

**California State University, Fresno  
Association, Inc.**

**2022-23  
Annual Report**

**Approved by the Board of Directors  
October 10, 2023**

**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.  
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**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.**  
**CORPORATE INFORMATION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2023**

**BOARD OF DIRECTORS**

Deborah S. Adishian-Astone	Vice President for Administration/CFO
Dr. Michael Botwin	Academic Senate
Dr. Carolyn Coon (thru 12/31/22)	Acting Vice President for Student Affairs & Enrollment Management
Dr. Kent Willis (began 1/3/23)	Vice President for Student Affairs and Enrollment Management
Vacant	Associate Vice President of Student Affairs
Dr. Raymond Hall	Chair, Academic Senate
Dr. Xuanning Fu	Provost and Vice President of Academic Affairs
Vacant	Community Member
Vacant	Community Member
Caroline Alvarez	President, Associated Students California State University , Fresno
Karen Carrillo	Executive Vice President, Associated Students California State University, Fresno
Nancy Campos	Chair, University Student Union Board of Directors

**OFFICERS**

Deborah S. Adishian-Astone	Chair
Dr. Carolyn Coon (thru 12/31/22)	Vice Chair
Dr. Kent Willis (began 1/3/23)	Vice Chair
Dr. Xuanning Fu	Secretary/Treasurer

**AUDIT COMMITTEE**

Dr. Michael Botwin	Acting Chair
Marshall Kelley	Vice-Chair, Community Member
Dr. Raymond Hall	By virtue of position

**EXECUTIVE STAFF**

Deborah S. Adishian-Astone	Executive Director
Nicole Lane	Associate Executive Director

**CORPORATE DATA**

Executive Offices	2771 East Shaw Avenue Fresno, California 93710-8205 Telephone: (559) 278-0800
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Auditors	Price Paige & Company Certified Public Accountants 570 North Magnolia Avenue, Suite 100 Clovis, California 93611 Telephone: (559) 299-9540 www.ppcpas.com
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
California State University, Fresno Association, Inc.  
Fresno, California

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of California State University, Fresno Association, Inc. (the Association), a nonprofit organization, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Fresno Association, Inc. as of June 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

#### ***Report on Summarized Comparative Information***

We have previously audited the Association's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Additional Information for California State University, Fresno is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2023, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.



Clovis, California  
September 20, 2023

**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022**

<b>ASSETS</b>	<b>2022 TOTAL</b>	<b>2023 TOTAL</b>	<b>SAVE MART CENTER</b>	<b>COMMERCIAL OPERATIONS</b>	<b>STUDENT HOUSING</b>	<b>STUDENT UNION/REC CENTER</b>
Current Assets:						
Cash and Cash Equivalents:						
On-Hand and in Commercial Accounts	\$ 2,350,064	\$ 1,714,988	\$ (832,410)	\$ 1,155,324	\$ 1,072,894	\$ 319,180
Savings Accounts	23,507,948	27,921,855	(13,552,529)	18,809,914	17,467,876	5,196,594
Total Cash and Cash Equivalents (Note 4)	25,858,012	29,636,843	(14,384,939)	19,965,238	18,540,770	5,515,774
Pledges Receivable-Save Mart Center (Note 5)	2,620,534	2,051,091	2,051,091	-	-	-
Accounts Receivable (Note 2)	2,335,271	1,988,715	14,793	1,255,672	632,692	85,558
Allowance for Doubtful Accounts	(76,368)	(73,868)	-	(34,268)	(39,600)	-
Inventories (Note 2)	119,893	130,805	-	122,596	810	7,399
Prepaid Expenses (Note 2)	167,296	93,961	-	85,658	1,436	6,867
<b>Total Current Assets</b>	<b>31,024,638</b>	<b>33,827,547</b>	<b>(12,319,055)</b>	<b>21,394,896</b>	<b>19,136,108</b>	<b>5,615,598</b>
Long-Term Assets:						
Operating Leases - Right of Use Assets	-	9,557	-	9,557	-	-
Pledges Receivable-Save Mart Center (Note 5)	4,803,707	3,224,209	3,224,209	-	-	-
Investments (Note 6)	12,986,187	14,081,881	-	14,081,881	-	-
Other Assets	-	81,748	81,748	-	-	-
<b>Total Long-Term Assets</b>	<b>17,789,894</b>	<b>17,397,395</b>	<b>3,305,957</b>	<b>14,091,438</b>	<b>-</b>	<b>-</b>
Fixed Assets: (Note 2)						
Buildings and Improvements	114,159,996	114,065,021	100,178,782	2,012,451	11,873,788	-
Land Development Costs	715,706	715,706	715,706	-	-	-
Equipment, Furniture and Fixtures	22,620,722	24,580,544	6,701,467	6,085,981	9,095,137	2,697,959
Intangible Assets	140,000	140,000	-	140,000	-	-
Construction in Progress	1,366,095	3,271,802	-	767,335	1,783,425	721,042
Total Fixed Assets	139,002,519	142,773,073	107,595,955	9,005,767	22,752,350	3,419,001
Less Accumulated Depreciation	(78,973,324)	(82,386,685)	(56,713,166)	(6,873,777)	(16,678,222)	(2,121,520)
<b>Total Fixed Assets, Net</b>	<b>60,029,195</b>	<b>60,386,388</b>	<b>50,882,789</b>	<b>2,131,990</b>	<b>6,074,128</b>	<b>1,297,481</b>
<b>TOTAL ASSETS</b>	<b>\$ 108,843,727</b>	<b>\$ 111,611,330</b>	<b>\$ 41,869,691</b>	<b>\$ 37,618,324</b>	<b>\$ 25,210,236</b>	<b>\$ 6,913,079</b>

See Independent Auditor's Report and Notes to the Financial Statements

**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022**

<b>LIABILITIES AND NET ASSETS</b>	<b>2022 TOTAL</b>	<b>2023 TOTAL</b>	<b>SAVE MART CENTER</b>	<b>COMMERCIAL OPERATIONS</b>	<b>STUDENT HOUSING</b>	<b>STUDENT UNION/REC CENTER</b>
Liabilities:						
Current Liabilities:						
Accounts Payable & Other Accrued Liabilities	\$ 3,449,356	\$ 4,728,856	\$ 200,372	\$ 2,136,402	\$ 1,755,185	\$ 636,897
Notes Payable	550,000	555,000	-	-	555,000	-
Deferred Revenue	733,904	447,312	272,847	15,332	159,133	-
Interest Payable	1,516,741	1,621,459	1,612,515	-	8,944	-
Current Operating Lease Liabilities	-	3,499	-	3,499	-	-
Finance Lease Obligations	6,261,550	4,900,000	4,900,000	-	-	-
Agency Funds	40,623	45,342	14,245	-	31,097	-
<b>Total Current Liabilities</b>	<b>12,552,174</b>	<b>12,301,468</b>	<b>6,999,979</b>	<b>2,155,233</b>	<b>2,509,359</b>	<b>636,897</b>
Long-Term Liabilities:						
Other Post Employment Benefit Obligation (Note 13)	5,762,142	5,769,622	-	4,713,933	127,081	928,608
Notes Payable, net of Debt Issuance Costs (Note 8)	1,107,552	552,552	-	-	552,552	-
Long-term Operating Lease Liabilities	-	6,058	-	6,058	-	-
Finance Lease Obligations, net of Debt Issuance Costs (Note 9)	36,865,642	33,856,461	33,856,461	-	-	-
<b>Total Long-Term Liabilities</b>	<b>43,735,336</b>	<b>40,184,693</b>	<b>33,856,461</b>	<b>4,719,991</b>	<b>679,633</b>	<b>928,608</b>
<b>TOTAL LIABILITIES</b>	<b>56,287,510</b>	<b>52,486,161</b>	<b>40,856,440</b>	<b>6,875,224</b>	<b>3,188,992</b>	<b>1,565,505</b>
<b>NET ASSETS:</b>						
With Donor Restrictions	5,744,969	4,430,614	4,430,614	-	-	-
Without Donor Restrictions	46,811,248	54,694,555	(3,417,363)	30,743,100	22,021,244	5,347,574
<b>Total Net Assets</b>	<b>52,556,217</b>	<b>59,125,169</b>	<b>1,013,251</b>	<b>30,743,100</b>	<b>22,021,244</b>	<b>5,347,574</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 108,843,727</b>	<b>\$ 111,611,330</b>	<b>\$ 41,869,691</b>	<b>\$ 37,618,324</b>	<b>\$ 25,210,236</b>	<b>\$ 6,913,079</b>

