

**Otter Student Union at California State University,
Monterey Bay**

Annual Report

**For the Year Ended
June 30, 2023**

Otter Student Union at California State University, Monterey Bay
Annual Report
For the Year Ended
June 30, 2023

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Independent Auditors' Report

Board of Directors
Otter Student Union at California State University, Monterey Bay
Seaside, California

Opinion

We have audited the accompanying statement of net position of Otter Student Union at California State University, Monterey Bay (OSU), a component unit of California State University, Monterey Bay, as of June 30, 2023, and the related statement of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise OSU's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OSU as of June 30, 2023, and the change in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OSU, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about OSU's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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.

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 OSU'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 OSU'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise OSU's basic financial statements. The accompanying supplementary information for inclusion in the financial statements of the California State University on pages 24 through 31 is presented for purposes of additional analysis as required by the California State University and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2023, on our consideration of OSU'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

Board of Directors
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of that report is 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 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 OSU's internal control over financial reporting and compliance.

GLENN BURDETTE ATTEST CORPORATION

Glenn Burdette Attest Corporation
San Luis Obispo, California

October 19, 2023

Otter Student Union at California State University, Monterey Bay
Management's Discussion and Analysis
June 30, 2023

The Otter Student Union at California State University, Monterey Bay (OSU) began its operations in April 2018 as an auxiliary in good standing of California State University, Monterey Bay (CSUMB or University). The OSU is an IRC Section 501(c)(3) not-for-profit public benefit corporation and its mission is to support the University campus and provide opportunities and advocacy which reflects the founding vision of the University to the surrounding communities.

As management of the OSU, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the OSU for the fiscal years ended June 30, 2023 and 2022. We encourage readers to read the information presented here in conjunction with additional information that we have provided in the OSU's financial statements, which follow this narrative. The OSU's financial statements are presented here and are incorporated in the University's financial statements as a component unit.

Overview of the Financial Statements

This annual report consists of a series of financial statements, prepared in accordance with principles issued by the Governmental Accounting Standards Board (GASB). The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flow (on pages 12 through 14) all provide information about the OSU's activities and present a long-term view of its finances.

These statements are prepared using the accrual basis of accounting which recognizes expenses when incurred and revenue when earned rather than when payment is made or received and is widely used by most private sector companies. They also report the OSU's net position and change in net position. You can think of the OSU's net position – the difference between assets (plus deferred outflows of resources) and liabilities (plus deferred inflows of resources) – as one way to measure the OSU's financial health, or fiscal position. Over time, increases or decreases in the OSU's net position are one indicator of whether its financial health is improving or declining.

Otter Student Union at California State University, Monterey Bay
Management's Discussion and Analysis
June 30, 2023

Financial Highlights

- At June 30, 2023, the OSU had \$2.2 million in total assets and \$648 thousand in total liabilities for net position of \$1.5 million or a 12.3 percent decrease.
- Student fees transferred from the University in 2022/23 decreased 32.5 percent or \$497 thousand to \$1 million from \$1.5 million.
- Other operating revenues increased 31.6 percent or \$66 thousand to \$273 thousand from \$207 thousand.
- Contract services increased 21.5 percent or \$196 thousand from \$911 thousand to \$1.1 million.
- Utilities increased 27.9 percent or \$48 thousand to \$218 thousand from \$170 thousand.
- Repairs and maintenance increased 100.0 percent to \$27 thousand.
- Insurance expense decreased 40.5 percent or \$66 thousand to \$97 thousand from \$163 thousand.
- Operating income decreased by 153.6 percent or \$649 thousand from \$423 thousand to a \$226 thousand loss in 2022/23.

Condensed Financial Information

Net position in 2022/23 decreased 12.3 percent to \$1.5 million primarily as a result of the net student union fees income being less than total operating expenses yielding an operating loss.

The accompanying audited financial statements as of and for the year ended June 30, 2023 is reported in accordance with standards and requirements of the GASB as are the following schedules.

Otter Student Union at California State University, Monterey Bay
Management's Discussion and Analysis
June 30, 2023

Table 1: Condensed Summary of Net Position as of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets	\$ 2,044,318	\$ 2,118,696
Noncurrent assets:	146,633	-
Total Assets	<u>2,190,951</u>	<u>2,118,696</u>
Liabilities		
Current liabilities	<u>383,232</u>	<u>358,445</u>
Total Liabilities	<u>383,232</u>	<u>358,445</u>
Net Position		
Unrestricted	<u>1,543,140</u>	<u>1,760,251</u>
Total Net Position	<u>\$ 1,543,140</u>	<u>\$ 1,760,251</u>

Assets

Current assets, or assets that can normally be converted to cash in less than one year, consist of Cash and cash equivalents, Receivables, and Leases Receivable.

