

University Student Center of California State University, Stanislaus

Financial Statements and Supplemental Information

Years Ended June 30, 2022 and 2021



UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Financial Statements and Supplemental Information

Years Ended June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
University Student Center of California State University, Stanislaus

Opinion

We have audited the accompanying financial statements of University Student Center of California State University, Stanislaus (a nonprofit organization), which comprise the statements of financial position as June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position University Student Center of California State University, Stanislaus as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 University Student Center of California State University, Stanislaus and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis-of-Matter

Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2022, University Student Center of California State University, Stanislaus 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.

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 University Student Center of California State University, Stanislaus'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 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

In performing an audit in accordance with generally accepted auditing standards and *Governmental 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 University Student Center of California State University, Stanislaus' 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 University Student Center of California State University, Stanislaus'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 18-26 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 23, 2022, on our consideration of University Student Center of California State University, Stanislaus' 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 University Student Center of California State University, Stanislaus' 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 University Student Center of California State University, Stanislaus' internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
September 23, 2022

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS**Statements of Financial Position**

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,948,322	\$ 3,156,098
Due from related parties	212,742	1,005,199
Other current assets	<u>9,708</u>	<u>5,621</u>
Total Current Assets	4,170,772	4,166,918
Property and Equipment, net	<u>4,017,332</u>	<u>4,168,236</u>
Total Assets	<u>\$ 8,188,104</u>	<u>\$ 8,335,154</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 33,457	\$ 42,473
Accrued expenses	85,654	97,832
Due to related parties	67,691	122,245
Current portion of capital lease	<u>130,000</u>	<u>125,000</u>
Total Current Liabilities	316,802	387,550
Non-Current Liabilities:		
Post-retirement benefit obligation	1,111,730	1,404,803
Pension obligation	294,353	309,474
Capital lease, net of current portion	<u>3,220,000</u>	<u>3,350,000</u>
Total Non-Current Liabilities	<u>4,626,083</u>	<u>5,064,277</u>
Total Liabilities	4,942,885	5,451,827
Net Assets:		
Without Donor Restrictions:		
Board designated for:		
Capital fund	500,000	500,000
Current operating contingency	500,000	500,000
Deferred post-retirement benefits	200,000	200,000
Catastrophic events	200,000	200,000
Undesignated	<u>1,845,219</u>	<u>1,483,327</u>
Total Without Donor Restrictions	<u>3,245,219</u>	<u>2,883,327</u>
Total Liabilities and Net Assets	<u>\$ 8,188,104</u>	<u>\$ 8,335,154</u>

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statements of Activities

Years Ended June 30, 2022 and 2021

	2022	2021
Revenue and Other Support Without Donor Restrictions:		
Student activity fees	\$ 4,852,265	\$ 7,911,799
Space rental	352,209	275,688
	<u>5,204,474</u>	<u>8,187,487</u>
Expenses:		
Program services:		
Reservation services	1,160,854	895,173
Stockton center	190,096	151,823
Other programs	109,714	48,075
Leadership	101,998	136,473
	<u>1,562,662</u>	<u>1,231,544</u>
General and administrative	3,854,137	3,934,233
	<u>5,416,799</u>	<u>5,165,777</u>
Total Expenses		
	<u>5,416,799</u>	<u>5,165,777</u>
Operating Net Income (Loss)	(212,325)	3,021,710
Non-Operating Revenues:		
Interest income	10,266	2,921
Pension related benefit other than net periodic pension cost	424,875	130,125
Donations	-	21,169
Contributed nonfinancial rent	131,042	131,042
Other	8,034	1,592
	<u>574,217</u>	<u>286,849</u>
Total Non-Operating Revenues		
	<u>574,217</u>	<u>286,849</u>
Change in Net Assets	361,892	3,308,559
Net Assets (Deficit) - Without Donor Restrictions, beginning	<u>2,883,327</u>	<u>(425,232)</u>
Net Assets - Without Donor Restrictions, ending	<u>\$ 3,245,219</u>	<u>\$ 2,883,327</u>