See Independent Auditor's Report and Notes to the Financial Statements

**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022**

	2022 TOTAL	2023 TOTAL	INTRAFUND ELIMINATIONS	SAVE MART CENTER	COMMERCIAL OPERATIONS				STUDENT HOUSING	STUDENT FEE OPERATIONS		
					BOOKSTORE	DINING SERVICES	ADMIN	TOTAL		REC CENTER	STUDENT UNION	TOTAL
Operating Activities												
Changes in Net Assets Without Donor Restrictions												
<b>Revenues and Other Support</b>												
Gross Sales	\$ 22,715,676	\$ 27,536,796	\$ (1,060,000)	\$ 1,615,839	\$ 626,517	\$ 10,268,845	\$ 1,823,354	\$ 12,718,716	\$ 7,227,396	\$ 1,586,768	\$ 5,448,077	\$ 7,034,845
Contributions	507,498	2,018,739	-	880,530	-	-	-	-	393,057	29,530	715,622	745,152
SBA PPP Federal Subsidy	1,272,900	-	-	-	-	-	-	-	-	-	-	-
Other Income	854,449	971,157	-	910,726	-	-	3,412	3,412	45,630	2,220	9,169	11,389
<b>Total Revenues and Other Support Without Donor Restrictions</b>	<b>25,350,523</b>	<b>30,526,692</b>	<b>(1,060,000)</b>	<b>3,407,095</b>	<b>626,517</b>	<b>10,268,845</b>	<b>1,826,766</b>	<b>12,722,128</b>	<b>7,666,083</b>	<b>1,618,518</b>	<b>6,172,868</b>	<b>7,791,386</b>
<b>Net Assets Released from Restrictions</b>	<b>2,308,103</b>	<b>1,562,250</b>	<b>-</b>	<b>1,562,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues and Other Support Without Donor Restrictions</b>	<b>27,658,626</b>	<b>32,088,942</b>	<b>(1,060,000)</b>	<b>4,969,345</b>	<b>626,517</b>	<b>10,268,845</b>	<b>1,826,766</b>	<b>12,722,128</b>	<b>7,666,083</b>	<b>1,618,518</b>	<b>6,172,868</b>	<b>7,791,386</b>
<b>Expenses</b>												
Cost of Goods Sold	2,430,300	3,641,501	-	-	-	3,626,638	3,820	3,630,458	-	11,043	-	11,043
Salaries/Wages	5,215,409	6,771,979	-	-	-	2,811,404	1,103,371	3,914,775	898,053	520,809	1,438,342	1,959,151
Employee Benefits	2,057,378	2,198,876	-	-	160,696	466,654	784,252	1,411,602	195,592	226,711	364,971	591,682
Administration-Food Services	569,748	732,450	(150,000)	-	-	882,450	-	882,450	-	-	-	-
Advances to SMG	642,058	1,754,251	-	1,754,251	-	-	-	-	-	-	-	-
Advertising/Printing	64,040	88,943	-	13,575	-	18,824	-	18,824	55,141	439	964	1,403
Athletic Corporation Entitlements	106,348	250,855	-	250,855	-	-	-	-	-	-	-	-
Audit/Legal Expense	415,651	145,066	-	-	-	-	145,066	145,066	-	-	-	-
Bad Debt Expense	848,766	485,619	-	420,000	-	26,248	-	26,248	39,371	-	-	-
Bank Charges	59,878	88,542	-	-	-	81,460	7,082	88,542	-	-	-	-
Chancellor's Office Fee	18,784	16,865	-	-	-	-	16,865	16,865	-	-	-	-
Computer Supplies/Expense	173,348	102,071	-	-	-	10,380	-	10,380	67,167	13,320	11,204	24,524
Consulting	13,396	278	-	-	-	-	278	278	-	-	-	-
Contract Services	1,056,394	1,229,910	-	-	-	101,900	-	101,900	1,049,604	78,406	-	78,406
Credit Card Fees	32,288	53,883	-	3,617	-	40,668	-	40,668	904	2,424	6,270	8,694
Depreciation/Amortization	4,078,434	4,002,031	-	2,678,710	8,222	209,348	92,225	309,795	905,769	45,584	62,173	107,757
Dues/Memberships/Subscriptions	18,852	17,744	-	-	-	55	6,051	6,106	5,382	120	6,136	6,256
Employee Awards/Development	32,581	25,191	-	-	-	-	25,191	25,191	-	-	-	-
Employee Recruitment	12,245	8,811	-	-	-	1,301	4,643	5,944	1,060	88	1,719	1,807
Equipment Purchased	12,995	45,435	-	-	-	-	-	-	-	34,694	10,741	45,435
Housing Incentives	-	21,058	-	-	-	-	-	-	21,058	-	-	-
Insurance	543,221	856,192	-	556,312	32,183	-	22,988	55,171	216,088	9,195	19,426	28,621
Janitorial/Sanitation	137,864	191,749	-	-	-	137,910	-	137,910	7,348	17,451	29,040	46,491
Laundry	68,970	112,414	-	-	-	72,499	-	72,499	39,915	-	-	-
Licenses/Permits/Fees	148,383	180,329	-	-	990	36,546	142,556	180,092	237	-	-	-
Management Services Fee	-	-	(610,000)	-	80,000	-	-	80,000	150,000	80,000	300,000	380,000
Miscellaneous	84,150	114,420	-	-	194	31,958	5,146	37,298	63,677	5,512	7,933	13,445
Non-Student Tax	6,367	10,092	-	-	-	10,092	-	10,092	-	-	-	-
Office Supplies	93,299	143,910	-	9,205	-	11,603	35,379	46,982	69,264	629	17,830	18,459
Paper Supplies	172,425	219,667	-	-	-	156,610	-	156,610	51,683	-	11,374	11,374
Possessory Interest Tax	189,806	135,859	-	135,859	-	-	-	-	-	-	-	-
Postage/Freight	26,355	46,194	-	-	-	25,056	15,832	40,888	5,165	-	141	141
Rent/Rental	58,591	638,146	-	-	-	38,264	6,197	44,461	593,685	-	-	-
Repairs/Maintenance	773,788	1,147,197	-	-	36,545	217,525	33,377	287,447	604,035	34,279	221,436	255,715
Resident Advisor Meals	215,968	267,707	-	-	-	156,042	-	156,042	111,665	-	-	-
Royalties	111,337	186,075	-	-	-	186,075	-	186,075	-	-	-	-
Save Mart Seat Licenses	-	-	(300,000)	-	-	-	-	-	-	-	300,000	300,000
Security Services	23,732	66,214	-	-	-	-	66,214	66,214	-	-	-	-

See Independent Auditor's Report and Notes to the Financial Statements



**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022**

	2022 TOTAL	2023 TOTAL	INTRAFUND ELIMINATIONS	SAVE MART CENTER	COMMERCIAL OPERATIONS			STUDENT HOUSING	STUDENT FEE OPERATIONS			
					BOOKSTORE	DINING SERVICES	ADMIN		TOTAL	REC CENTER	STUDENT UNION	TOTAL
Smallwares	92,657	110,863	-	-	-	44,374	-	44,374	66,489	-	-	-
Student Programs	120,364	171,500	-	-	-	-	-	-	-	3,917	167,583	171,500
Telephone/Communications	50,484	27,546	-	-	1,923	1,385	3,049	6,357	14,084	2,587	4,518	7,105
Travel/Training	45,619	69,175	-	-	-	8,322	2,096	10,418	40,347	2,908	15,502	18,410
University Donations	2,019,829	48,676	-	12,985	-	35,691	-	35,691	-	-	-	-
USU Co-Sponsorships	50,439	-	-	-	-	-	-	-	-	-	-	-
Utilities	1,229,810	2,154,779	-	-	128,455	469,203	22,007	619,665	635,146	522,271	377,697	899,968
Warehouse Expense	8,849	-	-	-	-	-	-	-	-	-	-	-
Wilkinson Group Fee	242,000	180,000	-	180,000	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>24,373,200</b>	<b>28,760,063</b>	<b>(1,060,000)</b>	<b>6,015,369</b>	<b>449,208</b>	<b>9,916,485</b>	<b>2,543,685</b>	<b>12,909,378</b>	<b>5,907,929</b>	<b>1,612,387</b>	<b>3,375,000</b>	<b>4,987,387</b>
<b>Change in Net Assets from Operations</b>	<b>3,285,426</b>	<b>3,328,879</b>	<b>-</b>	<b>(1,046,024)</b>	<b>177,309</b>	<b>352,360</b>	<b>(716,919)</b>	<b>(187,250)</b>	<b>1,758,154</b>	<b>6,131</b>	<b>2,797,868</b>	<b>2,803,999</b>
Nonoperating Revenues (Expenses)												
Interest and Dividend Income	413,795	857,143	-	124,942	-	-	732,201	732,201	-	-	-	-
Investment Return, Net	(1,909,585)	757,888	-	(7,161)	-	-	765,049	765,049	-	-	-	-
Extinguishment of Finance and Bond Obligations	2,363,747	3,653,413	-	3,653,413	-	-	-	-	-	-	-	-
Bond Expenses	(18,842)	(11,394)	-	(11,394)	-	-	-	-	-	-	-	-
Finance Lease Expense	(1,025,781)	(677,783)	-	(677,783)	-	-	-	-	-	-	-	-
Interest Expense	(34,511)	(24,839)	-	-	-	-	-	-	(24,839)	-	-	-
Total Nonoperating Activities	(211,177)	4,554,428	-	3,082,017	-	-	1,497,250	1,497,250	(24,839)	-	-	-
<b>Increase (Decrease) in Net Assets Without Donor Restrictions</b>	<b>3,074,249</b>	<b>7,883,307</b>	<b>-</b>	<b>2,035,993</b>	<b>177,309</b>	<b>352,360</b>	<b>780,331</b>	<b>1,310,000</b>	<b>1,733,315</b>	<b>6,131</b>	<b>2,797,868</b>	<b>2,803,999</b>
<b>Change in Net Assets With Donor Restrictions</b>												
Revenues and Other Support:												
Contributions	67,589	247,895	-	247,895	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions	(2,308,103)	(1,562,250)	-	(1,562,250)	-	-	-	-	-	-	-	-
<b>Increase (Decrease) in Net Assets With Donor Restrictions</b>	<b>(2,240,514)</b>	<b>(1,314,355)</b>	<b>-</b>	<b>(1,314,355)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Increase (Decrease) in Net Assets</b>	<b>833,735</b>	<b>6,568,952</b>	<b>-</b>	<b>721,638</b>	<b>177,309</b>	<b>352,360</b>	<b>780,331</b>	<b>1,310,000</b>	<b>1,733,315</b>	<b>6,131</b>	<b>2,797,868</b>	<b>2,803,999</b>
<b>Net Assets, Beginning of Year</b>	<b>51,722,482</b>	<b>52,556,217</b>	<b>-</b>	<b>291,613</b>				<b>29,433,100</b>	<b>20,287,929</b>			<b>2,543,575</b>
<b>Net Assets, End of Year</b>	<b>\$ 52,556,217</b>	<b>\$ 59,125,169</b>	<b>\$ -</b>	<b>\$ 1,013,251</b>				<b>\$ 30,743,100</b>	<b>\$ 22,021,244</b>			<b>\$ 5,347,574</b>