Cash and cash equivalents are held in checking accounts. In 2022/23, Cash and cash equivalents decreased 16.8 percent or \$320 thousand from \$1.9 million to \$1.6 million. This decrease can be attributed to a net decrease in student fee revenue. More details on Cash and cash equivalents can be found in Note 1 to the financial statements.

In 2022/23, as a result of a new lease which falls under GASB Statement 87, *Leases*, Leases receivable has an ending balance of \$122 thousand. This balance can be attributed to a lessor agreement for space leased to the University Corporation at the Otter Student Union building. More detailed information on Leases receivable can be found in Note 6 to the financial statements.

Receivable from the Corporation increased in 2022/23 by 62.6 percent or \$126 thousand from \$201 to \$327 thousand. The increase is due to monies owed for space rental and common area maintenance.

Noncurrent assets consist of Leases receivable and ended the 2022/23 fiscal year with a \$146 thousand balance. Adherence to GASB Statement 87 resulted in the recording of future payments as receivables from the lessee for space located at the Otter student Union building. More detailed information on Leases receivable can be found in Note 6 to the financial statements.

Otter Student Union at California State University, Monterey Bay
Management's Discussion and Analysis
June 30, 2023

Results of Operations

In fiscal year 2022/23, the OSU's net position decreased 12.3 percent or \$217 thousand as a result of Operating expenses exceeding Operating revenues.

**Table 2: Condensed Summary of Changes in Net Position for
Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Student fees	\$ 1,031,000	\$ 1,527,817
Sales and services of auxiliary enterprises	72,960	72,107
Other operating revenues	<u>273,026</u>	<u>207,487</u>
Total Operating Revenues	<u>1,376,986</u>	<u>1,807,411</u>
Operating Expenses		
Contract services	1,107,460	911,270
Utilities	218,493	170,847
Insurance	97,145	163,314
Other operating expenses	<u>180,511</u>	<u>139,269</u>
Total Operating Expenses	<u>1,603,609</u>	<u>1,384,700</u>
Operating Income /(Loss)	<u>(226,623)</u>	<u>422,711</u>
Nonoperating Revenues (Expenses)		
Gifts and donations, noncapital	-	10,215
Other nonoperating revenues	<u>9,512</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>(217,111)</u>	<u>432,926</u>
Net Position		
Net position — beginning of year	<u>1,760,251</u>	<u>1,327,325</u>
Net position — end of year	<u><u>\$ 1,543,140</u></u>	<u><u>\$ 1,760,251</u></u>

Otter Student Union at California State University, Monterey Bay
Management's Discussion and Analysis
June 30, 2023

Operating revenues consist of Student fees, Sales and services of auxiliary enterprises, and Other operating revenues.

Student fees is a result of student union fees surplus for OSU operations. In 2022/23, Student fees decreased \$497 thousand or 32.5 percent from \$1.5 million to \$1 million. This decrease is a result of a decline in student enrollment since the Covid-19 pandemic.

Other operating revenues increased \$66 thousand in 2022/23, or 31.6 percent, from \$207 to \$273 thousand. This increase is due to the Otter Student Union facility which generated revenue from the University Corporation and other campus and community partners for space rental and usage fees.

Operating expenses include Contract services, Utilities, Insurance, and Other operating expenses.

In 2022/23, contract services increased 21.5 percent or \$196 thousand from \$911 thousand to \$1.1 million. This increase is due to an increase in salaries and benefits expenses of University Corporation personnel that work for the Otter Student Union.

Utilities in 2022/23 increased to \$218 thousand from \$171 thousand for a change of \$47 thousand or 27.9 percent. This increase is due to higher utility rates and usage.

Insurance expense consists of the purchase of insurance through California State University Risk Management Authority (CSURMA)/Auxiliaries Organization Risk Management Alliance (AORMA). In 2022/23, Insurance decreased 40.5 percent or \$66 thousand from \$163 thousand to \$97 thousand as a result of a change in the AORMA policy in 2022/23 that deemed the Otter Student Union a state owned building.

Currently Known Facts, Decisions and Conditions

The OSU's management believes the following will impact future reporting periods:

Construction Loan repayment

The Otter Student Union facility opened successfully in August 2021. It is a CSUMB-owned property that is operated by the Otter Student Union, a student-centered 501c3 nonprofit organization. In the construction of the new building there were significant cost overruns including two loans to help fund tenant improvements and the addition of the ballroom. These loans are currently held by University Corporation and have a current total of \$12 million. Currently the university has put a hold on these payments but will possibly consider that payments begin in Fall 2024.