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services					General and Administration	Total
	Reservation Services	Stockton Center	Other Programs	Leadership	Total Programs		
Payroll - wages	\$ 239,233	\$ 49,819	\$ -	\$ 2,530	\$ 291,582	\$ 245,271	\$ 536,853
Retirement	16,029	3,451	-	105	19,585	165,918	185,503
Student assistants	174,119	1,443	50,737	45,556	271,855	-	271,855
Employee benefits	98,082	11,250	80	483	109,895	107,154	217,049
Payroll - taxes	19,419	3,811	149	693	24,072	18,460	42,532
Total Salaries and Related Expenses	546,882	69,774	50,966	49,367	716,989	536,803	1,253,792
Campus reimbursement	-	-	-	-	-	2,862,756	2,862,756
Contractual services	14,177	866	77	-	15,120	171,936	187,056
Minor equipment	48,380	109,904	6,465	2,293	167,042	4,509	171,551
Interest	159,383	-	-	-	159,383	-	159,383
Depreciation	147,448	1,331	2,125	-	150,904	-	150,904
Utilities	133,145	-	-	-	133,145	-	133,145
Repairs and maintenance	58,585	5,210	107	-	63,902	12,947	76,849
Insurance	-	-	-	-	-	68,316	68,316
Supplies and services	47,485	470	5,465	3,454	56,874	6,332	63,206
Events	-	-	28,791	14,648	43,439	1,493	44,932
Advertising	445	273	10,424	10,815	21,957	-	21,957
Accounting and legal	-	-	-	-	-	21,908	21,908
Overhead, Chancellor's office	-	-	-	-	-	18,250	18,250
Awards, gifts and donations	-	-	125	13,155	13,280	195	13,475
Telephone	4,561	390	1,094	1,794	7,839	1,758	9,597
Hospitality	234	-	25	872	1,131	8,110	9,241
Dues and subscriptions	-	-	445	-	445	3,664	4,109
Postage	36	-	3,396	-	3,432	108	3,540
Travel	93	1,878	-	-	1,971	1,541	3,512
Miscellaneous	-	-	25	1,392	1,417	730	2,147
Student Clubs	-	-	-	1,943	1,943	-	1,943
Employee and board function	-	-	-	1,563	1,563	42	1,605
Training	-	-	-	-	-	1,294	1,294
Printing	-	-	184	702	886	403	1,289
Total Operating Expenses	1,160,854	190,096	109,714	101,998	1,562,662	3,723,095	5,285,757
Pension related charges other than net periodic pension cost	-	-	-	-	-	(424,875)	(424,875)
Contributed nonfinancial rent	-	-	-	-	-	131,042	131,042
Total Expenses	\$ 1,160,854	\$ 190,096	\$ 109,714	\$ 101,998	\$ 1,562,662	\$ 3,429,262	\$ 4,991,924

See accompanying notes to the financial statements.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services					General and Administration	Total
	Reservation Services	Stockton Center	Leadership	Other Programs	Total Programs		
Payroll - wages	\$ 207,952	\$ 41,625	\$ -	\$ -	\$ 249,577	\$ 228,563	\$ 478,140
Retirement	14,649	4,773	-	-	19,422	228,832	248,254
Employee benefits	84,270	9,421	900	84	94,675	79,081	173,756
Student assistants	39,347	-	49,343	27,700	116,390	-	116,390
Payroll - taxes	12,984	3,064	491	37	16,576	16,845	33,421
Total Salaries and Related Expenses	359,202	58,883	50,734	27,821	496,640	553,321	1,049,961
Campus reimbursement	-	-	-	-	-	3,021,327	3,021,327
Contractual services	28,236	11,273	-	-	39,509	141,817	181,326
Interest	165,467	-	-	-	165,467	-	165,467
Depreciation	147,448	85	-	2,125	149,658	-	149,658
Utilities	109,522	-	-	-	109,522	-	109,522
Repairs and maintenance	37,151	66,452	-	-	103,603	-	103,603
Minor equipment	15,882	14,656	303	4,304	35,145	4,884	40,029
Insurance	5,526	-	-	-	5,526	33,692	39,218
Advertising	-	20	30,847	4,340	35,207	-	35,207
Supplies and services	23,543	94	2,906	565	27,108	2,746	29,854
Accounting and legal	-	-	-	-	-	17,375	17,375
Awards, gifts and donations	-	-	14,693	250	14,943	178	15,121
Student Clubs	-	-	15,069	-	15,069	-	15,069
Event	-	-	3,712	7,480	11,192	2,727	13,919
Overhead, Chancellor's office	-	-	-	-	-	11,956	11,956
Employee and board function	-	-	9,072	-	9,072	-	9,072
Telephone	1,635	360	2,904	744	5,643	1,458	7,101
Postage	3	-	5,971	1	5,975	725	6,700
Training	-	-	-	-	-	4,788	4,788
Dues and subscriptions	1,558	-	-	445	2,003	2,652	4,655
Hospitality	-	-	233	-	233	3,082	3,315
Miscellaneous	-	-	29	-	29	463	492
Total Operating Expenses	895,173	151,823	136,473	48,075	1,231,544	3,803,191	5,034,735
Pension related charges other than net periodic pension cost	-	-	-	-	-	(130,125)	(130,125)
Contributed nonfinancial rent	-	-	-	-	-	131,042	131,042
Total Expenses	\$ 895,173	\$ 151,823	\$ 136,473	\$ 48,075	\$ 1,231,544	\$ 3,804,108	\$ 5,035,652

