$ 11,810,013	\$ 27,706,774

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Functional Expenses

Year Ended June 30, 2024

	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	
Salaries and wages	\$ 3,025,904	\$ 2,190,066	\$ 1,798,007	\$ 521,940	\$ 7,535,917	\$ 1,061,265	\$ 8,597,182
Cost of sales	2,561,549	-	-	-	2,561,549	-	2,561,549
Employee benefits	847,819	659,535	344,030	219,228	2,070,612	414,336	2,484,948
Repairs and maintenance	264,610	955,489	6,258	92,508	1,318,865	7,177	1,326,042
Utilities	158,728	493,202	7,300	-	659,230	8,450	667,680
Supplies and small equipment	249,209	266,136	94,756	35,987	646,088	13,243	659,331
Programs	-	57,763	554,162	2,207	614,132	-	614,132
Professional services	53,831	75,827	93,836	12,307	235,801	356,602	592,403
Depreciation	55,232	403,283	6,950	-	465,465	23,993	489,458
Insurance	78,229	235,083	61,150	-	374,462	11,745	386,207
Miscellaneous	102,204	14,980	43,053	-	160,237	33,941	194,178
Contributions to campus mission	117,108	-	-	-	117,108	-	117,108
Communications	24,404	37,819	27,399	-	89,622	20,325	109,947
Wildcat and credit card charges	89,539	-	-	-	89,539	-	89,539
Professional development and travel	7,947	5,253	43,985	4,260	61,445	24,706	86,151
Sponsored programs indirect costs	-	-	-	68,521	68,521	-	68,521
Advertising and printing	9,172	12,912	16,914	368	39,366	1,410	40,776
Rent	4,284	-	616	-	4,900	-	4,900
Total Program and Supporting Services Expense	7,649,769	5,407,348	3,098,416	957,326	17,112,859	1,977,193	19,090,052
Pension and postretirement benefit cost amortization	118,968	(29,471)	32,332	-	121,829	-	121,829
Total Expenses	\$ 7,768,737	\$ 5,377,877	\$ 3,130,748	\$ 957,326	\$ 17,234,688	\$ 1,977,193	\$ 19,211,881

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year Ended June 30, 2024

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Student Union Operating Fund	Total All Funds
Cash and Cash Equivalents - Beginning of Year	\$ 5,304,612	\$ -	\$ 1,116,819	\$ 8,756,391	\$ -	\$ 10,247,002	\$ 25,424,824
Cash Flows from Operating Activities:							
Change in net assets	253,099	(9,834)	45,889	437,025	-	1,025,729	1,751,908
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by operating activities:							
Depreciation	-	10,232	-	62,154	-	417,072	489,458
Gain on sale or disposal of equipment	-	-	-	(200)	-	(2,727)	(2,927)
Change in operating assets and liabilities:							
Receivables - net	(79,010)	-	(4,217)	515,454	660	(21,009)	411,878
Interfund receivables (payables)	203,676	-	-	(168,784)	32,153	(67,045)	-
Inventories	-	-	-	(16,131)	-	-	(16,131)
Prepaid expenses	(740)	-	-	(1,605)	-	(2,480)	(4,825)
Accounts payable	(35,713)	-	-	15,115	(20,898)	33,135	(8,361)
Accrued expenses	(85,084)	-	-	(59,855)	-	(123,981)	(268,920)
Deferred revenue	28,484	-	-	(408)	(11,915)	(260)	15,901
Pension obligation	(149,305)	-	-	(96,470)	-	(348,181)	(593,956)
Postretirement benefit obligation	(60,997)	-	-	(70,484)	-	(120,529)	(252,010)
Net Cash and Cash Equivalents Provided by Operating Activities	74,410	398	41,672	615,811	-	789,724	1,522,015
Cash Flows from Investing Activities:							
Purchases of equipment	-	(398)	-	811	-	(1,185,844)	(1,185,431)
Proceeds from sale of equipment	-	-	-	3,645	-	63,275	66,920
Net Cash and Cash Equivalents Provided (Used) by Investing Activities	-	(398)	-	4,456	-	(1,122,569)	(1,118,511)
Increase (Decrease) in Cash and Cash Equivalents	74,410	-	41,672	620,267	-	(332,845)	403,504
Cash and Cash Equivalents - End of Year	\$ 5,379,022	\$ -	\$ 1,158,491	\$ 9,376,658	\$ -	\$ 9,914,157	\$ 25,828,328