See Independent Auditor's Report and Notes to the Financial Statements

**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>TOTAL</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash Flows From Operating Activities</b>		
Increase/(Decrease) in Net Assets	\$ 6,568,952	\$ 833,735
Adjustments to Reconcile Increase/(Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Realized and Unrealized (Gain) Loss on Investments	(810,124)	1,852,200
Depreciation	4,002,031	4,078,434
Amortization	(827,481)	(668,094)
ROU Assets	(9,557)	-
Gain on Disposal of Fixed Assets	(8,236)	-
Bad Debt Expense	485,619	848,766
Extinguishment of Finance Obligations	(3,653,413)	(2,363,747)
Changes in:		
Accounts Receivable	278,437	(265,499)
Pledges Receivable-Save Mart Center	1,728,941	1,123,022
Inventories	(10,912)	(49,680)
Prepaid Expenses and Deferred Charges	73,335	(47,185)
Other Assets	(81,748)	-
Accounts Payable and Other Accrued Liabilities	1,286,980	(709,741)
Deferred Revenue	(286,592)	(1,550,448)
Interest Payable on Finance Lease Obligations & Bond Obligations	1,020,531	999,599
Operating Lease Liability	9,557	-
Agency Funds	4,719	8,705
Net Cash Provided by (Used in) Operating Activities	9,771,039	4,090,067
<b>Cash Flows From Investing Activities</b>		
Investment Income Reinvested	(295,026)	(284,153)
Proceeds from Sale of Fixed Assets	-	-
Acquisition of Fixed Assets	(4,350,988)	(1,514,566)
Sale of Investments	9,456	-
Net Cash Provided by (Used in) Investing Activities	(4,636,558)	(1,798,719)
<b>Cash Flows from Financing Activities</b>		
Principal Payments on Notes	(550,000)	(545,000)
Principal Payments on Finance Lease Obligations	(805,650)	(940,950)
Net Cash Provided by (Used in) Financing Activities	(1,355,650)	(1,485,950)
<b>Net Increase (Decrease) in Cash</b>	3,778,831	805,398
<b>Cash and Cash Equivalents, Beginning of Year</b>	25,858,012	25,052,614
<b>Cash and Cash Equivalents, End of Year</b>	\$ 29,636,843	\$ 25,858,012
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash Paid During the Year for Interest	\$ 522,746	\$ 739,937

See Independent Auditor's Report and Notes to the Financial Statements

**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 – GENERAL INFORMATION**

The California State University, Fresno Association, Inc. (the Association) administers and manages the commercial activities for California State University, Fresno including the Save Mart Center, Campus Stores, University Dining Services, Student Housing, Recreation Center and the Student Unions. The Association also provides accounting and managerial services to other university auxiliary corporations. The Association is supported primarily by sales from commercial activities and contributions.

The California State University, Fresno Association, Inc. was incorporated on June 12, 1961 as a non-profit corporation. The Association was formed and is operated exclusively to receive, hold, invest and administer property and to make expenditures to and for the benefit of California State University, Fresno (the University). The Association is a tax-exempt corporation under section 501(c)(3) of the Internal Revenue Code.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Association have been prepared in accordance with US generally accepted accounting principles (US GAAP), which require the Association 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 Association. These net assets may be used at the discretion of the Association’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 Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

**Basis of Accounting**

Basis of accounting refers to the timing of when various financial transactions are recognized in the accounts and reported in the financial statements. The accounting records of the Association are maintained using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when goods or services are received.

See Independent Auditor’s Report

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **Measure of Operations**

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Association's ongoing commercial and management services and other miscellaneous income. Nonoperating activities are limited to resources that are considered to be of a more unusual or nonrecurring nature such as return on investments, interest/dividends and debt interest expense.

### **Fund Accounting**

The accounts of the Association are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Fund balances are classified on the Statements of Financial Position as net assets with or without donor restrictions based on the absence or existence and type of donor-imposed restrictions.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposit accounts and money market funds with financial institutions. The Association considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents. At June 30, 2023 and 2022, cash and cash equivalents included \$13,651,800 and \$12,067,456, respectively, held in a commercial bank, of which \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC).

### **Concentrations of Credit Risk**

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of cash and cash equivalents. The Association maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Association's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Association has not experienced, nor does it anticipate, any losses with respect to such accounts.

### **Pledges Receivable-Save Mart Center**

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in gross sales and contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Management is of the opinion there is no need to have an allowance for uncollectible pledges given demand for suites and seats. In most cases, refunds for previously purchased seat licenses are not given unless there is an alternative buyer for those seats. Currently, there is an extensive waiting list for suites and all suite holders are required to pay their suite lease in advance. If necessary, tickets and other entitlements are withheld if payment is due.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **Contract Receivables**

Contract receivables are recorded when invoices are issued and are presented in the Statement of Financial Position. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Allowances for doubtful accounts in the amounts of \$73,868 and \$76,368 have been established as of June 30, 2023 and 2022, respectively.

### **Inventories**

The Association's inventory consists of goods held for resale in University Dining Services, Student Unions, and Student Housing, and are valued at the lower of cost or market determined by the first-in, first-out (FIFO) method.

### **Prepaid Expenses**

Prepaid expenses are comprised of information technology maintenance and other prepaid maintenance pertaining to future periods.

### **Investments**

Investments in securities are carried at market value and realized and unrealized gains or losses are included in "Nonoperating Activities" in the Statement of Activities.

### **Fair Value of Financial Instruments**

US GAAP requires disclosure of an estimate of fair value of certain financial instruments. The Association's significant financial instruments are cash, accounts receivable, investments, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

### **Fixed Assets**

Fixed assets are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from 3 to 55 years. The Association's policy is to capitalize renewals and betterments acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. Fully depreciated assets, which have economic value, are retained on the books although fully depreciated.

In connection with University Dining Services provided on campus, the Association has paid franchise fees to Subway, Starbucks, Taco Bell, and The Habit for the privilege of operating the quick service restaurants. The franchise fees are reported, net of amortization expense, in the fixed asset section of the Statements of Financial Position. These fees are amortized over the franchise period using the straight-line method.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **Defined Benefit Pension Plan**

As described in Note 12, the Association participates in a multi-employer public employee retirement system. The system provides disclosure information in accordance with the Governmental Accounting Standards Board (GASB). The latest information available from CalPERS is the actuarial valuation report as of June 30, 2023.

### **Deferred Revenue**

Income from the University, Student Housing (rent and summer conferences), and Campus Pointe are deferred and recognized over the periods to which activities relate.

### **Revenue Recognition**

The Association recognizes revenue principally from commercial operations, including the operation of a bookstore, campus dining service, student housing program, student recreation center and student union. The Association also administers and manages the Save Mart Center, a multi-purpose sports and entertainment venue hosting events and performances. The Association's gross sales revenue is recognized based on consideration specified in a contract with a customer upon completion of performance obligations. The Association recognizes revenue from performance obligations when it satisfies the obligation by transferring control over products or services to a customer at a point in time when the product has been delivered or when the service has been fully performed. The payment terms vary depending on the nature of the performance obligations and can be recognized at the point of sale or over time.

### **Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Association had net assets with donor restrictions of \$4,430,614 and \$5,744,969 for the years ended June 30, 2023 and 2022, respectively.

Contributed fixed assets are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

### **Advertising Costs**

Advertising costs are expensed as incurred and totaled \$88,943 and \$64,040 for the years ended June 30, 2023 and 2022, respectively.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **Functional Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in Note 16 – Expenses by Natural/Functional Classification. Accordingly, certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

### **Use of Estimates**

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

### **Tax Status**

The Association is organized and operated exclusively for educational purposes and is thus allowed tax exempt status under provisions of section 501(c)(3) of the Internal Revenue Code and section 23701(d) of the California Revenue and Taxation Code. The Association does, however, pay income taxes on any unrelated business income.

### **Comparative Financial Information**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

### **New Accounting Pronouncement**

Effective July 1, 2022, the Association adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Association elected not to restate the comparative period for the year ended June 30, 2022. It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Association recognized right-of-use assets and lease liabilities of \$13,056 in its statement of financial position as of July 1, 2022. These are presented in further detail in Note 9. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended June 30, 2023.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Leases**

The Association determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (“ROU”) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect present value of the future minimum lease payments over the lease term if material. Operating lease expense is recognized on a straight-line basis over the lease term. The Association does not report ROU assets and lease liabilities for short-term leases (leases with a term of 12 months or less). Instead, the payments of those leases are reported as lease expense on a straight-line basis over the lease term.

**Contributed Nonfinancial Assets**

The Association recognizes contributed nonfinancial assets within revenue, including donated goods, land, assets space, and professional services. A number of volunteers have made significant contributions of their time to the Association’s programs and supporting services. The value of this contributed time is not reflected in these financial statements since it does not require a specialized skill.

**NOTE 3 – AVAILABILITY AND LIQUIDITY**

The following represents The Association’s financial assets at June 30, 2023 and 2022:

Financial assets at year end:	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 29,636,843	\$ 25,858,012
Accounts receivable, net	1,914,847	2,258,903
Pledges receivable	2,051,091	2,620,534
Investments	<u>14,081,881</u>	<u>12,986,187</u>
Total financial assets	47,684,662	43,723,636
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(4,430,614)</u>	<u>(5,828,457)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 43,254,048</u>	<u>\$ 37,895,179</u>

The Association’s reserve policy for commercial operations is generally to maintain financial assets to meet 20% of budgeted operating expenses for next fiscal year, net of depreciation or \$4,000,000, whichever is greater. The minimum requirement is \$4,445,517 and \$4,000,000 for the years ended June 30, 2023 and 2022, respectively.