See accompanying notes to the financial statements.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS**Statement of Cash Flows**

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Increase in net assets	\$ 361,892	\$ 3,308,559
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	150,904	149,658
Change in operating assets and liabilities:		
Due from related parties	792,457	108,661
Other current assets	(4,087)	(4,292)
Accounts payable	(9,016)	23,705
Accrued expenses	(12,178)	(539,577)
Due to related parties	(54,554)	(597,569)
Post-retirement benefit obligation	(293,073)	33,500
Pension obligation	(15,121)	12,096
Net Cash Provided by Operating Activities	<u>917,224</u>	<u>2,494,741</u>
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	-	(24,083)
Cash Flows Used by Financing Activities:		
Principal paid on capital lease	<u>(125,000)</u>	<u>(115,000)</u>
Net Increase in Cash and Cash Equivalents	792,224	2,355,658
Cash and Cash Equivalents, beginning	<u>3,156,098</u>	<u>800,440</u>
Cash and Cash Equivalents, ending	<u>\$ 3,948,322</u>	<u>\$ 3,156,098</u>

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

University Student Center of California State University, Stanislaus (Organization) was incorporated in the State of California on May 17, 1994, under the name of University Union of California State University, Stanislaus. On October 18, 1999, it was renamed to University Student Union of California State University, Stanislaus. It was later renamed to University Student Center of California State University, Stanislaus on September 5, 2019. The Organization was formed and operates as a non-profit auxiliary organization of California State University, Stanislaus (CSU Stanislaus or the University) which has campuses in Turlock and Stockton, California. The Organization operates a student union facility as a student body center for the benefit of the students, faculty, staff, and alumni, in order to promote and assist the education program of CSU Stanislaus. The Organization's primary source of revenue is student activity fees that have been remitted to CSU Stanislaus and are available upon request by the Organization.

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)*. The purpose of the ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the Organization. During the year ended June 30, 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*.

Management has analyzed the provisions of the FASB's ASU Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* and has included the necessary disclosures in Note 5.

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

Use of Estimates

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

Income Taxes

The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business, regularly carried on, and unrelated to its exempt purpose.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

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

Income Taxes, continued

The Organization follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statements of activities, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2022 and 2021 and therefore no amounts have been accrued.

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

The accounts receivable arises in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish a price concession for uncollectible amounts. A price concession for uncollectible amounts has not been established as management considers all accounts to be collectible based upon a favorable history over a substantial period of time. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of 3 to 29 years.

Revenue Recognition

Student Activity Fees – The Organization receives student activity fees from the University to provide a variety of student-centered programs and services that enhance the quality of the student experience. Each matriculated student of the University is required to pay \$307 per semester for student activity fees (\$295 for the year ended June 30, 2021). These payments support the Organization's operations and are collected and held by the University. Funds are released to the Organization on a reimbursement basis after expenditures have been incurred and billed to the University. The Organization recognizes revenues from student activity fees as expenditures are billed to the University throughout the year.

