

California State University, Stanislaus Auxiliary and Business Services

Financial Statements and Supplemental Information

Years Ended June 30, 2022 and 2021



CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Financial Statements and Supplemental Information

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Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	7
Notes to Financial Statements	8
Supplemental Information:	
Schedule of Net Position	18
Schedule of Revenues, Expenses, and Changes in Net Position	19
Other Information	20
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>	27

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
California State University, Stanislaus Auxiliary and Business Services

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of California State University, Stanislaus Auxiliary and Business Services (a nonprofit organization), which comprise the statements of financial position as of 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 of California State University, Stanislaus Auxiliary and Business Services 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 California State University, Stanislaus Auxiliary and Business Services 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.

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 California State University, Stanislaus Auxiliary and Business Services' 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

Auditor's Responsibility for the Audit of the Financial Statements, 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 California State University, Stanislaus Auxiliary and Business Services' 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 California State University, Stanislaus Auxiliary and Business Services' 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 supplementary 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 October 3, 2022, on our consideration of California State University, Stanislaus Auxiliary and Business Services' 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 California State University, Stanislaus Auxiliary and Business Services' 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 California State University, Stanislaus Auxiliary and Business Services' internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
October 3, 2022

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES**Statements of Financial Position**

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,669,445	\$ 2,027,495
Due from related parties	950,534	1,115
Accounts receivable	21,560	54,657
Other current assets	<u>1,357</u>	<u>584</u>
Total Current Assets	2,642,896	2,083,851
Non-Current Assets:		
Property and equipment, net of accumulated depreciation	<u>2,635,967</u>	<u>2,824,293</u>
Total Assets	<u>\$ 5,278,863</u>	<u>\$ 4,908,144</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 40	\$ -
Interest payable	2,708	5,292
Due to related parties	83,340	45,242
Warrior card unearned revenue	60,234	58,989
Current portion of bond payable	325,000	310,000
Current portion of bond premium	<u>15,015</u>	<u>41,309</u>
Total Current Liabilities	486,337	460,832
Non-Current Liabilities:		
Post-retirement benefit obligation	135,521	137,856
Pension liability	1,106,921	1,223,078
Bond payable, net of current portion	-	325,000
Bond premium, net of current portion	<u>-</u>	<u>15,015</u>
Total Non-Current Liabilities	<u>1,242,442</u>	<u>1,700,949</u>
Total Liabilities	1,728,779	2,161,781
Net Assets - Without Donor Restrictions		
Board designated for:		
Facility maintenance and repair	2,343,704	1,844,527
Outstanding commitments	393,461	395,796
Economic uncertainty	466,462	506,040
Undesignated	<u>346,457</u>	<u>-</u>
Total Net Assets - Without Donor Restrictions	<u>3,550,084</u>	<u>2,746,363</u>
Total Liabilities and Net Assets	<u>\$ 5,278,863</u>	<u>\$ 4,908,144</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES**Statements of Activities**