The Association’s reserve policy for student housing operations is generally to maintain financial assets to meet 20% of budgeted operating expenses for next fiscal year, net of depreciation, whichever is greater. The minimum requirement is \$896,574 and \$776,165 for the years ended June 30, 2023 and 2022, respectively.

See Independent Auditor’s Report



**NOTE 3 – AVAILABILITY AND LIQUIDITY** (Continued)

The Association’s reserve policy for Student Unions and Student Recreation Center is to maintain financial assets to meet 35% of operating expenses for the current fiscal year, less capital equipment purchases, plus 100% of budgeted capital expenses. The minimum requirement for the Student Unions is \$1,180,418 and \$1,917,275 for the years ended 2023 and 2022, respectively. The minimum requirement for the Student Recreation Center is \$563,336 and \$500,266 for the years ended June 30, 2023 and 2022, respectively. In addition, the Student Unions and Student Recreation Center also have reserves on deposit with the University in a state trust account.

As part of its liquidity plan, excess cash is invested in short-term investments including money market and State of California Local Agency Investment Fund (LAIF) accounts. The Association also has excess funds invested in long-term, highly liquid funds. The Association also has accounts receivable and pledges receivable that are available to meet funding requirements.

The Association’s financial assets available to meet the general expenditures over the next twelve months is more than adequate to meet financial obligations.

**NOTE 4 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at June 30 consisted of the following:

	<u>2023</u>	<u>2022</u>
Deposits:		
Cash on hand and in banks	\$ 13,626,156	\$ 10,120,274
Pooled Funds:		
Cash in State of California Local Agency Investment Fund	<u>16,010,687</u>	<u>15,737,738</u>
Total	<u>\$ 29,636,843</u>	<u>\$ 25,858,012</u>

The Association maintains some cash in the State of California Local Agency Investment Fund (LAIF). The state pools these funds with those of other organizations and invests the cash. These pooled funds are carried at cost which approximates market value. Interest earned is remitted quarterly to the Association. Any investment losses are proportionately shared by all participants in the pool. The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

Additionally, the PMIA has Policies, Goals and Objectives for the portfolio to make certain that the goals of Safety, Liquidity and Yield are not jeopardized and that prudent management prevails. These policies are formulated by investment staff and reviewed by both the PMIB and the LAIF on an annual basis. All investment and LAIF claims are audited on a daily basis by the State Controller’s Office as well as an in-house audit process involving three separate divisions.

Under Federal Law, the State of California cannot declare bankruptcy, thereby allowing the Government Code Section 16429.3 to stand. This Section states that “moneys placed with the Treasurer for deposit in the LAIF by cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies shall not be subject to either of the following: (a) transfer or loan pursuant to Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency.”

**NOTE 5 – PLEDGES RECEIVABLE-SAVE MART CENTER**

Included in “Pledges Receivable” are the following unconditional promises to give at June 30:

	<u>2023</u>	<u>2022</u>
Unconditional Promises to Give Before		
Unamortized Discount	\$ 5,882,325	\$ 8,527,785
Less: Unamortized Discount	<u>(607,025)</u>	<u>(1,103,544)</u>
Net Unconditional Promises to Give	<u>\$ 5,275,300</u>	<u>\$ 7,424,241</u>
Amounts Due in:		
One Year	\$ 2,051,091	\$ 2,625,533
Two to Five Years	3,224,209	4,688,045
More Than Five Years	-	110,663
Total	<u>\$ 5,275,300</u>	<u>\$ 7,424,241</u>

The discount rate used to calculate the present value of promises to give is 7% for 2023 and 2022.

**NOTE 6 – INVESTMENTS**

Long-Term investments at June 30, 2023 consist of the following:

<b>Long-term investments</b>	<b>Total</b>
Long-term investments at beginning of year	\$ 12,986,187
Additions	-
Amounts withdrawn	(9,456)
Return on investments (net of investment fees of \$42,781):	
Dividends and interest	295,026
Net unrealized and realized gains (losses)	810,124
Total return on investments	<u>1,105,150</u>
Long-term investments at end of year	<u>\$ 14,081,881</u>

Long-Term investments at June 30, 2022 consist of the following:

<b>Long-term investments</b>	<b>Total</b>
Long-term investments at beginning of year	\$ 14,554,232
Additions	-
Amounts withdrawn	(10,935)
Return on investments (net of investment fees of \$46,452):	
Dividends and interest	295,088
Net unrealized and realized gains (losses)	<u>(1,852,200)</u>
Total return on investments	<u>(1,557,110)</u>
Long-term investments at end of year	<u>\$ 12,986,187</u>

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**NOTE 6 – INVESTMENTS** (Continued)

Long-Term investments at fair value consist of the following at June 30:

Long-term investments	2023	2022
Corporate Bonds	\$ 4,412,972	\$ 2,409,006
Municipal Bonds	541,790	-
Common fund	4,282,040	3,621,414
Mutual funds	2,132,483	4,001,439
Money Market funds	1,536,647	12,512
U.S. agency securities	890,584	430,801
U.S. treasury securities	285,365	1,268,458
Equity securities	-	1,242,557
Total long-term investments, at market	\$ 14,081,881	\$ 12,986,187

**NOTE 7 – FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant observable input (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

**Level 1** – Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

**Level 2** – Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

**Level 3** – Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounts cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

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**NOTE 7 – FAIR VALUE MEASUREMENTS** (Continued)

The tables below present the balance of assets measured at fair value on a recurring basis at June 30:

<u>2023</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 29,636,843	\$ 29,636,843	\$ -	\$ -
Pledges Receivable – SMC	5,275,300	-	-	5,275,300
Long-term investments:				
Corporate Bonds	4,412,972	4,412,972	-	-
Municipal Bonds	541,790	541,790	-	-
Multi strategy equity fund	4,282,040	-	4,282,040	-
Mutual funds	2,132,483	2,132,483	-	-
Money Market funds	1,536,647	1,536,647	-	-
U.S. agency securities	890,584	-	890,584	-
U.S. treasury securities	285,365	285,365	-	-
Equity securities	-	-	-	-
Total long-term investments	14,081,881	8,909,257	5,172,624	-
Total	\$ 48,994,024	\$ 38,546,098	\$ 5,172,624	\$ 5,275,300

<u>2022</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 25,858,012	\$ 25,858,012	\$ -	\$ -
Pledges Receivable – SMC	7,424,241	-	-	7,424,241
Long-term investments:				
Corporate Bonds	2,409,006	2,409,006	-	-
Municipal Bonds	-	-	-	-
Multi strategy equity fund	3,621,414	-	3,621,414	-
Mutual funds	4,001,439	4,001,439	-	-
Money Market funds	12,512	12,512	-	-
U.S. agency securities	430,801	-	430,801	-
U.S. treasury securities	1,268,458	1,268,458	-	-
Equity securities	1,242,557	1,242,557	-	-
Total long-term investments	12,986,187	8,933,972	4,052,215	-
Total	\$ 46,268,440	\$ 34,791,984	\$ 4,052,215	\$ 7,424,241

See Note 2 for valuation technique used to measure fair value for Investments and Pledges Receivable-Save Mart Center. There were no changes in valuation techniques during the current year.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

Pledges Receivable – Save Mart Center:	<u>2023</u>	<u>2022</u>
Balance, July 1,	\$ 7,424,241	\$ 9,299,618
New Pledges	688,745	872,254
Pledge payments received	(2,914,205)	(3,309,398)
Write-off	(420,000)	-
Change in present value discount	496,519	561,767
Balance, June 30,	\$ 5,275,300	\$ 7,424,241

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**NOTE 8 – NOTES PAYABLE**

**CSU Systemwide Revenue Bonds (SRB) Series 2020B**

In February 2020, the Association participated in the CSU Systemwide Revenue Bonds (SRB) Series 2020B program to refinance the Student Housing Refunding Revenue Bonds, Series 2011A – refinance of Series 2001. The effect of the refinancing was to incur a new note payable obligation payable to the Trustees of the California State University. Interest at 1.64% is payable semi-annually, with principal payments beginning in November 2020. The maturity schedule and interest rates of the outstanding note payable are as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Coupon</u>
November 1, 2023	\$ 555,000	1.557%
November 1, 2024	<u>560,000</u>	1.646%
	<u>\$ 1,115,000</u>	

The California State University, Fresno Association, Inc. is obligated to pay principal and interest as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 555,000	\$ 13,538	\$ 568,538
2025	<u>560,000</u>	<u>4,609</u>	<u>564,609</u>
	1,115,000	18,147	1,133,147
Unamortized Debt Issuance Costs	<u>(7,448)</u>	<u>-</u>	<u>(7,448)</u>
	<u>\$ 1,107,552</u>	<u>\$ 18,147</u>	<u>\$ 1,125,699</u>

**NOTE 9 – LEASES**

In August 2015, the Association participated in the CSU Systemwide Revenue Bonds (SRB) program to refinance the 2005 Save Mart Center bonds. The effect of the refinancing was to incur a new capital (finance, as of year ended June 30, 2023) lease obligation payable to the University. Interest at 4.4% is payable semi-annually, with principal payments beginning in November 2015. The Association has amortized the net premium, underwriter’s discount, and cost of issuance over the life of the SRB bonds, the unamortized portions are reported net of the long-term liability on the Statements of Financial Position.

During the years ended June 30, 2022 and 2023, the University forgave 59% (same percentage used for determination of non-university use of SMC by county tax assessor) of the principal and interest due for various fiscal years due to the closure of and impact to the Save Mart Center caused by the COVID-19 pandemic. As a result, the Association was relieved (forgiven) of principal and interest obligations of \$2,737,600 and \$915,813, respectively during the year ended June 30, 2023 and \$1,354,050 and \$1,009,697, respectively during the year ended June 30, 2022. The Association has recognized this extinguishment of debt on the Statement of Activities.

The Association has multiple operating lease agreements, all of which consist of leases for usage of copiers.