Fair Value Measurements

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.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

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

Fair Value Measurements, continued

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

As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2022 and 2021, due to the relative short maturities of these instruments.

Functional Expense Allocations

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefitted. Such allocations are determined by the management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of allocation</u>
Depreciation	Allocated based on program
Insurance	Allocated directly to Administration
Occupancy	Allocated directly to Administration
Office supplies	Allocated based on usage
OPEB	Allocated directly to Administration
Other costs	Allocated based on usage
Printing	Allocated based on usage
Contractual and professional services	Allocated directly to Administration
Salaries and benefits	Allocated based on program
Telephone	Allocated based on usage
Training	Allocated based on usage
Travel	Allocated based on purpose of travel

Advertising

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

Reclassification

Certain accounts relating to the prior year have been reclassified to conform to the current year presentation with no effect on the previously reported change in net assets.

Future Accounting Standards

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

In February 2016, the FASB issued ASU No. 2016-02 *Leases*. The primary change in US GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the statement of financial position 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 was originally effective for fiscal years beginning after December 15, 2019 but the FASB has delayed the effective period to fiscal years beginning after December 15, 2021. 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.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

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

Subsequent Events

The Organization has evaluated subsequent events through September 23, 2022, which is the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,948,322	\$ 3,156,098
Due from related parties	<u>212,742</u>	<u>1,005,199</u>
Total Financial Assets Available for General Operations	4,161,064	4,161,297
Less amounts not available to be used within one year:		
Restricted by the Board for capital fund	500,000	500,000
Restricted by the Board for current operating contingency	500,000	500,000
Restricted by the Board for deferred health-post retirement	200,000	200,000
Restricted by the Board for catastrophic events	<u>200,000</u>	<u>200,000</u>
	<u>1,400,000</u>	<u>1,400,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,761,064</u>	<u>2,761,297</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirement in short-term investments.

Note 3 - Cash and Cash Equivalents

The Organization maintains its cash accounts at a financial institution. The balances at times may exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at the financial institution are insured by the FDIC up to \$250,000. In addition, the Organization has deposited cash in the State Treasury's Local Agency Investment Fund (LAIF). Deposits in LAIF are carried at fair value as reported by LAIF. Deposits in LAIF are guaranteed by the State of California.

	<u>2022</u>	<u>2021</u>
Cash on hand	\$ 1,185	\$ 1,185
Deposits with financial institutions	453,408	668,748
Investments in LAIF	<u>3,493,729</u>	<u>2,486,165</u>
Total cash and cash equivalents	<u>\$ 3,948,322</u>	<u>\$ 3,156,098</u>

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 3 - Cash and Cash Equivalents, continued

Investments in LAIF

As of June 30, 2022 and 2021, investments are in LAIF, which is a voluntary program created by statute as an alternative for California's local governments and special districts that allows them to participate in a major investment portfolio. It is under the administration of the California State Treasurer's Office. The investment is considered a cash equivalent as it is used to fund any operating deficit. Realized gains, losses and interest income are included in investment return in the statement of activities. The Organization's investments in LAIF are measured and reported at fair value based on NAV. The instruments in LAIF have no unfunded commitment, no redemption frequency, and no redemption notice period as of June 30, 2022 and 2021.

Note 4 - Property and Equipment

Property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 75,685	\$ 75,685
Construction work in progress	-	19,013
Leasehold improvements	4,293,603	4,293,603
Buildings and building improvements	<u>19,013</u>	<u>-</u>
	4,388,301	4,388,301
Less: Accumulated Depreciation	<u>(370,969)</u>	<u>(220,065)</u>
	<u>\$ 4,017,332</u>	<u>\$ 4,168,236</u>

Note 5 – Contributed Nonfinancial Assets

For each of the years ended June 30, 2022 and 2021, contributed nonfinancial assets recognized within the statements of activities included \$131,042 of rent revenue provided to Associated Students Incorporated of California State University, Stanislaus. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributed rent is valued and reported at the estimated fair value in the financial statements based on current comparable rental rates.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 6 - Capital Lease