See accompanying notes to financial statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2024

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

Effective July 1, 2023, the Organization adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This update requires the use of a forward-looking expected credit loss model for instruments within its scope, including accounts receivable, and replaces the previous incurred loss impairment model. The expected credit loss model requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and reasonable and supportable forecasts affecting collectability. Management has analyzed the provisions contained in Topic 326 and determined that there is no impact on fund balances as of July 1, 2023 due to the adoption of the new policy.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (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, 2024.

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.

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.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2024

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

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. The agreement is through June 30, 2024, and provides for a commission to be paid on gross revenues as defined. The 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.

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.

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 \$5.5 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).

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2024

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

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, 2024, 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.

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. Money market funds 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.

Buildings and Equipment

Buildings 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.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2024

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

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 \$80 per semester for the year ended June 30, 2024. The student union fee was \$478 per semester for the year ended June 30, 2024. 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.

Advertising

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

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2024

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

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, 2024, and the Organization does not expect this to change significantly over the next 12 months.

Subsequent Events

Management has evaluated subsequent events through September 19, 2024, the date on which the report was available to be issued.

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, 2024:

	Level 1	Level 2	Level 3	NAV	Total
LAIF	\$ -	\$ -	\$ -	\$ 20,186,038	\$ 20,186,038
Money Market	-	4,023,893	-	-	4,023,893
	\$ -	\$ 4,023,893	\$ -	\$ 20,186,038	\$ 24,209,931

Note 3 - Buildings and Equipment

Buildings and equipment consist of the following at June 30:

Building improvements	\$ 3,731,429
Equipment and furnishings	6,073,001
Vehicles	152,966
Subtotals	9,957,396
Less: accumulated depreciation	7,197,001
Buildings and Equipment - Net	\$ 2,760,395

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2024

Note 4 - Postretirement Benefit Obligation

On April 17, 2024, the Board of Directors voted to eliminate the postretirement benefit plan and contribute previously held funds toward the CalPERS unfunded liability (see Note 8). The accrued reserve was transferred toward the CalPERS unfunded liability on April 24, 2024, and the first pay period of April marked the final accrual of the eliminated plan. Lack of participation in the plan and the incentive to cut interest costs were cited as leading factors in the decision; at the time of the plan's elimination, there were no employees utilizing the benefit.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2024

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, 2024:

	General (Activity Fee) Fund	Plant Fund	Board Designated Fund	Auxiliary Activities Fund	Student Union Operating Fund	Total
Investments in buildings and equipment	\$ -	\$ 11,568	\$ -	\$ 234,235	\$ 2,514,592	\$ 2,760,395
Reserve for facilities upgrade	-	-	-	1,200,000	-	1,200,000
Operating reserve	492,416	-	-	232,380	2,041,693	2,766,489
Contingency reserve	295,391	-	-	35,000	100,000	430,391
Capital replacement reserve	20,363	-	-	75,000	250,000	345,363
Reserve for allocated funds	-	-	1,171,282	-	-	1,171,282
Future operations reserve	-	-	-	2,500,000	-	2,500,000
Sustainability fund reserve	-	-	-	-	741,868	741,868
Total Net Asset Reserves	808,170	11,568	1,171,282	4,276,615	5,648,153	11,915,788
Available for general purposes	4,402,492	-	-	5,226,634	6,161,860	15,790,986
Total Net Assets Without Donor Restrictions	\$ 5,210,662	\$ 11,568	\$ 1,171,282	\$ 9,503,249	\$ 11,810,013	\$ 27,706,774

Investments in Buildings and Equipment

The investments in buildings 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.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2024

Note 5 - Net Asset Reserves, continued

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.