Otter Student Union at California State University, Monterey Bay
Management's Discussion and Analysis
June 30, 2023

Enrollment Impact

The OSU facility continues to provide value to the CSUMB community and has seen a large increase in utilization in 2022-2023. With this increase in utilization, we've seen an increase in operational costs. Additionally, revenue from student fees has decreased in 2022-2023. As enrollment declines, so too does revenue from student fees. This decline in student enrollment can be attributed to a variety of factors including demographic changes, rising costs of education, and the Covid-19 pandemic. While operating costs increased in 2021/2022, all activities increased in 2022/23 and are expected to continue to increase into the future.

Requests for Information

This report is designed to provide an overview of the OSU's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Controller
University Corporation at Monterey Bay
100 Campus Center
Building 201, Suite 101B
Seaside, CA 93955

Otter Student Union at California State University, Monterey Bay
Financial Statements
For the Year Ended June 30, 2023

Otter Student Union at California State University, Monterey Bay
Statement of Net Position
June 30, 2023

Assets

Current Assets:

Cash and cash equivalents	\$ 1,589,903
Receivables:	
Corporation	327,069
University	1,342
Other	3,236
Leases receivable	122,768
Total Current Assets	2,044,318

Noncurrent Assets:

Leases receivable, net	146,633
Total Noncurrent Assets	146,633
Total Assets	2,190,951

Liabilities

Current Liabilities:

Accounts payable	42,316
Payable to Corporation	282,138
Due to University	58,351
Other liabilities	427
Total Current Liabilities	383,232

Deferred Inflows of Resources:

Leases	264,579
Total deferred inflows of resources	264,579

Net Position

Net Position:

Unrestricted	1,543,140
Total Net Position	\$ 1,543,140

The accompanying notes are an integral part of these financial statements.

Otter Student Union at California State University, Monterey Bay
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023

Operating Revenues:	
Student fees	\$ 1,031,000
Sales and services of auxiliary enterprises	72,960
Other operating revenues	<u>273,026</u>
Total Operating Revenues	<u>1,376,986</u>
Operating Expenses:	
Contract services	1,107,460
Utilities	218,493
Supplies and services	18,994
Travel	13,479
Professional services	13,900
Administrative Expenses	59,669
Repairs and maintenance	27,293
Equipment	13,944
Insurance	97,145
Other operating expenses	<u>33,232</u>
Total Operating Expenses	<u>1,603,609</u>
Operating Income / (Loss)	<u>(226,623)</u>
Nonoperating Revenues (Expenses):	
Other nonoperating revenues, net	<u>9,512</u>
Net Nonoperating Revenues	<u>9,512</u>
Increase / (Decrease) in Net Position	(217,111)
Net Position:	
Net position - beginning of year	<u>1,760,251</u>
Net position - end of year	<u>\$ 1,543,140</u>

The accompanying notes are an integral part of these financial statements.

Otter Student Union at California State University, Monterey Bay
Statement of Cash Flows
Year Ended June 30, 2023

Cash Flows from Operating Activities:	
Receipts from sales and services of auxiliary enterprises	\$ 79,277
Payments to suppliers	(399,359)
Payments to Corporation	(1,050,950)
Receipts from University	806,393
Other receipts	273,026
Other payments	<u>(33,115)</u>
Net Cash Provided / (Used) by Operating Activities	<u>(324,728)</u>
 Cash Flows from Capital Related Financing Activities:	
Capital grants and gifts	(269,401)
Proceeds of sale capital assets	264,579
Interest paid on lease	<u>9,512</u>
Net Cash Provided / (Used) by Capital Related Financing Activities	<u>4,690</u>
 Net Increase / (Decrease) in Cash	 (320,038)
 Cash and Cash Equivalents - Beginning of year	 <u>1,909,941</u>
 Cash and Cash Equivalents - End of year	 <u>\$ 1,589,903</u>
 Reconciliation of Cash and Cash Equivalents to Statements of Net Position:	
Cash and cash equivalents	<u>\$ 1,589,903</u>
 Cash and Cash Equivalents - End of Year	 <u>\$ 1,589,903</u>
 Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (226,623)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Change in assets and liabilities:	
Receivables	(122,892)
Accounts payable	(26,754)
Payable to Corporation	32,439
Due to University	18,985
Other liabilities	117
Net Cash Provided by (Used in) Operating Activities	<u>\$ (324,728)</u>

The accompanying notes are an integral part of these financial statements

Otter Student Union at California State University, Monterey Bay
Notes to Financial Statements
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

The Otter Student Union at California State University, Monterey Bay (OSU), a nonprofit 501(c)(3) public benefit corporation, began operations in April 2018. The OSU is an auxiliary organization of the University and is presented in the University's financial statements as a component unit.