On October 1, 2007, California State University, Stanislaus Auxiliary Business Services (“ABS”), a related party, entered into a 32-year lease agreement with the Board of Trustees of the California State University (the “Board”) as lessee for financing the acquisition of the bookstore from the State of California. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. The California State University System (the “CSU System”) issued a System Revenue Bond Series 2008A (“Series 2008A Bond”) in relation to the capital lease. On May 1, 2016, the CSU System completed a partial refinance of the Series 2008A Bond by issuing the Systemwide Revenue Bonds Series 2016A (“Series 2016A Bond”).

In May 2020, the Organization purchased the bookstore from ABS for a sales price approximating \$4,293,600. In exchange for the bookstore, the Organization paid \$703,600 and assumed the remaining capital lease payments of \$3,590,000 on the Series 2016A Bond payable to the CSU System.

The bond bears interest at a rate varying from 2% to 5% per annum. Principal and unpaid interest will be due and payable on or before May 1 and November 1 in each year, through November 1, 2038.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 are as follows:

<u>Year Ending June 30</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 284,050	\$ 130,000	\$ 154,050
2024	287,300	140,000	147,300
2025	285,175	145,000	140,175
2026	282,800	150,000	132,800
2027	280,175	155,000	125,175
Thereafter	<u>3,393,100</u>	<u>2,630,000</u>	<u>763,100</u>
	<u>\$ 4,812,600</u>	<u>\$ 3,350,000</u>	<u>\$ 1,462,600</u>

Interest expense for the years ended June 30, 2022 and 2021 was \$159,383 and \$165,467, respectively.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 7 - Related Party Transactions

The Organization enters into transactions with related parties, including:

California State University, Stanislaus (CSU Stanislaus)
California State University, Stanislaus Auxiliary and Business Services (ABS)
California State University, Stanislaus Foundation (Foundation)
Associated Students, Inc. of California State University, Stanislaus (ASI)

Transactions with related parties consist of the following as of June 30, 2022:

	CSU				Total
	Stanislaus	ABS	ASI	Foundation	
Due from related parties	\$ 207,593	\$ -	\$ 4,609	\$ 540	\$ 212,742
Due to related parties	(63,842)	(1,149)	(2,700)	-	(67,691)
Payment from related parties for services, space and programs	850,853	253,158	11,518	17,307	1,132,836
Payments made to related parties	(3,574,246)	(13,583)	(15,795)	-	(3,603,624)
Gifts to related parties	-	-	(5,498)	(18,360)	(23,858)

Transactions with related parties consist of the following as of June 30, 2021:

	CSU				Total
	Stanislaus	ABS	ASI	Foundation	
Due from related parties	\$ 987,779	\$ -	\$ 113	\$ 17,307	\$ 1,005,199
Due to related parties	(112,654)	(1,115)	(116)	(8,360)	(122,245)
Payment from related parties for services, space and programs	7,568,235	115,352	8,721	38,935	7,731,243
Payments made to related parties	(3,579,608)	(715,912)	(12,277)	-	(4,307,797)
Gifts to related parties	-	-	(16,463)	(5,000)	(21,463)

Note 8 - Pension Plan

The Organization contributes to the California Public Employees' Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating entities within the State of California. Reimbursed employees are covered by CSU Stanislaus' plan.

The defined benefit plan uses the Entry Age Normal Actuarial Cost Method, which is a projected benefit cost method. According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from the date of employment until retirement. The auxiliaries fund the plan based upon a percentage of qualified payrolls. PERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities.