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenue and Other Support Without Donor Restrictions:		
Rental income	\$ 650,000	\$ 650,000
Commissions	158,153	194,127
Other	21,395	43,562
	<u>829,548</u>	<u>887,689</u>
Expenses:		
Program services:		
Campus Dining	267,973	233,465
Bookstore	243,577	273,005
Residential Life Village	242,012	258,830
Warrior Card	35,641	20,266
Other Programs	4,796	12,629
	<u>793,999</u>	<u>798,195</u>
General and administrative	205,455	107,381
	<u>999,454</u>	<u>905,576</u>
Operating Loss	(169,906)	(17,887)
Non-Operating Revenue (Expense):		
Investment return, net	4,763	17,549
Pension related charges other than net periodic pension cost	6,215	(121,510)
Higher Education Emergency Relief Fund	949,385	-
Other	13,264	13,004
	<u>973,627</u>	<u>(90,957)</u>
Change in Net Assets	803,721	(108,844)
Net Assets - Without Donor Restrictions, beginning	<u>2,746,363</u>	<u>2,855,207</u>
Net Assets - Without Donor Restrictions, ending	<u>\$ 3,550,084</u>	<u>\$ 2,746,363</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services					Total Programs	General and Administrative	Total
	Campus Dining	Bookstore	Residential Life Village	Warrior Card	Other Programs			
Accounting and professional	\$ 55,684	\$ 82,196	\$ 78,132	\$ 10,592	\$ 4,596	\$ 231,200	\$ 103,140	\$ 334,340
Space rental	103,004	150,154	-	-	-	253,158	-	253,158
Depreciation	24,179	-	164,147	-	-	188,326	-	188,326
Benefits	-	-	-	-	-	-	74,357	74,357
Utilities	65,942	-	-	-	-	65,942	4,447	70,389
Supplies and services	750	-	-	23,251	14	24,015	428	24,443
Insurance	1,745	2,618	15,930	291	146	20,730	2,423	23,153
Repairs and maintenance	16,669	609	3,695	-	40	21,013	16	21,029
Campus reimbursement	-	-	-	-	-	-	18,785	18,785
Awards, gifts and donations	-	8,000	-	-	-	8,000	-	8,000
Bank charges	-	-	-	1,220	-	1,220	524	1,744
Miscellaneous	-	-	-	287	-	287	1,335	1,622
Interest	-	-	(19,892)	-	-	(19,892)	-	(19,892)
Total Operating Expenses	267,973	243,577	242,012	35,641	4,796	793,999	205,455	999,454
Pension related charges other than net periodic pension cost	-	-	-	-	-	-	(6,215)	(6,215)
Total Expenses	\$ 267,973	\$ 243,577	\$ 242,012	\$ 35,641	\$ 4,796	\$ 793,999	\$ 199,240	\$ 993,239

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services						General and Administrative	Total
	Bookstore	Campus Dining	Residential Life Village	Warrior Card	Other Programs	Total Programs		
Accounting and professional	\$ 81,248	\$ 54,612	\$ 73,096	\$ -	\$ 8,179	\$ 217,135	\$ 85,098	\$ 302,233
Rent	172,306	44,930	-	-	-	217,236	-	217,236
Depreciation	-	34,594	162,238	-	-	196,832	-	196,832
Utilities	-	84,754	-	-	-	84,754	186	84,940
Insurance	6,497	2,744	17,144	-	160	26,545	2,993	29,538
Supplies	-	-	-	19,622	-	19,622	50	19,672
Campus reimbursement	-	-	-	-	-	-	18,023	18,023
Repairs and maintenance	2,554	11,831	-	-	-	14,385	-	14,385
Awards, gifts and donations	10,400	-	-	-	-	10,400	-	10,400
Interest	-	-	6,352	-	-	6,352	-	6,352
Taxes and licenses	-	-	-	-	4,290	4,290	170	4,460
Miscellaneous	-	-	-	644	-	644	861	1,505
Total Operating Expenses	273,005	233,465	258,830	20,266	12,629	798,195	107,381	905,576
Pension related charges other than net periodic	-	-	-	-	-	-	121,510	121,510
Total Expenses	\$ 273,005	\$ 233,465	\$ 258,830	\$ 20,266	\$ 12,629	\$ 798,195	\$ 228,891	\$ 1,027,086

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES**Statements of Cash Flows**