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, 2024:

Beginning of year	\$	1,500,593
End of year	\$	1,043,331

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, 2024

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 \$12,991,084 for the year ended June 30, 2024. 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, 2024:

Revenue fund reserve	\$	12,926,392
Repair and replacement reserve		7,500,000
Capital improvements reserve		<u>5,832,754</u>
Total Reserves Held by CSU, Chico	\$	<u><u>26,259,146</u></u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2024

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 *Annual Comprehensive Financial Report (ACFR)* that includes financial statements and required supplementary information. Copies of the ACFR 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 ACFR for the fiscal year ended June 30, 2023:

	<u>Classic</u>	<u>PEPRA</u>
Plan identification number	2178631467	2178631467
Rate plan number	8323	26216
Accumulated benefit obligation	\$ 17,980,490	\$ 4,139,549
Total plan assets	\$ 16,737,942	\$ 3,775,313
Unfunded accrued liability	\$ 1,242,548	\$ 364,236
Funded status	93.1%	91.2%
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

In May 2024, the Organization corresponded with CalPERS and made an additional payment of \$1,198,362 toward the unfunded accrued liability, resulting in a pension obligation of \$408,422.

Funding Policy

Annually, CalPERS determines the required employer contribution rates for each participating agency. The required employer contribution rate for the Classic plan was 10.10% for the year ended June 30, 2024. To participate in the CalPERS plan, Classic plan employees are required to contribute 7.00% of their earnings to which the Board of Directors agreed to contribute 2.00% of the employees' required contribution, bringing the total employer contribution rate to 12.10%. The required employer contribution rate for the PEPRA plan was 7.68% for the year ended June 30, 2024. PEPRA plan employees are required to contribute 7.75% of their earnings to participate in the CalPERS plan. Expenses recognized for the CalPERS plans amounted to \$485,974 for the year ended June 30, 2024.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2024

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 2022-23 fiscal year through the 2023-24 fiscal year was negotiated and signed by both parties on June 30, 2022, and provides reimbursement for actual costs, not to exceed \$5,995,962.

Operating Lease and Facility Use Agreements

The Organization operates as an auxiliary organization to CSU, Chico, under an operating lease agreement. 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 decreased enrollment, an amendment to the agreement for fiscal years 2022-23 through 2026-27 was approved temporarily removing the \$300,000 payment. 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 for the year ended June 30, 2024:

Transactions with CSU, Chico:

Payments to University for other than salaries of University personnel	\$	1,120,129
Payments received from University for services, space, and programs	\$	16,337,751
Gifts (cash or assets) to the University from recognized Auxiliary Organization	\$	1,459,357
Accounts payable to University	\$	(50,833)
Accounts receivable from University	\$	525,416

Transactions with the Chico State Enterprises:

Accounts receivable from Chico State Enterprises	\$	5,136
Accounts payable to Chico State Enterprises	\$	(123,624)

Transactions with the University Foundation CSU, Chico:

Accounts receivable from the University Foundation CSU, Chico	\$	26,447
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ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Notes to Financial Statements

Year Ended June 30, 2024

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:

Financial assets at year end:	
Cash and cash equivalents	\$ 25,828,328
Accounts and other receivables	701,323
Sponsored programs receivable	<u>540</u>
Total financial assets	26,530,191
Less amounts not available to be used within one year for general purposes:	
Board Designated Reserve Funds (Note 5)	<u>(9,155,393)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>17,374,798</u></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, 2024