In addition to a contribution made by the Organization, active participating employees are required to contribute 5% of their monthly salary and 6.75% for PEPR. Pension benefit for the year ended June 30, 2022 was \$15,121 and pension expense was \$12,096 for the year ended June 30, 2021.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 8 - Pension Plan, continued

Funded Status:

	<u>Miscellaneous</u>	<u>PEPRA Plan</u>	<u>Miscellaneous</u>	<u>PEPRA Plan</u>
	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2020
Valuation date				
Present value of projected benefits	\$ 1,592,408	\$ 361,996	\$ 1,381,148	\$ 230,522
Entry age normal accrued liability	\$ 1,086,476	\$ 48,297	\$ 983,265	\$ 18,137
Fair value of plan assets	\$ 939,308	\$ 51,105	\$ 735,717	\$ 15,065
Unfunded liability	\$ 147,168	\$ (2,808)	\$ 247,548	\$ 3,072
Funded ratio	86.5%	105.8%	74.8%	83.1%

Amounts recognized in the Statement of Financial Position:

Pension obligation	\$ <u>294,353</u>	\$ <u>309,474</u>
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The significant actuarial assumptions used to calculate the above pension benefit obligation were as follows:

	<u>2022</u>	<u>2021</u>
Investment return (net of administrative expenses)	6.80%	7.00%
Projected salary increases	Varies by entry age and service	
Inflation	2.30%	2.50%
Overall payroll growth	2.80%	2.75%

Actuarial information as of June 30, 2022 is currently unavailable.

In addition to the Active plans, the Organization has a pension plan which was transferred from ABS and assumed by the Organization. The plan had an outstanding pension obligation of \$126,253 at June 30, 2022 and 2021. No comprehensive annual financial report is issued by CalPERS for the pension plan, and it is recorded at the value set upon transfer. The plan is inactive, and no new participants are added to the plan.

CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the PERS' annual financial report may be obtained from the CalPERS Headquarters Office, 400 Q Street, Sacramento, California 95811. Information about benefits and contributions expected to be paid in each of the next five fiscal years and the five years thereafter have not been provided by CalPERS.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 9 - Post-Retirement Benefit Plan

The Organization provides lifetime post-retirement medical coverage to employees (and their dependents) who retire at age 50 or older with at least five years of service with ABS, ASI, Stanislaus or the Organization. The Organization pays a portion of the cost of the benefit, up to a predetermined maximum. Retirees are responsible for costs in excess of the maximum. The Organization had 7 employees who were eligible to participate in the plan at June 30, 2022 and 2021. The Organization made contributions to the plan of \$48,783 and \$41,614 for the year ended June 30, 2022 and 2021, respectively.

	<u>2022</u>	<u>2021</u>
Obligations and Funded Status at June 30		
Change in Benefit Obligation:		
Benefit obligation at beginning of year	\$ 1,404,803	\$ 1,371,303
Service cost	91,770	90,461
Interest cost	40,032	36,463
Actuarial gain/(loss)	(376,092)	(51,810)
Benefits paid	<u>(48,783)</u>	<u>(41,614)</u>
Benefit obligation at end of year	\$ <u>1,111,730</u>	\$ <u>1,404,803</u>
Funded Status:		
Benefit obligation	\$ 1,111,730	\$ 1,404,803
Unrecognized net actuarial loss	<u>76,859</u>	<u>452,951</u>
Accrued benefit cost	\$ <u>1,034,871</u>	\$ <u>951,852</u>
Measurement date	June 30, 2022	June 30, 2021
Unfunded status at end of year	\$ <u>(1,111,730)</u>	\$ <u>(1,404,803)</u>
Amounts recognized in the Statement of Financial Position:		
Post-retirement benefit obligation	\$ <u>1,111,730</u>	\$ <u>1,404,803</u>
Net Periodic Benefit Cost:		
Service cost	\$ 91,770	\$ 90,461
Amortization of net loss	-	36,701
Interest cost	<u>40,032</u>	<u>36,463</u>
Net periodic benefit cost	\$ <u>131,802</u>	\$ <u>163,625</u>

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

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 9 - Post-Retirement Benefit Plan, continued

Actuarial Methods and Assumption

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumption used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

<u>Assumptions</u>	<u>2022</u>	<u>2021</u>
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	4.47%	2.90%
Expected long-term return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A
Health care cost trend rate assumed for next year	4.00%	6.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend)	4.00%	4.50%
Year that the rate reaches the ultimate trend rate	0 years	3 years
Expected Benefit Payments		
2022	\$ 48,854	\$ 48,171
2023	52,523	55,074
2024	56,894	54,891
2025	61,597	45,267
2026	66,593	51,035
2027-2031	267,198	290,084

Note 10 - Contingencies

COVID-19

On March 11, 2020 the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruptions through mandated and voluntary closing of businesses and shelter-in-place orders. In response, the U.S. Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which includes significant provisions to provide relief and assistance to affected organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of business closures, shelter-in-place orders, and the ultimate impact of the CARES Act and other governmental initiatives. However, the future financial impact and duration cannot be reasonably estimated at this time.