The mission of the OSU is to be the heartbeat of the campus and a bridge to surrounding communities providing spaces, opportunities, and advocacy that cultivate belonging reflective of CSUMB's founding vision. OSU's core values are fostering communities, valuing voice, cultivating social justice, and rooted in care.

The OSU began operating as a separate business unit, with financial services provided by the University Corporation at Monterey Bay, on January 1, 2019. The OSU engages in the following authorized functions per its agreement with the Office of the Chancellor: student union programs, operation of a student union facility; and acquisition, development, sale, and transfer of real and personal property including financing transactions related to these activities.

The OSU is governed by a Board of Directors, which is comprised of students, an alumni member, community members, a faculty member, and administrators.

Basis of Presentation – The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants, gifts, and similar items are recognized as soon as all eligibility requirements have been met.

Other Accounting Policies

Cash and Cash Equivalents – Cash and cash equivalents include all highly liquid investments purchased with original maturities of three months or less. The OSU considers all balances in demand deposit and money market accounts to be cash equivalents for the purposes of the Statements of Net Position and Statements of Cash Flows.

Otter Student Union at California State University, Monterey Bay
Notes to Financial Statements
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables – Receivables consist of monies due from the Corporation, the University, and Other. Due to the amount being immaterial no allowance for doubtful accounts was deemed necessary.

Leases Receivable – These include lease agreements where the OSU is acting as lessor. The OSU follows GASB Statement No. 87, *Leases*, for its new lease put in place during 2022/23. This Statement enhances the relevance and consistency of information relating to leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Under GASB 87, this lease is included on the Statement of Net Position as an asset and recognized as deferred inflows of resources.

Net Position – The OSU’s net position is required to be classified for accounting and reporting purposes into the following net position categories:

Net investment in capital assets includes capital assets, net of accumulated depreciation and amortization, and deferred outflows of resources, less the outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The OSU does not have any assets in this category.

Restricted, nonexpendable consists of net position subject to externally imposed restrictions that they must be retained in perpetuity. Net position in this category does not apply to OSU.

Restricted, expendable consists of net position subject to externally imposed restrictions that can be fulfilled by the actions of the OSU pursuant to those restrictions or that expire by the passage of time. Net position in this category does not apply to OSU.

Unrestricted consists of all other categories of net position. Unrestricted may be designated for use by management of the OSU. These designations limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be used to support future operations in these areas.

Classification of Current and Noncurrent Assets and Liabilities – The OSU considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities

Otter Student Union at California State University, Monterey Bay
Notes to Financial Statements
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

within twelve months of the Statements of Net Position date. Liabilities that can reasonably be expected, as part of normal business operations, to be liquidated within twelve months of the Statements of Net Position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

Classification of Revenues and Expenses – The OSU considers operating revenues and expenses in the Statements of Revenues, Expenses and Changes in Net Position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the OSU's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of 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.

Income Taxes – The OSU is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the OSU's tax-exempt purpose is subject to taxation as unrelated business income. No liability for income taxes has been recorded since the amount is not expected to be significant. In addition, the OSU qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(viii) and has been classified as an organization that is not a private foundation under Section 509(a)(3).

The OSU follows accounting standards generally accepted in the United States of America, which requires, among other things, the recognition and measurement of tax positions based on a "more likely than not" (likelihood greater than 50%) approach. As of June 30, 2023, management has considered its tax positions and believes that the Organization did not maintain any tax positions that did not meet the "more likely than not" threshold. The Organization does not expect any material changes through June 30, 2024. However, tax returns remain subject to examination by the Internal Revenue Service for fiscal years ending on or after June 30, 2020 and by the California Franchise Tax Board for fiscal years ending on or after June 30, 2019.

Otter Student Union at California State University, Monterey Bay
Notes to Financial Statements
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Pronouncements – In June 2017, GASB issued Statement No. 87, *Leases*. Statement No. 87 increases the usefulness of entities' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of Statement No. 87 are effective for fiscal years beginning after June 15, 2021. Implementation of this Statement did have a material impact on the Organization's financial statements.