	Wildcat Store	Dining Services		Total	Total All Funds
		Cash Operations	Residence Dining Halls		
Sales	\$ -	\$ 2,647,367	5,647,618	\$ 8,294,985	\$ 8,294,985
Less: cost of sales	-	1,102,917	1,458,632	2,561,549	2,561,549
Sales commissions	373,496	305,884	-	305,884	679,380
Gross Profit	373,496	1,850,334	4,188,986	6,039,320	6,412,816
Operating Expenses:					
Salaries and wages	12,409	986,697	2,026,798	3,013,495	3,025,904
Employee benefits	4,570	107,328	735,921	843,249	847,819
Accounting, human resources and administration services	42,137	208,790	231,421	440,211	482,348
Repairs and maintenance	5,834	198,225	60,551	258,776	264,610
Supplies and small equipment	-	116,621	132,588	249,209	249,209
Utilities	56,581	102,147	-	102,147	158,728
Information technology services	-	65,330	73,487	138,817	138,817
Contributions to campus mission	57,559	59,549	-	59,549	117,108
Depreciation	8,670	53,484	-	53,484	62,154
Miscellaneous	828	59,956	28,818	88,774	89,602
Wildcat and credit card charges	-	75,517	14,022	89,539	89,539
Insurance	13,822	35,329	29,078	64,407	78,229
Professional services	-	16,471	37,360	53,831	53,831
Communications	7,061	13,175	4,168	17,343	24,404
Rent	-	4,284	-	4,284	4,284
Professional development and travel	-	3,127	4,820	7,947	7,947
Advertising and printing	-	7,348	1,824	9,172	9,172
Total Operating Expenses	209,471	2,113,378	3,380,856	5,494,234	5,703,705
Income (Loss) from Operations	164,025	(263,044)	808,130	545,086	709,111
Interest income, realized gains and other income	271,566	148,881	3,390	152,271	423,837
Other expenses	-	(9,048)	(3,554)	(12,602)	(12,602)
Pension and postretirement benefit cost-other	-	(118,968)	-	(118,968)	(118,968)
Other fund transfers	(399,884)	(164,469)	-	(164,469)	(564,353)
Change in Net Assets Without Donor Restrictions	\$ 35,707	\$ (406,648)	\$ 807,966	\$ 401,318	\$ 437,025

See independent auditor's report.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Activity Fee Program Operations

Year Ended June 30, 2024

Revenue and Other Support:	
Allocation of revenue funds from campus	\$ 1,485,474
Interest income	211,610
Other income	115,347
Student and campus programs	23,240
Indirect income	68,521
Gifts	1,135
	<hr/>
Total Revenue and Other Support	1,905,327
	<hr/>
Expenses:	
Salaries and wages	702,906
Accounting, human resources and administration services	273,156
Programs	245,893
Employee benefits	181,912
Information technology services	51,587
Miscellaneous	37,413
Insurance	34,012
Professional services	32,556
Professional development and travel	21,151
Communications	14,265
Depreciation	10,232
Supplies and small equipment	7,465
Utilities	7,300
Advertising and printing	5,211
Rent	616
Repairs and maintenance	(1,479)
	<hr/>
Total Expenses	1,624,196
	<hr/>
Excess Revenues from Operations	281,131
Other fund transfers	9,834
Pension and postretirement benefit cost-other	(37,866)
	<hr/>
Increase in Net Assets Without Donor Restrictions	\$ 253,099
	<hr/> <hr/>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Student Union Operating Fund Operations

Year Ended June 30, 2024

Revenue and Other Support:	
Allocation of revenue funds from campus	\$ 7,862,091
Interest income	401,515
Conference services	158,024
Recreation programming	150,807
Other income	84,608
	<hr/>
Total Revenue and Other Support	8,657,045
	<hr/>
Expenses:	
Salaries and wages	3,285,167
Repairs and maintenance	963,226
Employee benefits	821,653
Accounting, human resources and administration services	780,307
Utilities	493,202
Depreciation	417,072
Program	366,032
Supplies and small equipment	353,427
Insurance	262,221
Information technology services	226,985
Professional services	137,107
Communications	50,953
Professional development and travel	28,087
Advertising and printing	24,615
Miscellaneous	20,620
	<hr/>
Total Expenses	8,230,674
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Excess (Deficiency) Revenues from Operations	426,371
Other fund transfers	564,353
Pension and postretirement benefit cost-other	35,005
	<hr/>
Increase in Net Assets Without Donor Restrictions	\$ 1,025,729
	<hr/>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Source of Funding and Expenses for Sponsored Programs