SUPPLEMENTAL INFORMATION

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Schedule of Net Position

June 30, 2022

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	454,593
Short-term investments	3,493,729
Accounts receivable, net	217,423
Lease receivables, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	5,027
Total current assets	4,170,772
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	-
Capital assets, net	4,017,332
Other assets	-
Total noncurrent assets	4,017,332
Total assets	8,188,104
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
Others	-
Total deferred outflows of resources	-
Liabilities:	
Current liabilities:	
Accounts payable	101,148
Accrued salaries and benefits	5,852
Accrued compensated absences, current portion	53,585
Unearned revenues	-
Lease liabilities, current portion	130,000
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	26,217
Total current liabilities	316,802
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	3,220,000
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	1,111,730
Net pension liability	294,353
Other liabilities	-
Total noncurrent liabilities	4,626,083
Total liabilities	4,942,885
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
Others	-
Total deferred inflows of resources	-
Net position:	
Net investment in capital assets	667,332
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	2,577,887
Total net position	3,245,219

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Schedule of Revenues, Expenses, and Changes in Net Position

Year ended 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	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	352,209
Scholarship allowances (enter as negative)	-
Other operating revenues	4,852,265
Total operating revenues	5,204,474

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	3,254,288
Institutional support	171,936
Operation and maintenance of plant	373,012
Student grants and scholarships	-
Auxiliary enterprise expenses	910,742
Depreciation and amortization	150,904
Total operating expenses	4,860,882
Operating income (loss)	343,592

Nonoperating revenues (expenses):

State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	10,266
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	8,034
Net nonoperating revenues (expenses)	18,300
Income (loss) before other revenues (expenses)	361,892

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	361,892

Net position:

Net position at beginning of year, as previously reported	2,883,327
Restatements	-
Net position at beginning of year, as restated	2,883,327
Net position at end of year	3,245,219

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

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 -

Current cash and cash equivalents 454,593

Total \$ 454,593

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds			-
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities			-
Municipal bonds			-
Corporate bonds			-
Asset backed securities			-
Mortgage backed securities			-
Commercial paper			-
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)	3,493,729		3,493,729
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
Total Other investments	-	-	-
Total investments	3,493,729	-	3,493,729
Less endowment investments (enter as negative number)			-
Total investments, net of endowments	\$ 3,493,729	-	3,493,729

See independent auditor's report.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended 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	-	-	-	-	-
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)	3,493,729	-	-	-	3,493,729
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:	-	-	-	-	-
Total Other investments	\$ -	-	-	-	-
Total investments	3,493,729	-	-	-	3,493,729

2.3 Investments held by the University under contractual agreements:

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

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended 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	Transfer of 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)	19,013				19,013			(19,013)	-
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	\$ 19,013	-	-	-	\$ 19,013	-	-	(19,013)	\$ -
Depreciable/Amortizable capital assets:									
Buildings and building improvements					-			19,013	19,013
Improvements, other than buildings					-			-	-
Infrastructure					-			-	-
Leasehold improvements	4,293,603				4,293,603				4,293,603
Personal property:									
Equipment	75,685				75,685				75,685
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	4,369,288	-	-	-	4,369,288	-	-	19,013	4,388,301
Total capital assets	\$ 4,388,301	-	-	-	\$ 4,388,301	-	-	-	\$ 4,388,301
Less accumulated depreciation/amortization:									
Buildings and building improvements					-	(317)			(317)
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements	(168,611)				(168,611)	(144,524)			(313,135)
Personal property:									
Equipment	(51,454)				(51,454)	(6,063)			(57,517)
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	(220,065)	-	-	-	(220,065)	(150,904)	-	-	(370,969)
Total capital assets, net excluding lease assets	\$ 4,168,236	-	-	-	\$ 4,168,236	(150,904)	-	-	4,017,332
Lease assets, net									
Total capital assets, net									4,017,332