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 803,721	(108,844)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	188,326	196,832
Net unrealized gain on investments	-	(11,318)
Changes in operating assets and liabilities:		
Accounts receivable and due from related parties	(916,322)	687,096
Other assets	(773)	(584)
Accounts payable	40	(631)
Interest payable	(2,584)	(2,458)
Due to related parties	38,098	(222,038)
Warrior card	1,245	(5,302)
Post-retirement benefit obligation	(2,335)	(7,470)
Pension liability	(116,157)	(52,658)
	<u>(6,741)</u>	<u>472,625</u>
Net Cash Provided (Used) by Operating Activities	(6,741)	472,625
Cash Flows Provided by Investing Activities:		
Proceeds from sale of investments	-	1,077,386
Cash Flows Used by Financing Activities:		
Principal payments on bond payable	(351,309)	(325,314)
	<u>(358,050)</u>	<u>1,224,697</u>
Net Change in Cash and Cash Equivalents	(358,050)	1,224,697
Cash and Cash Equivalents, beginning	<u>2,027,495</u>	<u>802,798</u>
Cash and Cash Equivalents, ending	<u>\$ 1,669,445</u>	<u>2,027,495</u>
Supplemental Information of Cash Flow Information:		
Cash paid for interest	<u>\$ 21,417</u>	<u>36,459</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

California State University, Stanislaus Auxiliary and Business Services (Organization) was incorporated in the State of California on October 3, 1960, under the name of California State University, Stanislaus Foundation. Effective July 1, 1998, the Organization changed its name to California State University, Stanislaus Auxiliary and Business Services. The Organization also authorized the use of the name California State University, Stanislaus Foundation (Foundation) for a new non-profit corporation. The operations and assets of noncommercial activities were transferred to the Foundation effective that date.

The Organization was formed and operates as an auxiliary organization of California State University, Stanislaus (CSU Stanislaus or the University) which has campuses in Turlock and Stockton, California. The Organization arranges for services to students and faculty including dormitory, food service and campus bookstore. The bookstore and food services are provided by way of lease agreements with independent commercial vendors.

Financial Statement Presentation

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

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were temporary or perpetual in nature for the years ended June 30, 2022 and 2021.

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.

The Organization follows US GAAP 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 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 arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. A provision for doubtful accounts 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.

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

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

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 asset of 5 to 40 years.

Revenue Recognition

Revenues from the Organization primarily consist of rental and commission revenues. The Organization recognizes revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The Organization recognizes revenue from contracts with customers as its performance obligations are satisfied, regardless of the period in which it is billed. Rental revenue is typically recognized on a straight-line basis over the term of the lease. Commission revenue are recognized on a percentage of sales basis over the term of the contract. Higher Education Emergency Relief Funds were recognized as they were received.

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.

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.

Warrior Cards

Warrior Cards are prepaid spending accounts that students can use to make purchases on campus. Unused funds are recorded as a liability. Income is recorded as the Warrior Cards are presented as payment for goods and services.

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

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

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 services. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of allocation</u>
Depreciation	Allocated directly to program
Insurance	Allocated based on percentage of overall expenditures
Supplies and services	Allocated based on usage
OPEB	Allocated directly to Administration
Other costs	Allocated based on usage
Accounting and professional services	Allocated based on percentage of overall expenditures
Printing	Allocated based on usage
Repairs and maintenance	Allocated based on usage
Travel	Allocated based on purpose of travel
Telephone	Allocated based on usage
Space rental	Allocated directly to program

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.

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.

Subsequent Events

The Organization has evaluated subsequent events through October 3, 2022, which is the date the financial statements were available to be issued.

Note 2 - Concentrations

Major Customers

Substantially all accounts receivable at June 30, 2022 were derived from two customers. Approximately 96% and 93% of operating revenues were from two customers for the years ended June 30, 2022 and 2021, respectively.

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 3 - Liquidity and Availability

The Organization's financial assets available within one year of the financial position date for general expenditures are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,669,445	\$ 2,027,495
Accounts receivable	<u>972,094</u>	<u>55,772</u>
Total Financial Assets Available for General Operations	2,641,539	2,083,267
Less amounts not available to be used within one year:		
Restricted by the Board for facility maintenance and repairs	<u>2,343,704</u>	<u>1,844,527</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>297,835</u>	\$ <u>238,740</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 4 - Cash and Cash Equivalents

The Organization maintains cash accounts at various financial institutions. The balances at times may exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at each financial institution are insured by the FDIC up to \$250,000. In addition, the Organization has deposited cash in Local Agency Investment Fund (LAIF). Deposits in LAIF are guaranteed by the State of California.