Year Ended June 30, 2024

Source of Funding (Direct):	
State of California	\$ 786,203
Federal funds	101,148
Parent fees and other income	<u>1,454</u>
Total Direct Sources	<u>888,805</u>
Source of Indirect Cost Reimbursements:	
State of California and local governments	62,773
Federal government	<u>5,748</u>
Total Indirect Cost Reimbursements	<u>68,521</u>
Total Funding	<u>957,326</u>
Direct Expenses:	
Personnel services:	
Salaries and wages	484,582
Employee benefits	203,537
Operating expenses	<u>200,686</u>
Total Direct Expenses	<u>888,805</u>
Indirect Expenses:	
Personnel services:	
Salaries and wages	37,358
Employee benefits	15,691
Operating expenses	<u>15,472</u>
Total Indirect Expenses	<u>68,521</u>
Total Expenses	<u>\$ 957,326</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Investments and Savings

Year Ended June 30, 2024

The following is a schedule of investments and savings:

	<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	\$ 20,186,038	\$ 20,186,038	Various	On demand	4.06%
Investments:					
Money Market Account	\$ 4,023,893	\$ 4,023,893	Various	On demand	4.25%

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

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Net Position

June 30, 2024

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	1,618,397
Short-term investments	24,209,931
Accounts receivable, net	1,258,862
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	183,336
Total current assets	27,270,526

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	2,760,395
Other assets	20,000
Total noncurrent assets	2,780,395
Total assets	30,050,921

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	447,267
Net OPEB liability	-
Leases	-
P3	-
Others	-
Total deferred outflows of resources	447,267

Liabilities:

Current liabilities:

Accounts payable	516,818
Accrued salaries and benefits	721,444
Accrued compensated absences, current portion	333,952
Unearned revenues	152,102
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	7,845
Total current liabilities	1,732,161

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Net Position, continued

June 30, 2024

(for inclusion in the California State University)

Noncurrent liabilities:	
Accrued compensated absences, net of current portion	203,564
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	408,422
Other liabilities	-
Total noncurrent liabilities	611,986
Total liabilities	2,344,147
Deferred inflows of resources:	
P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	680,912
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-
Total deferred inflows of resources	680,912
Net position:	
Net investment in capital assets	2,760,395
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	24,712,734
Total net position	27,473,129

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Schedule of Revenues, Expenses, and Changes in Net Position

June 30, 2024

(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	106,896
State	848,976
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	9,073,886
Scholarship allowances (enter as negative)	-
Other operating revenues	9,949,599
Total operating revenues	19,979,357
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	4,081,124
Institutional support	1,953,200
Operation and maintenance of plant	4,974,594
Student grants and scholarships	-
Auxiliary enterprise expenses	7,713,505
Depreciation and amortization	489,458
Total operating expenses	19,211,881
Operating income (loss)	767,476
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	1,135
Investment income (loss), net	983,297
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	-
Net nonoperating revenues (expenses)	984,432
Income (loss) before other revenues (expenses)	1,751,908
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	1,751,908
Net position:	
Net position at beginning of year, as previously reported	25,721,221
Restatements	-
Net position at beginning of year, as restated	25,721,221
Net position at end of year	27,473,129

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2024

(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		-
Noncurrent restricted cash and cash equivalents		-
Current cash and cash equivalents		1,618,397
Total	\$	1,618,397

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ 4,023,893	\$ -	\$ 4,023,893
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	-	-
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	-	-	-
Exchange traded funds	-	-	-
Equity securities	-	-	-
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment types	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	20,186,038	-	20,186,038
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments	-	-	-
Total investments	24,209,931	-	24,209,931
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ 24,209,931	\$ -	\$ 24,209,931

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2024

(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	\$ 4,023,893	\$ -	\$ 4,023,893	\$ -	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	-	-	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	20,186,038	-	-	-	20,186,038
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments	-	-	-	-	-
Total investments	\$ 24,209,931	\$ -	\$ 4,023,893	\$ -	\$ 20,186,038

2.3 Investments held by the University under contractual agreements: Not applicable

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2024

(for inclusion in the California State University)