See independent auditors' report.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended June 30, 2022

(for inclusion in the California State University)

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:								
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	\$ 150,904							
Amortization expense related to other assets								
Total depreciation and amortization	\$ 150,904							
4 Long-term liabilities:								
	Balance June 30, 2021	Prior Period Adjustments/Reclassification s	Balance June 30, 2021 (Restated)	Additions	Reductions	Balance June 30, 2022	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 41,898	3,422	45,320	38,573	(30,308)	\$ 53,585	\$ 53,585	\$ -
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations:								
Gross balance	3,475,000		3,475,000		(125,000)	3,350,000	130,000	3,220,000
Unamortized net premium(discount)	-		-			-	-	-
Total capital lease obligations	\$ 3,475,000	-	3,475,000	-	(125,000)	3,350,000	130,000	3,220,000
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								
	Balance	Additions	Remeasurements	Reductions	Balance	Current Portion	Noncurrent Portion	
Lease liabilities								
Total	\$ -	-	-	-	\$ -	-	-	

See independent auditors' report.

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended 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	130,000	154,050	284,050	-	-	-	130,000	154,050	284,050
2024	140,000	147,300	287,300	-	-	-	140,000	147,300	287,300
2025	145,000	140,175	285,175	-	-	-	145,000	140,175	285,175
2026	150,000	132,800	282,800	-	-	-	150,000	132,800	282,800
2027	155,000	125,175	280,175	-	-	-	155,000	125,175	280,175
2028 - 2032	2,630,000	763,100	3,393,100	-	-	-	2,630,000	763,100	3,393,100
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	\$ 3,350,000	1,462,600	4,812,600	-	-	-	3,350,000	1,462,600	4,812,600
Less: amounts representing interest									(1,462,600)
Present value of future minimum lease payments									3,350,000
Total lease liabilities									3,350,000
Less: current portion									(130,000)
Lease liabilities, net of current portion									\$ 3,220,000

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 premiums/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									-

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended 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 3,574,246

Payments received from University for services, space, and programs 850,853

Gifts-in-kind to the University from discretely presented component units

Gifts (cash or assets) to the University from discretely presented component units

Accounts (payable to) University (63,843)

Other amounts (payable to) University

Accounts receivable from University 207,592

Other amounts receivable from University

8 Restatements

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

		Debit/(Credit)
Restatement #1	Enter transaction description	
		-
Restatement #2	Enter transaction description	
		-

UNIVERSITY STUDENT CENTER OF CALIFORNIA STATE UNIVERSITY, STANISLAUS

Other Information

Year ended June 30, 2022

(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	344,094	127,019	166,023	(424,875)	-	3,042,027	-	3,254,288
Institutional support	-	-	-	-	-	171,936	-	171,936
Operation and maintenance of plant	-	-	-	-	-	373,012	-	373,012
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	464,614	132,562	19,480	-	-	294,086	-	910,742
Depreciation and amortization	-	-	-	-	-	-	150,904	150,904
Total operating expenses	\$ 808,708	259,581	185,503	(424,875)	-	3,881,061	150,904	4,860,882

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

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

Total deferred outflows - others
Total deferred outflows of resources

2. Deferred Inflows of Resources

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

Total deferred inflows - others
Total deferred inflows of resources

11 Other nonoperating revenues (expenses)

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

**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
University Student Center of California State University, Stanislaus

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 University Student Center of California State University, Stanislaus (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered University Student Center of California State University, Stanislaus' 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 University Student Center of California State University, Stanislaus' internal control. Accordingly, we do not express an opinion on the effectiveness of the University Student Center of California State University, Stanislaus' internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether University Student Center of California State University, Stanislaus' 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 University Student Center of California State University, Stanislaus' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering University Student Center of California State University, Stanislaus' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 23, 2022