In May 2019, GASB issued Statement No 91, *Conduit Debt Obligations*. Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of Statement No. 91 are effective for fiscal years beginning after December 15, 2021 with earlier application encouraged. Implementation of this Statement did not have a material impact on the Organization's financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. Statement No. 92 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The provisions of Statement No. 92 are effective for fiscal years beginning after June 15, 2022 with earlier application encouraged. Implementation of this Statement did not have a material impact on the Organization's financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 with earlier application encouraged. Implementation of this Statement did not have a material impact on the Organization's financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The provisions of Statement 96 are effective for fiscal years beginning after June 15, 2022 with earlier application encouraged. Implementation of this Statement did not have a material impact on the Organization's financial statements.

Otter Student Union at California State University, Monterey Bay
Notes to Financial Statements
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In November 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged. Implementation of this Statement did not have a material impact on the Organization's financial statements.

In April 2022, GASB issued Statement No. 99 *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic. Management has not yet determined the impact of this Statement on its financial statements.

In June 2022, GASB issued Statement No. 100 *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not yet determined the impact of this Statement on its financial statements.

In June 2022, GASB issued Statement No. 101 *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements

Otter Student Union at California State University, Monterey Bay
Notes to Financial Statements
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not yet determined the impact of this Statement on its financial statements.

Subsequent Events – Events subsequent to June 30, 2023 have been evaluated through October 19, 2023, which is the date the financial statements were available to be issued. Management did not identify any subsequent events that required disclosure.

NOTE 2. DEPOSITS

Deposits – The OSU maintains cash for operating needs in checking accounts with Federal Deposit Insurance Corporation (FDIC) insured financial institutions.

At June 30, 2023, the OSU's checking account was insured by the FDIC up to \$250,000. For the year ended June 30, 2023, the OSU had uninsured cash deposits of \$1,344,770.

NOTE 3. OPERATING AGREEMENTS

CSU

The OSU entered into a new operating agreement with the Trustees of the CSU on July 1, 2017 with a term end date of June 30, 2027. It describes the terms and conditions under which the OSU may operate as an auxiliary organization within the CSU. No amounts are paid to the Trustees of the CSU under this agreement.

Corporation

On July 1, 2017 the OSU entered into an agreement with the Corporation for accounting and financial reporting services. This agreement will renew automatically in 12-month increments unless terminated by choice by either party. The Corporation charges the OSU \$59,669 annually and receives these payments semi-annually. Cost for services may be reviewed and adjusted annually during the budget process.

NOTE 4. RISK MANAGEMENT

Otter Student Union manages its risk through the purchase of insurance through California State University Risk Management Authority (CSURMA)/Auxiliaries Organization Risk Management Alliance (AORMA), a joint powers public entity risk pool, for coverage of workers' compensation, general liability, professional liability, property, and general organizational risk exposures. The Auxiliary Organization Risk Management Alliance (AORMA) Self Insured Retention (SIR) liability fund provides coverage for the first \$5,000,000 of each General Liability, Automobile Liability, Products and Completed Operations, Professional Liability including Directors & Officers Liability and Employment Practices Liability claim. Reinsurance insurance for AORMA's \$5,000,000 layer is

Otter Student Union at California State University, Monterey Bay
Notes to Financial Statements
June 30, 2023

NOTE 4. RISK MANAGEMENT (Continued)

purchased from Great American Insurance (AM Best Rating: A, XV Rating; A+ XV) in the amount of \$4,500,000 each occurrence. AORMA also purchases \$5,000,000 excess of \$5,000,000 from Continental Indemnity (AM Best Rating: A, XV Rating), Upland (AM Best Rating: A-, VIII), and Sirius Bermuda (AM Best Rating: A+, XV) and \$5,000,000 excess of \$10,000,000 from Everest Re (AM Best Rating: A+, XV Rating).

AORMA’s “All Risk” property insurance program coverage is through the Alliant Property Insurance Program (APIP). This program, including Flood, Boiler and Machinery, Cyber Liability, & Pollution Liability coverage, provides replacement cost coverage for all buildings and contents, subject to a limit of liability per occurrence of \$1 billion. Members’ deductibles are \$5,000 for business personal property and business interruption / loss of rents. Campus 99 (real property) enables CSU auxiliary organizations who occupy state-owned buildings to enjoy deductibles from \$5,000 to \$100,000.