3.1 Capital Assets, excluding ROU assets:
Composition of capital assets, excluding ROU assets:

	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2023 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2024
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 non-depreciable/non-amortizable capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciable/Amortizable capital assets:									
Buildings and building improvements	\$ 3,148,610	\$ -	\$ -	\$ -	\$ 3,148,610	\$ 587,500	\$ (4,681)	\$ -	\$ 3,731,429
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	5,742,660	-	-	-	5,742,660	597,931	(114,624)	-	6,225,967
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	8,891,270	-	-	-	8,891,270	1,185,431	(119,305)	-	9,957,396
Total capital assets	\$ 8,891,270	\$ -	\$ -	\$ -	\$ 8,891,270	\$ 1,185,431	\$ (119,305)	\$ -	\$ 9,957,396

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2024

(for inclusion in the California State University)

	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2023 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2024
3.1 Composition of capital assets, continued:									
Less accumulated depreciation/amortization:									
Buildings and building improvements	\$ (2,284,395)	\$ -	\$ -	\$ -	\$ (2,284,395)	\$ (175,117)	\$ 4,681	\$ -	\$ (2,454,831)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(4,478,460)	-	-	-	(4,478,460)	(322,434)	58,724	-	(4,742,170)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(6,762,855)	-	-	-	(6,762,855)	(497,551)	63,405	-	(7,197,001)
Total capital assets, net excluding ROU assets	\$ 2,128,415	\$ -	\$ -	\$ -	\$ 2,128,415	\$ 687,880	\$ (55,900)	\$ -	\$ 2,760,395

Total capital assets, net including ROU assets

\$ 2,760,395

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding	\$ 497,551
Amortization expense - Leases ROU	-
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	(8,093)
Total depreciation and amortization	\$ 489,458

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2024

(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2023	Prior Period Adjustments/ Reclassifications	Balance June 30, 2023 (Restated)	Additions	Reductions	Balance June 30, 2024	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 549,847	\$ -	\$ 549,847	\$ 137,755	\$ (150,086)	\$ 537,516	\$ 333,952	\$ 203,564
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

5. Lease, SBITA, P3 liabilities:

	Balance June 30, 2023	Prior Period Adjustments/ Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2024	Current Portion	Noncurrent Portion
Lease liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total long-term liabilities						\$ 537,516	\$ 333,952	\$ 203,564

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2024

(for inclusion in the California State University)

6 Long-term debt obligations schedule:	Not applicable
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	\$ 1,120,129
Payments received from University for services, space, and programs	\$ 16,337,751
Gifts-in-kind to the University from discretely presented component units	\$ -
Gifts (cash or assets) to the University from discretely presented component units	\$ 1,459,357
Accounts payable to University	\$ (50,833)
Other amounts payable to University	\$ -
Accounts receivable from University	\$ 525,416
Other amounts receivable from University	\$ -
8 Restatements	Not applicable

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2024

(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	2,319,947	444,174	151,030	386	-	1,165,587	-	4,081,124
Institutional support	1,061,265	249,740	162,096	2,500	-	477,599	-	1,953,200
Operation and maintenance of plant	2,190,066	575,060	57,340	(2,336)	-	2,154,464	-	4,974,594
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	3,025,904	730,000	237,337	(550)	-	3,720,814	-	7,713,505
Depreciation and amortization	-	-	-	-	-	-	489,458	489,458
Total operating expenses	\$ 8,597,182	\$ 1,998,974	\$ 607,803	\$ -	\$ -	\$ 7,518,464	\$ 489,458	\$ 19,211,881

Pension plan reported

Defined Benefit Plan

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO

Other Information

June 30, 2024

(for inclusion in the California State University)

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	\$	-
Deferred outflows - net pension liability		447,267
Deferred outflows - net OPEB liability		-
Deferred outflows - leases		-
Deferred outflows - P3		-
Deferred outflows - others		-
Total deferred outflows of resources	\$	447,267

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	\$	-
Deferred inflows - net pension liability		-
Deferred inflows - net OPEB liability		680,912
Deferred inflows - unamortized gain on debt refunding(s)		-
Deferred inflows - nonexchange transactions		-
Deferred inflows - leases		-
Deferred inflows - P3		-
Deferred inflows - others		-
Total deferred inflows of resources	\$	680,912

11 Other nonoperating revenues (expenses)

Not applicable

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, 2024, 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 19, 2024.

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.

Aldrich CPAs + Advisors LLP

San Diego, California
September 19, 2024