	<u>2022</u>	<u>2021</u>
Deposits with financial institutions	\$ 524,099	\$ 626,008
Investments in LAIF	<u>1,145,346</u>	<u>1,401,487</u>
Total cash and cash equivalents	\$ <u>1,669,445</u>	\$ <u>2,027,495</u>

Investments in LAIF

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

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 5 - Property and Equipment

Property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 287,300	\$ 287,300
Building	6,155,918	6,155,918
Leasehold Improvements	717,309	717,309
Equipment	<u>448,338</u>	<u>448,338</u>
	7,608,865	7,608,865
Less accumulated depreciation	<u>(4,972,898)</u>	<u>(4,784,572)</u>
	<u>\$ 2,635,967</u>	<u>\$ 2,824,293</u>

Note 6 - Long-Term Debt

On August 1, 2018, the Organization entered into a loan agreement with the Board of Trustees of the California State University. In conjunction with the issuance of the Systemwide Revenue Bonds Series 2018A, the Organization requested \$1,210,000 to refund and refinance previously issued bonds, which were used in the development and construction of the Residential Life Village II.

The loan bears interest at a rate of 5 percent per annum. Principal and unpaid interest will be due and payable on or before May 1 and November 1 in each year, through May 1, 2023. The bonds were issued at a premium in the amount of \$111,433, which is being amortized over the life of the bonds.

Principal maturities of the bond payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ <u>325,000</u>	\$ <u>8,125</u>
Total balance due	325,000	8,125
Less current maturities	<u>(325,000)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 8,125</u>

Interest expense for the years ended June 30, 2022 and 2021 was \$21,417 and \$36,667, respectively. Bond premium amortization for the years ended June 30, 2022 and 2021 was \$41,309 and \$30,314, respectively. Bond premium amortization is included in interest expense in the statement of activities.

Future bond premium amortization for the year ending June 30, 2023 is \$15,015.

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 7 - Board Designated Net Assets

The Organization's governing board through specific action has created self-imposed limits on net assets without donor restrictions as follows:

	<u>2022</u>	<u>2021</u>
Facility Maintenance and Repair	\$ 2,343,704	\$ 1,844,527
Outstanding Commitments:		
Stockton auxiliary campus	257,940	257,940
Post-retirement benefits	135,521	137,856
Economic Uncertainty:		
Bookstore activities	152,934	192,311
Residential life village activities	131,916	141,820
Dining activities	112,558	128,360
General funds	51,615	27,662
Warrior cash activities	15,656	14,074
Vending activities	1,622	1,649
Club colors activities	161	164
	<u>\$ 3,203,627</u>	<u>\$ 2,746,363</u>

These outstanding commitments shall be used for emergency operating expenses, to offset unexpected shortfalls in anticipated income.

Note 8 - Operating Leases

The Organization leases retail space under operating lease agreements from related parties. The leases expire June 30, 2028 with monthly payments of \$21,096 due each month. Rent expense associated with these leases was \$253,158 and \$217,236 for the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments under operating leases at June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 253,158
2024	253,158
2025	253,158
2026	253,158
2027	253,158
Thereafter	<u>253,130</u>
	<u>\$ 1,518,920</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 9 - Pension Plan

Plan Description

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. All direct full-time Organization employees are covered by the plan. Reimbursed employees are covered by CSU Stanislaus' plan.

Starting July 1, 2008, the Organization's full-time employees were paid by California State University, Stanislaus. The Organization has not participated in PERS since 2008.

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.

Total contributions by the Organization during the year ended June 30, 2022 and 2021 was \$135,521 and \$173,209, respectively.