The member deductible for real property is based on the Total Insurance Value (TIV) of the building as shown below:

TIV \$10,000,000 or less.....	\$5,000
TIV between \$10,000,001 and \$25,000,000	\$10,000
TIV between \$25,000,001 and \$50,000,000	\$25,000
TIV \$50,000,001 or more.....	\$50,000

For information regarding losses or claims paid, or for a description and amount of any claim pending, or any settlement made, or any litigation entered during the policy year, please contact the following:

Carl Warren & Company (Liability Program)
 Attn: Shari Huff
 PO Box 2411
 Tustin, CA 92781
 Tel: 818-265-6765

Otter Student Union Insurance coverages meet the requirement of the CSURMA and, as such, present no significant inadequacies in coverage. The California State University Board of Trustees has been named as an additional insured as respects the activities of the Auxiliary Organization. CSURMA/AORMA provides self-insured risk with purchase of excess insurance. OSU maintains general liability insurance coverage for individual claims up to \$20,000,000 per occurrence. Errors and omission claims under \$25,000 are self-insured. OSU also maintains excess property insurance coverage to limits of \$1,000,000,000. There have been no settlements in the past three years that have exceeded insurance limits. There are no self-insurance claims liabilities recorded in the accompanying financial statements because any amounts at June 30, 2023 are expected to be minimal. Likewise, no amounts have been paid to CSURMA/AORMA by June 30, 2023, related to OSU’s estimated future funding for claims liability.

Otter Student Union at California State University, Monterey Bay
Notes to Financial Statements
June 30, 2023

NOTE 5. RELATED PARTY TRANSACTIONS

The OSU is involved in transactions with the Corporation and the University. Amounts at June 30 and transactions for the years then ended are summarized below:

University:

Otter Student Union receivable from the University	\$ 1,342
Otter Student Union payable to the University	58,351
Payments for other than salaries of University personnel	214,325

Corporation:

Otter Student Union receivable from the Corporation	\$ 327,069
Otter Student Union payable to the Corporation	282,138
Expense reimbursements to Corporation	989,887

NOTE 6. LEASES

The OSU follows GASB Statement No. 87, *Leases*. This Statement enhances the relevance and consistency of information relating to leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. As a result of a new lease put in place during 2022/23, the OSU recognized and recorded \$269,401 of lease receivables at June 30, 2023, along with \$264,579 of related deferred inflows.

As Lessor

The OSU leases space at the Otter Student Union building to University Corporation at Monterey Bay. The lease agreement with University Corporation has an initial lease term of one year and was set to expire June 30, 2023. Following the initial term, the agreement will auto-renew by consecutive two year periods. Rental income for the year ended June 30, 2023 was \$137,121.

Supplemental Information

Otter Student Union at CSU Monterey Bay

Schedule of Net Position

June 30, 2023

(for inclusion in the California State University Financial Statements)

Assets:

Current assets:

Cash and cash equivalents	\$ 1,589,903
Short-term investments	-
Accounts receivable, net	331,647
Lease receivable, current portion	122,768
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
	<hr/>
Total current assets	2,044,318

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	146,633
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	-
Other assets	-
	<hr/>
Total noncurrent assets	146,633

Total assets

2,190,951

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-
	<hr/>
Total deferred outflows of resources	-

Liabilities:

Current liabilities:

Accounts payable	382,805
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	427
	<hr/>
Total current liabilities	383,232

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-

Otter Student Union at CSU Monterey Bay

Schedule of Net Position

June 30, 2023

(for inclusion in the California State University Financial Statements)

Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
	<hr/>
Total noncurrent liabilities	-
	<hr/>
Total liabilities	383,232
	<hr/>
Deferred inflows of resources:	
P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	264,579
P3	-
Others	-
	<hr/>
Total deferred inflows of resources	264,579
	<hr/>
Net position:	
Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	1,543,140
	<hr/>
Total net position	1,543,140
	<hr/> <hr/>

Otter Student Union at CSU Monterey Bay
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:	
Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	72,960
Scholarship allowances (enter as negative)	-
Other operating revenues	1,304,026
	<hr/>
Total operating revenues	1,376,986
	<hr/>
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	957,781
Operation and maintenance of plant	519,915
Student grants and scholarships	-
Auxiliary enterprise expenses	125,913
Depreciation and amortization	-
	<hr/>
Total operating expenses	1,603,609
	<hr/>
Operating income (loss)	(226,623)
	<hr/>
Nonoperating revenues (expenses):	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	-
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	9,512
	<hr/>
Net nonoperating revenues (expenses)	9,512
	<hr/>
Income (loss) before other revenues (expenses)	(217,111)
	<hr/>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
	<hr/>
Increase (decrease) in net position	(217,111)
	<hr/>
Net position:	
Net position at beginning of year, as previously reported	1,760,251
Restatements	-
	<hr/>
Net position at beginning of year, as restated	1,760,251
	<hr/>
Net position at end of year	\$ 1,543,140
	<hr/> <hr/>