**NOTE 9 – LEASES** (Continued)

In fiscal year ending June 30, 2023, the Association evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Association’s right to use underlying assets for the lease term, and the lease liabilities represent the Association’s obligation to make lease payments arising from these leases. The Association made use of the Lease Accelerator and EZ Lease programs provided by the CSU Chancellor’s Office. Lease Accelerator applied a 3.583% discount rate on the Association’s operating leases. The Association’s leases consist of both operating leases and finance leases. For the year ended June 30, 2023, total operating lease cost was \$3,499, while total finance lease cost was \$1,306,348. The total operating right of use asset and lease liabilities at June 30, 2023 was \$9,557. Finance lease right of use assets of \$99,354,232, with accumulated depreciation of \$50,228,604 are included in fixed assets in the Statement of Net Position for the year ended June 30, 2023.

Lease payments for future years are set as follows:

Year Ended June 30,	Finance Leases		Operating Leases	Total Leases
	Principal	Interest	Principal	(Principal Only)
2024	\$ 4,900,000	\$ 1,332,787	\$ 3,499	\$ 5,844,449
2025	7,803,300	2,473,069	3,499	7,806,799
2026	2,870,000	917,088	2,559	2,872,559
2027	3,200,000	771,275	-	3,200,000
2028	2,405,000	636,950	-	2,405,000
Thereafter	13,840,000	1,522,416	-	13,840,000
<b>Total</b>	<b>\$ 35,018,300</b>	<b>\$ 7,653,585</b>	<b>\$ 9,557</b>	<b>\$ 35,027,857</b>

Rental expense under FASB ASC 840 (pre-adoption of new standards) for copiers totaled \$21,020 for the year ended June 30, 2022. The aggregate minimum lease payments under the prior standards as of June 30, 2022 were as follows:

Year Ended June 30:	
2023	\$ 14,022
2024	14,022
2025	10,378
2026	5,054
<b>Total</b>	<b>\$ 43,476</b>

In addition to the above leases, of which the Association is the lessee, the Association also has multiple leases of which it is the lessor. The majority of these are ground leases, of which the Association receives periodic rent revenue.

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**NOTE 9 – LEASES** (Continued)

Minimum lease revenue for future years are set as follows below:

<u>Year Ended June 30:</u>	
2024	\$ 1,705,209
2025	967,312
2026	963,338
2027	879,262
2028	879,262
<u>Thereafter</u>	<u>30,516,678</u>
Total	<u>\$ 35,911,061</u>

**NOTE 10 – DISAGGREGATION OF REVENUE**

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Performance obligations satisfied at a point in time	\$ 8,188,862	\$ 5,482,533
Performance obligations satisfied over time	19,347,934	17,233,143
Total	<u>\$ 27,536,796</u>	<u>\$ 22,715,676</u>

Revenues from performance obligations satisfied at a point in time consist of revenue recognized from campus stores sales, Save Mart Center activities, dining services (excluding student dining hall), student recreation center sales and student union fees. Revenues from performance obligations satisfied over time consist of revenue recognized from management service fees, student housing and dining services and student body fees.

*Campus Stores Sales* – includes commissions earned on the sale of textbooks, student learning materials, merchandise and other items. Revenue is earned at the time such items are purchased.

*Save Mart Center* – includes premium seating, naming rights, sponsorship/advertising, and ground rent from Campus Pointe. Revenue for premium seating, naming rights, and sponsorship/advertising is earned when such services are rendered or items are purchased. Revenue for ground rents from Campus Pointe is recognized monthly over the term of the lease.

*Dining Services* – includes housing resident meal plans, retail dining operations, and catering services to support the campus community. Revenue for housing resident meal plans is earned each month these services are used by the student. Revenue for retail dining operations and catering services is earned at the time such services are rendered or items are purchased.

*Management Service Fees* – the Association provides management and administrative services for other sister Fresno State auxiliary organizations. Revenue is earned as services are rendered throughout the year.

**NOTE 10 – DISAGGREGATION OF REVENUE** (Continued)

*Student Housing* – includes housing contracts, summer contracts, summer conference, and summer arts. Summer conference and arts are earned when the services are rendered. Housing contracts are for the entire academic year and summer contracts are for the summer months. Revenue is earned each month these services are used by the student.

*Student Unions (Student Body Center - Category II Mandatory Fee)* - mandatory student fee to support the debt service and operations of both the Student Union and Student Recreation Center. Revenue is received from the University who collects the fee revenue from the students. The University transfers the approved annual amount of fees needed for operations twice each fiscal year. Both operations also have miscellaneous operating revenues generated by rental of facilities and retail sales that is earned at the time such services are rendered or items are purchased. Student Recreation Center includes a membership fee, which is earned monthly over the term of the contract.

**NOTE 11 – CONTRACT BALANCES**

Contract assets include accounts receivable mainly from Save Mart Center activities, campus stores sales, and student housing. Contract liabilities include deferred revenue balances originated from the receipt of customer funds prior to the completion of performance obligations. Contract assets and contract liabilities were as follows for the years ended June 30:

	6/30/2023 Closing Balance	6/30/2022 Closing Balance	7/1/2021 Opening Balance
Contract assets:			
Contract receivables	\$ 1,988,715	\$ 2,335,271	\$ 2,162,683
Contract liabilities:			
Deferred revenues	\$ 447,312	\$ 733,904	\$ 1,011,452

The following table provides information about significant changes in the significant services paid in advance for the years ended June 30:

	2023	2022
Deferred revenue, beginning of the year	\$ 733,904	\$ 1,011,452
Revenue recognized that was included during the period	(288,056)	(712,936)
Increase in deferred revenue due to cash received during the period	1,464	435,388
Deferred revenue, end of year	\$ 447,312	\$ 733,904

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## **NOTE 12 – EMPLOYEE DEFINED BENEFIT PENSION PLAN**

### **California Public Employees’ Retirement System Plan Description**

The California State University, Fresno Association, Inc. (Federal Tax ID# 94-1512286), is a participating employer in two separate multi-employer defined benefit pension plans. The plans generally provide retirement to employees based on years of service to the Association, and also provide disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Plan of the California State University-Fresno Association, Inc. and PEPRM Miscellaneous Plan of the California State University-Fresno Association, Inc. (CalPERS ID: 3956399313) are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees’ Retirement Law. The Association selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814 or by visiting the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

### **Funding Policy**

Under the Public Employees’ Pension Reform Act of 2013, employees (who are brought into CalPERS membership for the first time on or after January 1, 2013) are required to contribute at least 50% of the annual required contributions under a defined benefit formula of 2% Miscellaneous at age 62. The current employee rate is 6.75% and the employer contribution rate is 7.47%. For employees hired prior to January 1, 2013 under the defined benefit formula of 2% Miscellaneous at age 55, plan members are required to contribute 7.00% of their annual covered salary and the Association currently pays the employee portion of the required contribution (the 7.00%) for employees with 5 or more years of service with the Association. California State University, Fresno Association, Inc. is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal 2022/2023 was 10.87% plus \$939,500 towards the unfunded liability for the Miscellaneous Plan and 7.47% plus \$7,129 towards the unfunded liability for the PEPRM Miscellaneous Plan. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Employers participating in multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Association chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan.

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**NOTE 12 – EMPLOYEE DEFINED BENEFIT PENSION PLAN** (Continued)

**Annual Pension Cost**

For fiscal year 2022/2023, California State University, Fresno Association, Inc.’s annual pension cost of \$1,178,048 was equal to the Association’s required and actual contributions. The total pension cost for both employee and employer contributions was \$1,331,866. The required contribution for fiscal year 2022/2023 was determined as part of the June 30, 2020 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.00% investment rate of return (net of administrative expenses); (b) projected overall payroll growth of 2.75%; (c) inflation factor of 2.50% compounded annually and (d) discount rate of 7.00%.

The actuarial value of California State University, Fresno Association, Inc.’s assets was determined using a technique that smooths the effect of short-term volatility in the market value of investments over a five year period depending on the size of investment gains and/or losses.

Miscellaneous Plan of the California State University, Fresno Association, Inc.’s unfunded actuarial excess assets are being amortized as a level percentage of projected payroll on a closed basis. The amortization period at June 30, 2020 was 20 years. Based upon the most recent valuation published for the period ending June 30, 2020, the Association did not contribute more than 5% of total contributions to the plan.

**Three-Year Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/21	\$950,922	100%	\$0
6/30/22	\$1,064,318	100%	\$0
6/30/23	\$1,178,048	100%	\$0

The Association is included in a pooled plan as required by California law. The Association has less than 100 active employees, therefore, the Association’s portion of the pooled information is less than 1%. Beginning in fiscal year 2013, funding history for the miscellaneous risk pools are combined to include the PEPRRA and other MISC risk pools.

Valuation Date	Pooled Accrued Liabilities	Pooled Actuarial Value of Assets	Pooled Unfunded Accrued Liabilities (UAL)	Funded Ratio	Pooled Annual Covered Payroll	UAL as a % of Payroll
6/30/19	\$18,394,114,919	\$13,985,117,157	\$4,408,997,762	76.0%	\$2,482,824,265	177.6%
6/30/20	\$19,437,975,961	\$14,709,505,985	\$4,728,469,976	75.7%	\$2,606,753,697	181.4%
6/30/21	\$20,794,529,023	\$18,063,262,515	\$2,731,266,508	86.9%	\$2,641,544,193	103.4%

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**NOTE 13 – OTHER POST EMPLOYMENT BENEFIT OBLIGATION**

The Association sponsors a defined benefit post-retirement plan that provides medical benefits to retirees. The plan is contributory, with retiree contributions adjusted annually. The plan covers each employee and spouse. Employees, other than new hires after January 16, 2003, are eligible to receive full benefits at the age of 50 with 5 years of service. Employees hired after January 16, 2003 are eligible to receive benefits after 10 years of service with a vesting schedule that begins with 50% coverage after 10 years of service and increases by 5% per year. After 20 years of service, the employee is eligible for 100% of benefits.