Funded Status:

	June 30, 2021	June 30, 2020
Valuation date		
Benefit obligation	\$ 5,552,916	\$ 5,693,922
Fair value of plan assets	\$ 4,267,582	\$ 3,919,160
Unfunded liability	\$ 1,285,334	\$ 1,774,762
Funded ratio	76.9%	68.8%

Amounts recognized in the Statement of Financial Position:

Pension liability	\$ 1,106,921	\$ 1,223,078
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The significant actuarial assumptions used to calculate the above pension benefit obligation is as follows:

	June 30, 2021	June 30, 2020
Investment Return (net of administrative expenses)	6.80%	7.00%
Projected salary increases	Varies by age and service	
Inflation	2.30%	2.50%
Overall payroll growth	2.80%	2.75%

Actuarial information as of June 30, 2022 is currently not available.

PERS 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, Lincoln Plaza North, 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 PERS.

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 10 - Post-Retirement Benefit Plan

The Organization provides lifetime postretirement medical coverage to employees (and their dependents) who retire at age 50 or older with at least five years of service with the Organization, the Associated Students Inc. of California State University, Stanislaus or the University Student Center of California State University, Stanislaus. 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.

As of June 30, 2022, the Organization had two retired employees who were eligible to participate in the plan. The two retired employees covered under this plan were originally employees of the California State University, Stanislaus Foundation. During the year ended June 30, 2009, the Organization agreed to pay for the employees' post-retirement benefits because the Foundation had no discretionary funds to pay this obligation. The Organization made contributions to the plan of \$8,139 and \$8,517 for the years ended June 30, 2022 and 2021, respectively.

The plan's obligations and funded status for the Organization are as follows:

	<u>2022</u>	<u>2021</u>
Obligations and Funded Status at June 30,		
Change in Benefit Obligation:		
Benefit obligation at beginning of year	\$ 137,856	\$ 145,326
Interest cost	3,880	3,809
Actuarial gain (loss)	1,924	(2,762)
Benefits paid	<u>(8,139)</u>	<u>(8,517)</u>
Benefit obligation at end of year	<u>\$ 135,521</u>	<u>\$ 137,856</u>
Funded Status:		
Benefit obligation	\$ 135,521	\$ 137,856
Unrecognized net actuarial gain	<u>156,440</u>	<u>158,364</u>
Accrued benefit cost	<u>\$ 291,961</u>	<u>296,220</u>
Measurement date	June 30, 2022	June 30, 2021
Unfunded status at end of year	<u>\$ (135,521)</u>	<u>\$ (137,856)</u>
Amounts recognized in the Statement of Financial Position:		
Post-retirement benefit obligation	<u>\$ 135,521</u>	<u>\$ 137,856</u>
Net Periodic Benefit Cost:		
Interest cost	\$ 3,880	\$ 3,809
Amortization of net gain	<u>-</u>	<u>(11,146)</u>
Net periodic benefit cost	<u>\$ 3,880</u>	<u>\$ (7,337)</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 10 - Post-Retirement Benefit Plan, continued

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

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.

Assumptions

Weighted-average assumptions used to determine benefit obligations at June 30:

	<u>2022</u>	<u>2021</u>
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	2022	2023
Expected Benefit Payments:		
2023	8,140	
2024	8,183	
2025	8,192	
2026	8,164	
2027	8,096	
Years 2025 - 2029	37,992	

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 11 – Related Party Transactions

The Organization enters into transactions with related parties, including:

California State University, Stanislaus (CSU Stanislaus)
University Student Center of California State University, Stanislaus (USC)
California State University, Stanislaus Foundation (Foundation)
Associated Students Incorporated of California State University, Stanislaus (ASI)

Transactions with related parties consist of the following for the year ended June 30, 2022:

	CSU				
	Stanislaus	Foundation	ASI	USC	Total
Due from related parties	\$ 949,385	\$ -	\$ -	\$ 1,149	\$ 950,534
Due to related parties	(83,340)	-	-	-	(83,340)
Payment from related parties for services, space and programs	650,000	-	-	13,583	663,583
Payments made to related parties	(707,897)	-	-	(253,158)	(961,055)
Gifts to related parties	-	(8,000)	-	-	(8,000)