Otter Student Union at CSU Monterey Bay
Other Information
June 30, 2023
(for inclusion in the California State University Financial Statements)

Non-depreciable/Non-amortizable capital assets									
Land and land improvement					\$	-			-
Works of art and historical treasures						-			-
Construction work in progress (CWIP)						-			-
Intangible assets						-			-
Rights and easements						-			-
Patents, copyrights and trademarks						-			-
Intangible assets in progress (PWIP)						-			-
Licenses and permits						-			-
Other intangible assets						-			-
						-			-
						-			-
						-			-
						-			-
						-			-
Total Other intangible assets						-			-
Total intangible assets						-			-
Total non-depreciable/non-amortizable capital asset					\$	-			-
Depreciable/Amortizable capital assets									
Buildings and building improvement						-			-
Improvements, other than building						-			-
Infrastructure						-			-
Leasehold improvements						-			-
Personal property:						-			-
Equipment						-			-
Library books and materials						-			-
Intangible assets						-			-
Software and websites						-			-
Rights and easements						-			-
Patents, copyrights and trademarks						-			-
Licenses and permits						-			-
Other intangible assets						-			-
						-			-
						-			-
						-			-
						-			-
						-			-
Total Other intangible assets						-			-
Total intangible assets						-			-
Total depreciable/amortizable capital assets						-			-
Total capital assets					\$	-			-
Less accumulated depreciation/amortization:									
Buildings and building improvement					\$	-			-
Improvements, other than building						-			-
Infrastructure						-			-
Leasehold improvements						-			-
Personal property:						-			-
Equipment						-			-
Library books and materials						-			-
Intangible assets						-			-
Software and websites						-			-
Rights and easements						-			-
Patents, copyrights and trademarks						-			-
Licenses and permits						-			-
Other intangible assets						-			-
						-			-
						-			-
						-			-
						-			-
Total Other intangible assets						-			-
Total intangible assets						-			-
Total accumulated depreciation/amortization						-			-
Total capital assets, net excluding ROU assets					\$	-			-

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
Non-depreciable/Non-amortizable lease assets									
Land and land improvement					-				-
Total non-depreciable/non-amortizable lease asset					-				-
Depreciable/Amortizable lease assets:									
Land and land improvement					-				-
Buildings and building improvement					-				-
Improvements, other than building					-				-
Infrastructure					-				-
Personal property:					-				-
Equipment					-				-
Total depreciable/amortizable lease asset					-				-
Less accumulated depreciation/amortization:									
Land and land improvement					-				-
Buildings and building improvement					-				-
Improvements, other than building					-				-
Infrastructure					-				-
Personal property:					-				-
Equipment					-				-

Otter Student Union at CSU Monterey Bay
Other Information
June 30, 2023
(for inclusion in the California State University Financial Statements)

Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-
Total capital assets - lease ROU, net	-	-	-	-	-	-	-	\$ -

Composition of capital assets - SBITA ROU, net	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Depreciable/Amortizable SBITA assets:									
Software	-				-				-
Total depreciable/amortizable SBITA assets	-				-				-
Less accumulated depreciation/amortization									
Software	-				-				-
Total accumulated depreciation/amortization	-				-				-
Total capital assets - SBITA ROU, net	-				-				-

Composition of capital assets - P3 ROU, net:	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvement	-				-				-
Total non-depreciable/non-amortizable P3 assets	-				-				-
Depreciable/Amortizable P3 assets:									
Land and land improvement	-				-				-
Buildings and building improvement	-				-				-
Improvements, other than building	-				-				-
Infrastructure	-				-				-
Personal property:									
Equipment	-				-				-
Total depreciable/amortizable P3 assets	-				-				-
Less accumulated depreciation/amortization									
Land and land improvement	-				-				-
Buildings and building improvement	-				-				-
Improvements, other than building	-				-				-
Infrastructure	-				-				-
Personal property:									
Equipment	-				-				-
Total accumulated depreciation/amortization	-				-				-
Total capital assets - P3 ROU, net	-				-				\$ -

Total capital assets, net including ROU assets \$ -

3.2 Detail of depreciation and amortization expense: N/A

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ -
Amortization expense - Leases ROU	-
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Other	-
Total depreciation and amortization	\$ -