Government Code Section 22825.6 provides that a local agency contracting under the Meyers-Geddes State Employers’ Medical and Hospital Care Act shall fix the amount of the employer’s contribution at an amount not less than the amount required under Section 22825 of the Act, and the Association is a local agency contracting under the Act. The Board of Directors shall take action to adjust the basis of the employer’s contribution for each employee or annuitant.

The Association changed its method of accounting for post-retirement benefits other than pensions, from the pay-as-you-go method to the accrual method, as required by ASC 810, on July 1, 1995.

Following is the information on the plan as of and for the year ended June 30, 2023 in accordance with ASC 715 “Employers’ Accounting for Defined Benefit Pension and Other Post-Retirement Plans”:

	<u>Net Periodic Post-Retirement Benefit Cost</u>	<u>Post-Retirement Benefit Liability</u>
July 1, 2022		\$ 6,312,220
Recognition of components of net periodic post-retirement benefit cost:		
Service cost (benefit)	\$ 70,708	70,708
Interest cost	362,167	362,167
Actuarial (gain) or loss	79,090	79,090
Total	<u>\$ 511,965</u>	
Benefit payments		<u>(560,350)</u>
Net Change		<u>(48,385)</u>
June 30, 2023		<u>\$ 6,263,835</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**NOTE 13 – OTHER POST EMPLOYMENT BENEFIT OBLIGATION** (Continued)

The post-retirement obligation is included in accounts payable and other liabilities as follows:

	<u>2023</u>	<u>2022</u>
Current portion	\$ 494,213	\$ 550,077
Long-term portion	5,769,622	5,762,143
	<u>\$ 6,263,385</u>	<u>\$ 6,312,220</u>

The funded status of the plan is the following:

Accrued post-retirement benefit obligation	\$ 6,263,835	\$ 6,312,220
Plan assets	-	-
Unfunded plan obligation	<u>\$ 6,263,835</u>	<u>\$ 6,312,220</u>

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 plan members to that point. The actuarial methods and assumptions 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.

The following weighted-average assumptions were used in accounting for the post-retirement benefit obligation at June 30:

Year Ended June 30:

2024	\$ 494,213
2025	499,389
2026	493,124
2027	494,074
2028	502,689
2029-2023	<u>2,329,491</u>
Total	<u>\$ 4,812,980</u>

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

**Save Mart Center** – Effective October 1, 2020, the Association amended its current contract with ASM Global (formerly SMG) to manage the Save Mart Center for a five-year term expiring June 30, 2025. The agreement provides for an initial annual fixed fee of \$595,350 inclusive of food and beverage services. Annual incentive fees are subject to negotiation and limitations after fiscal year 2013. The fixed fee is adjusted every three years for CPI increases.

Advances to ASM Global for the management fee/operating expenses and incentive fee for the year ended June 30, 2023 were \$1,605,413 and \$148,838, respectively. Advances to ASM Global for the management fee/operating expenses and incentive fee for the year ended June 30, 2022 were \$642,058 and \$0, respectively.

#### **NOTE 14 – COMMITMENTS AND CONTINGENCIES** (Continued)

**Campus Stores** – Effective April 10, 2019, the Association entered into a contract with Follett Higher Education Group (Follett) for the management of the Kennel Bookstore, expiring June 30, 2024. The agreement provides for commission to the Association of 7% of Immediate Access gross sales and 8.5% of all other commissionable sales up to \$9 million plus 10.5% of commissionable sales in excess of \$9 million, with the Kennel Marketplace earning 14.5% commission for all commissionable sales in excess of \$1 million during the fiscal year.

**Claims and Litigation** – The Association, during its normal course of business, may be subject from time to time to disputes and legal proceedings against it or may be indirectly impacted by litigation against the CSU or the University. This includes recent claim(s) against the CSU asserting that students who were enrolled in Spring 2020 are entitled to prorated refunds of Campus Fees as a result of transitioning to online instruction in response to the COVID-19 pandemic. Management, with the support of CSU counsel, believes that the entity has a valid defense against the lawsuits and will rigorously defend its position. Both management and legal counsel do not expect the ultimate outcome of any current claims or lawsuits to have a material adverse effect on the Association's financial statements.

#### **NOTE 15 – RELATED PARTIES**

In addition to the University, the Association is related to The Agricultural Foundation of California State University, Fresno (the Agricultural Foundation), Associated Students California State University, Fresno (Associated Students), Fresno State Programs for Children, Inc. (Programs for Children) and the California State University, Fresno Foundation (the Foundation) due to common management of the five entities. The Association had the following transactions with these entities during the years ended June 30, 2023 and 2022:

Pursuant to a management services agreement, the Foundation, The Agricultural Foundation, Programs for Children, and Associated Students pay administrative fees to the Association for management services. The Foundation's administrative fees for the years ended June 30, 2023 and 2022 were \$651,386 and \$651,386, respectively, allocated on the basis of gross revenue and services rendered. The Agricultural Foundation's administrative fees for the years ended June 30, 2023 and 2022 were \$169,454 and \$161,385, respectively, based on services rendered. Programs for Children's administrative fees for the years ended June 30, 2023 and 2022 were \$82,515 and \$80,112, respectively, based on services rendered. Associated Students administrative fees for the years ended June 30, 2023 and 2022 were \$75,000 and \$62,262, respectively, based on services rendered.

The Foundation also reimburses the Association twice a month for salaries and benefits of Foundation Financial Services staff in the amounts of \$751,807 and \$772,502 for the years ended June 30, 2023 and 2022, respectively.

The amounts due to the Association from the Foundation for miscellaneous expenses were \$99,435 and \$16,178 for the years ended June 30, 2023 and 2022, respectively. The amounts due to the Association from the Foundation for salaries and benefits were \$28,260 and \$25,746 for the years ended June 30, 2023 and 2022, respectively. The amounts due to the Foundation from the Association for miscellaneous expenses were \$468 and \$825 for the years ended June 30, 2023 and 2022, respectively. The amounts due to the Foundation from the Association for salaries and benefits were \$188,462 and \$154,832 for the years ended June 30, 2023 and 2022, respectively.

The amounts due to the Association from The Agricultural Foundation for miscellaneous expenses were \$20,446 and \$9,641 for the years ended June 30, 2023 and 2022. The amounts due to The Agricultural Foundation for miscellaneous expenses were \$125 and \$1,030 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 15 – RELATED PARTIES** (Continued)

The amounts receivable from the University were \$637,085 and \$490,239 for the years ended June 30, 2023 and 2022, respectively. The amounts payable to the University were \$329,153 and \$2,155,444 for the years ended June 30, 2023 and 2022, respectively.

The amounts due to the Association from Associated Students for miscellaneous expenses were \$6,620 and \$205 for the years ended June 30, 2023 and 2022, respectively. The amounts payable to Associated Students were \$0 and \$876 for the years ended June 30, 2023 and 2022, respectively.

The Association has entered into several facility leases for which minimal consideration is required by the lessor as follows:

- Use of the Kennel Bookstore, between the Trustees of the CSU, expiring June 30, 2025.
- Use of the University Center, between the Trustees of the CSU, expiring June 30, 2025.
- Use of the University Student Union and Satellite Student Union, between the Trustees of the CSU, expiring June 30, 2028.
- Use of the University Dining Hall, between the Trustees of the CSU, expiring June 30, 2028.
- Use of the Warehouse, between the Trustees of the CSU, expiring June 30, 2024.
- Use of southeast corner of second floor of Henry Madden Library (Starbucks store), between the Trustees of the CSU, expiring June 30, 2028.
- Ground lease for Student Housing, between the Trustees of the CSU, expiring February 1, 2025.
- Ground lease for Save Mart Center with the Trustees of the CSU, expiring December 13, 2031.
- Use of SRC, between the Trustees of the CSU, expiring June 30, 2026.
- Ground lease for Campus Pointe with the Trustees of the CSU, expiring June 28, 2096.
- Use of the space at the North Gym for the Paws-N-Go Market, expiring June 30, 2028.
- Use of space at the Kremen Education Building and the Peters Business Building for the Paws-N-Go Market locations, expiring June 30, 2024.
- Use of the Resnick Student Union, between the Trustees of the CSU, expiring June 30, 2027.

**NOTE 16 – EXPENSES BY NATURAL/FUNCTIONAL CLASSIFICATION**

The accompanying statement of activities reports certain categories of expenses that may be attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable and systematic basis that is consistently applied by management in the preparation of its annual financial statements. All of the Association's expenses are directly allocated to the functional categories by cost center. Such methodologies are deemed by management to be reasonable and appropriate and reflective of the functional purpose of each cost incurred for the respective reporting period.