Transactions with related parties consist of the following for the year ended June 30, 2021:

	CSU				
	Stanislaus	Foundation	ASI	USC	Total
Due from related parties	\$ -	\$ -	\$ -	\$ 1,115	\$ 1,115
Due to related parties	(45,242)	-	-	-	(45,242)
Payment from related parties for services, space and programs	650,000	-	-	715,912	1,365,912
Payments made to related parties	(888,360)	-	-	(115,352)	(1,003,712)
Gifts to related parties	-	(8,000)	-	-	(8,000)

Note 12 – 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. As of the date of this report, this matter has had a significant adverse impact on the Organization. However, the future financial impact and duration cannot be reasonably estimated at this time.

SUPPLEMENTAL INFORMATION

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Schedule of Net Position

June 30, 2022

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	524,099
Short-term investments	1,145,346
Accounts receivable, net	972,094
Lease receivables, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	1,357
Total current assets	2,642,896
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	2,635,967
Other assets	-
Total noncurrent assets	2,635,967
Total assets	5,278,863
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	83,380
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, current portion	-
Long-term debt obligations, current portion	325,000
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	60,234
Other liabilities	2,708
Total current liabilities	471,322
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
Long-term debt obligations, net of current portion	15,015
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	135,521
Net pension liability	1,106,921
Other liabilities	-
Total noncurrent liabilities	1,257,457
Total liabilities	1,728,779
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	2,295,952
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	1,254,132
Total net position	3,550,084

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Schedule of Revenue, 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	808,153
Scholarship allowances (enter as negative)	-
Other operating revenues	970,780

Total operating revenues	1,778,933
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Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	710,234
Institutional support	-
Operation and maintenance of plant	114,571
Student grants and scholarships	-
Auxiliary enterprise expenses	-
Depreciation and amortization	188,326

Total operating expenses	1,013,131
---------------------------------	------------------

Operating income (loss)	765,802
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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	10,000
Investment income (loss), net	4,763
Endowment income (loss), net	-
Interest expense	19,892
Other nonoperating revenues (expenses)	3,264

Net nonoperating revenues (expenses)	37,919
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Income (loss) before other revenues (expenses)	803,721
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State appropriations, capital	-
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Grants and gifts, capital	-
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Additions (reductions) to permanent endowments	-
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Increase (decrease) in net position	803,721
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Net position:

Net position at beginning of year, as previously reported	2,746,363
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Restatements	-
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Net position at beginning of year, as restated	2,746,363
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Net position at end of year	3,550,084
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CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

Other Information

Year ended 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	524,099
Total	\$ 524,099

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)	1,145,346		1,145,346
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
Total Other investments	-	-	-
Total investments	1,145,346	-	1,145,346
Less endowment investments (enter as negative number)			-
Total investments, net of endowments	\$ 1,145,346	-	\$ 1,145,346

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

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)	1,145,346	-	-	-	1,145,346
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:	-	-	-	-	-
Total Other investments	\$ -	-	-	-	-
Total investments	1,145,346	-	-	-	1,145,346