4 Long-term liabilities: N/A

	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			-			-		-
2. Claims liability for losses and loss adjustment expense	-		-			-		-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-		-			-	-	-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations (pre ASC 842)	-		-			-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-		-			-		-
4.2 Commercial paper	-		-			-		-
4.3 Notes payable (SRB related)	-		-			-		-
4.4 Finance purchase of capital assets	-		-			-		-
4.5 Others:								
	-		-			-		-
	-		-			-		-
	-		-			-		-
Total others	-		-			-		-
Sub-total long-term debt	-		-			-		-
4.6 Unamortized net bond premium/(discount)	-		-			-		-
Total long-term debt obligations	\$ -		-			\$ -		-

Otter Student Union at CSU Monterey Bay
Other Information
June 30, 2023
(for inclusion in the California State University Financial Statements)

5. Lease, SBITA, P3 liabilities: N/A

	Balance June 30, 2022	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
Lease liabilities	-	-	-	-	-	-	-	-
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ -	\$ -	-	-	-	-	-	-
Total long-term liabilities						\$ -	-	-

5 Future minimum payments schedule - leases, SBITA, P3: N/A

	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	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total minimum payment	\$ -	-	-	-	-	-	-	-	-	-	-	-
Less: amounts representing interest												-
Present value of future minimum payment												-
Total Leases, SBITA, P3 liabilities												-
Less: current portion												-
Leases, SBITA, P3 liabilities, net of current portion												\$ -

6 Future minimum payments schedule - Long-term debt obligations: N/A

	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	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payment	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payment									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									\$ -

7 Transactions with related entities

Payments to University for salaries of University personnel working on contracts, grants, and other programs	
Payments to University for other than salaries of University personnel	214,325
Payments received from University for services, space, and program	
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	
Accounts payable to University (enter as negative number)	(58,351)
Other amounts payable to University (enter as negative number)	
Accounts receivable from University (enter as positive number)	1,342
Other amounts receivable from University (enter as positive number)	

8 Restatements: N/A

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

Otter Student Union at CSU Monterey Bay
Other Information
June 30, 2023
(for inclusion in the California State University Financial Statements)

\$ -

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
Instructor	\$ -	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	957,781	-	957,781
Operation and maintenance of plant	-	-	-	-	-	519,915	-	519,915
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expense:	-	-	-	-	-	125,913	-	125,913
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	\$ -	-	-	-	-	1,603,609	-	\$ 1,603,609

No pension plan reported

N/A

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

- Deferred outflows - unamortized loss on refunding(s)
- Deferred outflows - net pension liability
- Deferred outflows - net OPEB liability
- Deferred outflows - leases
- Deferred outflows - P3
- Deferred outflows - others:
 - Sales/intra-entity transfers of future revenue
 - Gain/loss on sale leaseback
 - Loan origination fees and cost
 - Change in fair value of hedging derivative instrument
 - Irrevocable split-interest agreement

Total deferred outflows - others

-

Total deferred outflows of resources

\$ -

2. Deferred Inflows of Resources

- Deferred inflows - P3 service concession arrangement
- Deferred inflows - net pension liability
- Deferred inflows - net OPEB liability
- Deferred inflows - unamortized gain on debt refunding(s)
- Deferred inflows - nonexchange transaction
- Deferred inflows - leases
- Deferred inflows - P3
- Deferred inflows - others:
 - Sales/intra-entity transfers of future revenue
 - Gain/loss on sale leaseback
 - Loan origination fees and cost
 - Change in fair value of hedging derivative instrument
 - Irrevocable split-interest agreement

Total deferred inflows - others

-

Total deferred inflows of resources

\$ 264,579

11 Other nonoperating revenues (expenses)

- Other nonoperating revenue:
- Other nonoperating (expenses):
- Total other nonoperating revenues (expenses)**

\$ 9,512

-

\$ 9,512

**Independent Auditors' 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***

Board of Directors
Otter Student Union at California State University, Monterey Bay
Seaside, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of net position and related statements of revenues, expenses and changes in net position and cash flows of Otter Student Union at California State University, Monterey Bay (OSU) a component unit of California State University, Monterey Bay, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise OSU's basic financial statements, and have issued our report thereon dated October 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered OSU'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 OSU's internal control. Accordingly, we do not express an opinion on the effectiveness of OSU's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether OSU'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 determination of financial statement amounts. 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "GLENN BURDETTE ATTEST CORPORATION". The letters are in all caps and have a slightly cursive, hand-drawn appearance.

Glenn Burdette Attest Corporation
San Luis Obispo, California

October 19, 2023