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**NOTE 16 - EXPENSES BY NATURAL/FUNCTIONAL CLASSIFICATION** (Continued)

The following is a detailed list of expenses by natural/functional classification for the years ended June 30:

	2022			2023		
	Program	General & Admin	Total	Program	General & Admin	Total
Cost of Goods Sold	\$ 3,637,681	\$ 3,820	\$ 3,641,501	\$ 2,427,750	\$ 2,550	\$ 2,430,300
Salaries/Wages	5,668,608	1,103,371	6,771,979	4,243,239	972,170	5,215,409
Employee Benefits	1,414,624	784,252	2,198,876	1,354,772	702,606	2,057,378
Administration-Food Services	732,450	-	732,450	569,748	-	569,748
Advances to SMG	1,754,251	-	1,754,251	642,058	-	642,058
Advertising/Printing	88,943	-	88,943	64,040	-	64,040
Athletic Corporation Entitlements	250,855	-	250,855	106,348	-	106,348
Audit/Legal Expense	-	145,066	145,066	-	415,651	415,651
Bad Debt Expense	485,619	-	485,619	848,766	-	848,766
Bank Charges	81,460	7,082	88,542	46,761	13,117	59,878
Bond Expenses	11,394	-	11,394	18,842	-	18,842
Finance Lease Expense	677,783	-	677,783	1,025,781	-	1,025,781
Chancellor's Office Fee	-	16,865	16,865	-	18,784	18,784
Computer Supplies/Expense	102,071	-	102,071	97,566	75,782	173,348
Consulting	-	278	278	-	13,396	13,396
Contract Services	1,229,910	-	1,229,910	1,056,394	-	1,056,394
Credit Card Fees	53,883	-	53,883	32,288	-	32,288
Depreciation/Amortization	3,909,806	92,225	4,002,031	3,995,137	83,297	4,078,434
Dues/Memberships/Subscriptions	11,693	6,051	17,744	11,365	7,487	18,852
Employee Awards/Development	-	25,191	25,191	-	32,581	32,581
Employee Recruitment	4,168	4,643	8,811	9,126	3,119	12,245
Equipment Purchased	45,435	-	45,435	12,995	-	12,995
Housing Incentives	21,058	-	21,058	-	-	-
Insurance	833,204	22,988	856,192	528,939	14,282	543,221
Interest Expense	24,839	-	24,839	34,268	243	34,511
Janitorial/Sanitation	191,749	-	191,749	137,864	-	137,864
Laundry	112,414	-	112,414	68,970	-	68,970
Licenses/Permits/Fees	37,773	142,556	180,329	18,729	129,654	148,383
Miscellaneous	109,274	5,146	114,420	77,299	6,851	84,150
Non-Student Tax	10,092	-	10,092	6,367	-	6,367
Office Supplies	108,531	35,379	143,910	67,121	26,178	93,299
Paper Supplies	219,667	-	219,667	172,425	-	172,425
Possessory Interest Tax	135,859	-	135,859	189,806	-	189,806
Postage/Freight	30,362	15,832	46,194	14,547	11,808	26,355
Rent/Rental	631,949	6,197	638,146	47,256	11,335	58,591
Repairs/Maintenance	1,113,820	33,377	1,147,197	743,074	30,714	773,788
Resident Advisors Meals	267,707	-	267,707	215,968	-	215,968
Royalties	186,075	-	186,075	111,337	-	111,337
Security Services	-	66,214	66,214	846	22,886	23,732
Smallwares	110,863	-	110,863	92,657	-	92,657
Student Programs	171,500	-	171,500	120,364	-	120,364
Telephone/Communications	24,497	3,049	27,546	44,287	6,197	50,484
Travel/Training	67,079	2,096	69,175	43,148	2,471	45,619
University Donations	48,676	-	48,676	2,019,829	-	2,019,829
USU Co-Sponsorships	-	-	-	50,439	-	50,439
Utilities	2,132,772	22,007	2,154,779	1,211,007	18,803	1,229,810
Warehouse Expense	-	-	-	8,849	-	8,849
Wilkinson Group Fee	180,000	-	180,000	242,000	-	242,000
<b>Total</b>	<b>\$ 26,930,394</b>	<b>\$ 2,543,685</b>	<b>\$ 29,474,079</b>	<b>\$ 22,830,372</b>	<b>\$ 2,621,962</b>	<b>\$ 25,452,334</b>

See Independent Auditor's Report

**NOTE 17 – SALARIES/WAGES AND EMPLOYEE BENEFITS**

Salaries/Wages at June 30, 2023 and 2022 are reflected on the Statements of Activities and consist of the following:

	<u>2023</u>	<u>2022</u>
Salaries/Wages	\$ 5,083,225	\$ 3,884,298
Salaries Reimbursed to the Foundation	1,631,233	1,239,254
Salaries Reimbursed to the University	<u>57,521</u>	<u>91,857</u>
Total Salaries/Wages	<u>\$ 6,771,979</u>	<u>\$ 5,215,409</u>

Employee Benefits at June 30, 2023 and 2022 are reflected on the Statements of Activities and consist of the following:

	<u>2023</u>	<u>2022</u>
Employee Benefits	\$ 1,707,470	\$ 1,674,319
Employee Benefits Reimbursed to the Foundation	491,406	383,059
Employee Benefits Reimbursed to the University	<u>-</u>	<u>-</u>
Total Employee Benefits	<u>\$ 2,198,876</u>	<u>\$ 2,057,378</u>

**NOTE 18 – NET ASSETS WITH DONOR RESTRICTIONS**

The Association’s net assets with donor restrictions comprise of contributions related to pledges made that will be collected in future periods. The Association’s net assets with donor restrictions are all restricted due to time and totaled \$4,430,614 and \$5,744,969 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 19 – UNCERTAIN TAX POSITIONS**

**Income Taxes** – The Association is exempt from Federal and State of California income tax under IRC section 501(c)(3) and California Revenue and Taxation Code Section 23701(d), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Association has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Association has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Generally accepted accounting principles provide accounting and disclosures guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Association returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

**NOTE 20 – SUBSEQUENT EVENTS**

Management has evaluated and concluded that there are no subsequent events that have occurred from June 30, 2023 through the date the financial statements were available to be issued at September 20, 2023 that would require disclosure or adjustment.





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 of  
California State University, Fresno Association, Inc.  
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of California State University, Fresno Association, Inc. (the Association), a nonprofit organization, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

570 N. Magnolia Avenue, Suite 100  
Clovis, CA 93611

tel 559.299.9540

fax 559.299.2344

**Purpose of This Report**

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

A handwritten signature in blue ink that reads "Price Paige & Company". The signature is written in a cursive, flowing style.

Clovis, California  
September 20, 2023

**California State University, Fresno Association, Inc.**  
Schedule of Net Position  
June 30, 2023  
(for inclusion in the California State University Financial Statements)

**Assets:**

**Current assets:**

Cash and cash equivalents	\$ 1,714,988
Short-term investments	27,921,855
Accounts receivable, net	1,914,847
Pledges receivable, net	2,051,091
Prepaid expenses and other current assets	224,766
<b>Total current assets</b>	<b>33,827,547</b>

**Noncurrent assets:**

Pledges receivable, net	3,224,209
Other long-term investments	14,081,881
Capital assets, net	60,395,945
Other assets	81,748
<b>Total noncurrent assets</b>	<b>77,783,783</b>
<b>Total assets</b>	<b>111,611,330</b>

**Liabilities:**

**Current liabilities:**

Accounts payable	3,488,745
Accrued salaries and benefits	416,688
Accrued compensated absences, current portion	25,000
Unearned revenues	447,312
Lease liabilities, current portion	4,903,499
Long-term debt obligations, current portion	555,000
Depository accounts	45,342
Other liabilities	1,621,459
<b>Total current liabilities</b>	<b>11,503,045</b>

**Noncurrent liabilities:**

Accrued compensated absences, net of current portion	304,210
Lease liabilities, net of current portion	30,124,358
Long-term debt obligations, net of current portion	552,552
Net other postemployment benefits liability	6,263,835
Other liabilities	3,738,161
<b>Total noncurrent liabilities</b>	<b>40,983,116</b>
<b>Total liabilities</b>	<b>52,486,161</b>

**Net position:**

Net investment in capital assets	24,260,536
Restricted for:	
Expendable:	
Unrestricted	34,864,633
<b>Total net position</b>	<b>\$ 59,125,169</b>

**California State University, Fresno Association, Inc.**  
Schedule of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2023  
(for inclusion in the California State University Financial Statements)

**Revenues:**

**Operating revenues:**

Sales and services of auxiliary enterprises, gross	\$	23,635,596
Other operating revenues		4,872,357
		4,872,357
<b>Total operating revenues</b>		<b>28,507,953</b>

**Expenses:**

**Operating expenses:**

Auxiliary enterprise expenses		24,758,032
Depreciation and amortization		4,002,031
		4,002,031
<b>Total operating expenses</b>		<b>28,760,063</b>

<b>Operating income (loss)</b>		<b>(252,110)</b>
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**Nonoperating revenues (expenses):**

Gifts, noncapital		2,266,634
Investment income (loss), net		1,615,031
Interest expense		(24,839)
Other nonoperating revenues (expenses)		2,964,236
		2,964,236

<b>Net nonoperating revenues (expenses)</b>		<b>6,821,062</b>
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<b>Income (loss) before other revenues (expenses)</b>		<b>6,568,952</b>
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<b>Increase (decrease) in net position</b>		<b>6,568,952</b>
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**Net position:**

Net position at beginning of year		52,556,217
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Net position at end of year	\$	<b>59,125,169</b>
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California State University, Fresno Association, Inc.  
Other Information  
June 30, 2023  
(for inclusion in the California State University Financial Statements)

**1 Cash and cash equivalents:**

Current cash and cash equivalents	\$ 1,714,988
<b>Total</b>	<b>\$ 1,714,988</b>

**2.1 Composition of investments:**

Investment Type	Current	Noncurrent	Total
Money market funds	\$ 11,911,168	1,536,647	\$ 13,447,815
U.S. agency securities	-	890,584	890,584
U.S. treasury securities	-	285,365	285,365
Municipal bonds	-	541,790	541,790
Corporate bonds	-	4,412,972	4,412,972
Mutual funds	-	2,132,483	2,132,483
Equity securities	-	4,282,040	4,282,040
State of California Local Agency Investment Fund (LAIF)	16,010,687	-	16,010,687
<b>Total investments</b>	<b>27,921,855</b>	<b>14,081,881</b>	<b>42,003,736</b>
<b>Total investments, net of endowments</b>	<b>\$ 27,921,855</b>	<b>14,081,881</b>	<b>\$ 42,003,736</b>