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):			\$ -

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

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	\$ 287,300				\$ 287,300				\$ 287,300
Works of art and historical treasures					-				-
Construction work in progress (CWIP)					-				-
Intangible assets:									
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Intangible assets in progress (PWIP)					-				-
Licenses and permits					-				-
Other intangible assets:					-				-
Total Other intangible assets					-				-
Total intangible assets									
Total non-depreciable/non-amortizable capital assets	\$ 287,300				\$ 287,300				\$ 287,300
Depreciable/Amortizable capital assets:									
Buildings and building improvements	6,155,918				6,155,918				6,155,918
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements	717,309				717,309				717,309
Personal property:									
Equipment	448,338				448,338				448,338
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	7,321,565				7,321,565				7,321,565
Total capital assets	\$ 7,608,865				\$ 7,608,865				\$ 7,608,865
Less accumulated depreciation/amortization:									
Buildings and building improvements	(3,719,412)				(3,719,412)	(164,147)			(3,883,559)
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements	(641,492)				(641,492)	(13,930)			(655,422)
Personal property:									
Equipment	(423,668)				(423,668)	(10,249)			(433,917)
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	(4,784,572)				(4,784,572)	(188,326)			(4,972,898)
Total capital assets, net excluding lease assets	\$ 2,824,293				\$ 2,824,293	(188,326)			2,635,967
Lease assets, net									
Total capital assets, net									2,635,967

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

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:					
Buildings and building improvements	-				-
Improvements, other than buildings					-
Infrastructure	-				-
Personal property:					
Equipment					-
Total depreciable/amortizable lease assets					-
Less accumulated depreciation/amortization:					
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	\$ 188,326
Amortization expense related to other assets	
Total depreciation and amortization	\$ 188,326

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	\$ -		-			\$ -		\$ -
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations:								
Gross balance	-		-			-		-
Unamortized net premium/(discount)	-		-			-		-
Total capital lease obligations	\$ -		-			\$ -		-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -		-			\$ -		-
4.2 Commercial paper	-		-			-		-
4.3 Notes payable (SRB related)	635,000		635,000		(310,000)	325,000	325,000	-
4.4 Others:								
	-		-			-		-
	-		-			-		-
	-		-			-		-
	-		-			-		-
Total others			-			-		-
Sub-total long-term debt	\$ 635,000		635,000		(310,000)	\$ 325,000	325,000	-
4.5 Unamortized net bond premium/(discount)	56,324		56,324		(41,309)	15,015	-	15,015
Total long-term debt obligations	691,324		691,324		(351,309)	340,015	325,000	15,015

5. Lease Liabilities

	Balance	Additions	Remeasurements	Reductions	Balance	Current Portion	Noncurrent Portion
Total long-term liabilities					340,015	325,000	15,015
Lease liabilities							
Total	\$ -				\$ -		

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

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	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Total lease liabilities									-
Less: current portion									-
Lease liabilities, net of current portion									\$ -

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2023	-	-	-	325,000	8,125	333,125	325,000	8,125	333,125
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	-	-	325,000	8,125	333,125	325,000	8,125	333,125
Less: amounts representing interest									(8,125)
Present value of future minimum payments									325,000
Unamortized net premium (discount)									15,015
Total long-term debt obligations									340,015
Less: current portion									(325,000)
Long-term debt obligations, net of current portion									15,015

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

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 707,897

Payments received from University for services, space, and programs 650,000

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 (83,340)

Other amounts (payable to) University

Accounts receivable from University 949,385

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 restatement:

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

CALIFORNIA STATE UNIVERSITY, STANISLAUS AUXILIARY AND BUSINESS SERVICES

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	-	(6,215)	66,136	8,221	-	642,092	-	710,234
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	114,571	-	114,571
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	188,326	188,326
Total operating expenses	\$ -	(6,215)	66,136	8,221	-	756,663	188,326	1,013,131

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) 3,264
Total other nonoperating revenues (expenses) \$ 3,264

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 Audit Committee
California State University, Stanislaus Auxiliary and Business Services

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 California State University, Stanislaus Auxiliary and Business Services (a nonprofit organization), which comprise the statements 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 October 3, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered California State University, Stanislaus Auxiliary and Business Services' 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 California State University, Stanislaus Auxiliary and Business Services' internal control. Accordingly, we do not express an opinion on the effectiveness of the California State University, Stanislaus Auxiliary and Business Services' 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 California State University, Stanislaus Auxiliary and Business Services' 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 California State University, Stanislaus Auxiliary and Business Services' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California State University, Stanislaus Auxiliary and Business Services' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
October 3, 2022