**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	\$ 13,447,815	13,447,815	-	-	-
U.S. agency securities	890,584	-	890,584	-	-
U.S. treasury securities	285,365	-	285,365	-	-
Municipal bonds	541,790	-	541,790	-	-
Corporate bonds	4,412,972	4,412,972	-	-	-
Mutual funds	2,132,483	2,132,483	-	-	-
Equity securities	4,282,040	-	4,282,040	-	-
State of California Local Agency Investment Fund (LAIF)	16,010,687	-	-	-	16,010,687
<b>Total investments</b>	<b>\$ 42,003,736</b>	<b>20,820,425</b>	<b>5,172,624</b>	<b>-</b>	<b>\$ 16,010,687</b>

**2.3 Investments held by the University under contractual agreements: Nothing to Report**

**3.1 Capital Assets, excluding ROU assets:**

Composition of capital assets, excluding ROU assets:	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2022 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
<b>Non-depreciable/Non-amortizable capital assets:</b>									
Construction work in progress (CWIP)	\$ 1,366,095	-	-	-	\$ 1,366,095	1,905,707	-	-	\$ 3,271,802
<b>Total non-depreciable/non-amortizable capital assets</b>	<b>\$ 1,366,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 1,366,095</b>	<b>1,905,707</b>	<b>-</b>	<b>-</b>	<b>\$ 3,271,802</b>
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	\$ 114,159,996	(99,354,232)	-	-	\$ 14,805,764	-	(94,975)	-	\$ 14,710,789
Improvements, other than buildings	715,706	-	-	-	715,706	-	-	-	715,706
Personal property:									
Equipment	22,650,722	-	-	-	22,650,722	1,929,822	-	-	24,580,544
Other intangible assets:									
Franchise Fees	140,000	-	-	-	140,000	-	-	-	140,000
<b>Total Other intangible assets:</b>	<b>140,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,000</b>
<b>Total intangible assets</b>	<b>140,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,000</b>
<b>Total depreciable/amortizable capital assets</b>	<b>137,666,424</b>	<b>(99,354,232)</b>	<b>-</b>	<b>-</b>	<b>38,312,192</b>	<b>1,929,822</b>	<b>(94,975)</b>	<b>-</b>	<b>40,147,039</b>
<b>Total capital assets</b>	<b>\$ 139,032,519</b>	<b>(99,354,232)</b>	<b>-</b>	<b>-</b>	<b>\$ 39,678,287</b>	<b>3,835,529</b>	<b>(94,975)</b>	<b>-</b>	<b>\$ 43,418,841</b>
<b>Less accumulated depreciation/amortization:</b>									
Buildings and building improvements	\$ (60,049,743)	47,800,022	-	-	\$ (12,249,721)	(462,553)	-	-	\$ (12,712,274)
Improvements, other than buildings	(92,174)	-	-	-	(92,174)	(13,013)	-	-	(105,187)
Personal property:									
Equipment	(18,810,824)	-	-	-	(18,810,824)	(1,087,883)	618,670	-	(19,280,037)
Other intangible assets:									
Franchise Fees	(50,583)	-	-	-	(50,583)	(10,000)	-	-	(60,583)
<b>Total Other intangible assets:</b>	<b>(50,583)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,583)</b>	<b>(10,000)</b>	<b>-</b>	<b>-</b>	<b>(60,583)</b>
<b>Total accumulated depreciation/amortization</b>	<b>(79,003,324)</b>	<b>47,800,022</b>	<b>-</b>	<b>-</b>	<b>(31,203,302)</b>	<b>(1,573,449)</b>	<b>618,670</b>	<b>-</b>	<b>(32,158,081)</b>
<b>Total capital assets, net excluding ROU assets</b>	<b>\$ 60,029,195</b>	<b>(51,554,210)</b>	<b>-</b>	<b>-</b>	<b>\$ 8,474,985</b>	<b>2,262,080</b>	<b>523,695</b>	<b>-</b>	<b>\$ 11,260,760</b>

**Capital Assets, Right of Use**

Composition of capital assets - Lease ROU, net:	Balance June 30, 2022	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
<b>Depreciable/Amortizable lease assets:</b>									
Buildings and building improvements	-	99,354,232	-	-	\$ 99,354,232	-	-	-	\$ 99,354,232
Equipment	-	-	-	-	-	9,557	-	-	\$ 9,557
<b>Total depreciable/amortizable lease assets</b>	<b>-</b>	<b>99,354,232</b>	<b>-</b>	<b>-</b>	<b>\$ 99,354,232</b>	<b>9,557</b>	<b>-</b>	<b>-</b>	<b>\$ 99,363,789</b>
<b>Less accumulated depreciation/amortization:</b>									
Buildings and building improvements	-	(47,800,022)	-	-	(47,800,022)	(2,428,582)	-	-	(50,228,604)
<b>Total accumulated depreciation/amortization</b>	<b>-</b>	<b>(47,800,022)</b>	<b>-</b>	<b>-</b>	<b>(47,800,022)</b>	<b>(2,428,582)</b>	<b>-</b>	<b>-</b>	<b>(50,228,604)</b>
<b>Total capital assets - lease ROU, net</b>	<b>\$ -</b>	<b>51,554,210</b>	<b>-</b>	<b>-</b>	<b>\$ 51,554,210</b>	<b>(2,419,025)</b>	<b>-</b>	<b>-</b>	<b>\$ 49,135,185</b>
<b>Total capital assets, net including ROU assets</b>									
									<b>\$ 60,395,945</b>

**3.2 Detail of depreciation and amortization expense:**

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 1,573,449
Amortization expense - Leases ROU	2,428,582
<b>Total depreciation and amortization</b>	<b>\$ 4,002,031</b>

California State University, Fresno Association, Inc.  
Other Information  
June 30, 2023  
(for inclusion in the California State University Financial Statements)

4 Long-term liabilities:

	Balance June 30, 2022	Prior Period Adjustments/Reclassifications	Balance June 30, 2022 (Restated)	Additions	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 289,422	-	289,422	57,807	(18,019)	\$ 329,210	25,000	304,210
3. Capital lease obligations (pre-ASC 842):								
Gross balance	38,561,550	-	38,561,550	-	(38,561,550)	-	-	-
Total capital lease obligations (pre ASC 842)	38,561,550	-	38,561,550	-	(38,561,550)	-	-	-
4. Long-term debt obligations:								
4.3 Notes payable (SRB related)	1,665,000	-	1,665,000	-	(550,000)	1,115,000	555,000	560,000
Sub-total long-term debt	1,665,000	-	1,665,000	-	(550,000)	1,115,000	555,000	560,000
4.6 Unamortized net bond premium/(discount)	(14,896)	-	(14,896)	-	7,448	(7,448)	-	(7,448)
Total long-term debt obligations	\$ 1,650,104	-	1,650,104	-	(542,552)	\$ 1,107,552	555,000	552,552

5. Lease, SBITA, P3 liabilities:

	Balance June 30, 2022	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
Lease liabilities	\$ -	-	9,557	38,561,550	(3,543,250)	\$ 35,027,857	4,903,499	30,124,358
Total Lease, SBITA, P3 liabilities	-	-	9,557	38,561,550	(3,543,250)	\$ 35,027,857	4,903,499	30,124,358
Total long-term liabilities						\$ 36,464,619	5,483,499	30,981,120

5 Future minimum payments schedule - leases, SBITA, P3:

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:												
2024	\$ 4,903,499	1,332,788	6,236,287	-	-	-	-	-	-	4,903,499	1,332,788	\$ 6,236,287
2025	7,806,799	2,473,069	10,279,868	-	-	-	-	-	-	7,806,799	2,473,069	10,279,868
2026	2,872,559	917,088	3,789,647	-	-	-	-	-	-	2,872,559	917,088	3,789,647
2027	3,200,000	771,275	3,971,275	-	-	-	-	-	-	3,200,000	771,275	3,971,275
2028	2,405,000	636,950	3,041,950	-	-	-	-	-	-	2,405,000	636,950	3,041,950
2029 - 2033	13,840,000	1,522,416	15,362,416	-	-	-	-	-	-	13,840,000	1,522,416	15,362,416
Total minimum payments	\$ 35,027,857	7,653,586	42,681,443	-	-	-	-	-	-	35,027,857	7,653,586	\$ 42,681,443
Less: amounts representing interest												(7,653,586)
Present value of future minimum payments												35,027,857
Total Leases, SBITA, P3 liabilities												35,027,857
Less: current portion												(4,903,499)
Leases, SBITA, P3 liabilities, net of current portion												\$ 30,124,358

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

	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:									
2024	\$ -	-	-	555,000	13,538	568,538	555,000	13,538	568,538
2025	-	-	-	560,000	4,609	564,609	560,000	4,609	564,609
Total minimum payments	\$ -	-	-	1,115,000	18,147	1,133,147	1,115,000	18,147	1,133,147
Less: amounts representing interest									(18,147)
Present value of future minimum payments									1,115,000
(Unamortized net premium/(discount))									(7,448)
Total long-term debt obligations									1,107,552
Less: current portion									(555,000)
Long-term debt obligations, net of current portion									\$ 552,552

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	57,521
Payments to University for other than salaries of University personnel	633,080
Payments received from University for services, space, and programs	4,861,183
Gifts-in-kind to the University from discretely presented component units	48,676
Gifts (cash or assets) to the University from discretely presented component units	-
Accounts payable to University	(329,153)
Other amounts payable to University	-
Accounts receivable from University	637,085
Other amounts receivable from University	-

8 Restatements: Nothing to Report

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
Auxiliary enterprise expenses	\$ 6,771,979	508,863	1,178,048	511,965	-	15,787,177	-	\$ 24,758,032
Depreciation and amortization	-	-	-	-	-	-	4,002,031	4,002,031
Total operating expenses	\$ 6,771,979	508,863	1,178,048	511,965	-	15,787,177	4,002,031	\$ 28,760,963

Select type of pension plan >>

Defined Benefit Plan

10 Deferred outflows/inflows of resources: Nothing to Report

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	\$ 3,653,413
Other nonoperating (expenses)	(689,177)
Total other nonoperating revenues (expenses)	\$ 2,964,236