

**ASSOCIATED STUDENTS OF  
HUMBOLDT STATE UNIVERSITY**

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**Including Schedules Prepared for Inclusion  
in the Financial Statements of the  
California State University**

**Year Ended June 30, 2022**

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## **REPORT OF INDEPENDENT AUDITORS**

## Report of Independent Auditors

To the Board of Directors  
Associated Students of Humboldt State University

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of the business-type activities of Associated Students of Humboldt State University (Associated Students), a component unit of Cal Poly Humboldt, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Associated Student's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Associated Students of Humboldt State University as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Associated Students 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 Associated Students 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 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 GAAS 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 GAAS and *Government Auditing Standards*, we

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 an opinion on the financial statements that collectively comprise the Associated Student's basic financial statements. The schedule of net position, schedule of revenues, expenses, and changes in net position, other information, and note to supplementary information (collectively supplementary information) are presented for purposes of additional analysis and are not a required part of the basic 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 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, supplementary information is fairly stated, in all material respects, in relation to the basic 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 8, 2022 on our consideration of Associated Students of Humboldt State University'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 Associated Students of Humboldt State University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students of Humboldt State University's internal control over financial reporting and compliance.

*Moss Adams LLP*

Medford, Oregon  
September 8, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

### **Management's Discussion and Analysis**

Years ended June 30, 2022 and 2021

This section of Associated Students of Humboldt State University (Associated Students) annual financial report presents management's overview and analysis of the financial activities of Associated Students for the years ended June 30, 2022, and 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

#### **Introduction to the Basic Financial Statements**

The annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standard Board (GASB) Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities. This standard is applicable to Associated Students because it is a component unit of Humboldt State University (HSU). Consistent with HSU, Associated Students has adopted the business-type activity (BT) reporting model to represent its activities.

The financial statements include the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position and the Statements of Cash Flows. These statements are supported in the annual report by the notes to the financial statements and this section. All sections should be considered together to obtain complete understanding of the financial picture of Associated Students.

**Statements of Net Position** - The Statements of Net Position includes all assets, liabilities and net position. Assets and liabilities are generally reported on an accrual basis as of the statement date. They also identify major categories of restrictions on the net position of Associated Students.

**Statements of Revenues, Expenses, and Changes in Net Position** - The Statements of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year, on an accrual basis.

**Statements of Cash Flows** - The Statements of Cash Flow presents the inflows and outflows of cash, summarized by operating, noncapital financing, capital and related financing, and investing activities. The statement is prepared using the direct method of cash flows, and therefore, present gross rather than net amounts for the year's activities.



## ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

### Management's Discussion and Analysis

Years ended June 30, 2022 and 2021

#### Analytical Overview

A summary of key financial statement information is presented below:

##### Condensed Summary of Net Position

	2022	2021	\$ Change from FY21 to FY22
<b>Assets:</b>			
Current Assets	\$ 658,490	\$ 677,281	\$ (18,791)
<b>Total assets</b>	<u>658,490</u>	<u>677,281</u>	<u>(18,791)</u>
<b>Liabilities:</b>			
Current Liabilities	19,383	25,810	(6,427)
<b>Total liabilities</b>	<u>19,383</u>	<u>25,810</u>	<u>(6,427)</u>
<b>Net Position:</b>			
Unrestricted	639,107	651,471	(12,364)
<b>Total Net Position</b>	<u>\$ 639,107</u>	<u>\$ 651,471</u>	<u>\$ (12,364)</u>

#### Statement of Net Position Variance Analysis between 2022 and 2021

Current assets decreased by \$18,791. Current assets can include cash and cash equivalents, unreserved cash in the State of California Local Agency Investment Fund (LAIF), accounts receivable, prepaid expenses, and other current assets. Associated Students (AS) is funded by student fees. Enrollment decreased from 2021 to 2022, causing revenue to be decreased which decreases the net current assets. Additionally, a decrease in enrollment coupled with an increase in operating and program expenses from 2021 to 2022 attributed to an overall decrease in net position.

The Associated Students has a cash balance of \$422,151 in the checking account and \$233,916 held in LAIF. This combined total of unrestricted cash is \$656,067. The cash balance is 100.33% of the operating revenue of the 2021-22 fiscal year.

Current liabilities decreased by \$6,427. Current liabilities include accounts payable, accrued liabilities, and other liabilities such as sales tax, use tax, state income tax withheld and escheated checks.

Net position decreased by \$12,364, reflecting the cumulative net change in assets and liabilities for the year.

# ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

## Management's Discussion and Analysis

Years ended June 30, 2022 and 2021

### Operating Results

Associated Students' condensed summary of revenues, expenses, and changes in net position is as follows:

#### Condensed Summary of Revenues, Expenses, and Changes in Net Position

	2022	2021	\$ Change from FY21 to FY22
<b>Operating revenues:</b>			
Instructional related activities	\$ 8,417	\$ 11,413	\$ (2,996)
Associated student body fee	641,753	704,172	(62,419)
Other revenues	3,754	10,424	(6,670)
<b>Total operating revenues</b>	<b>653,924</b>	<b>726,009</b>	<b>(72,085)</b>
<b>Operating expenses:</b>			
Operating expenses	666,939	464,579	202,360
<b>Total operating expenses</b>	<b>666,939</b>	<b>464,579</b>	<b>202,360</b>
<b>Operating (loss) income</b>	<b>(13,015)</b>	<b>261,430</b>	<b>(274,445)</b>
<b>Non-operating revenues:</b>			
Investment income	651	1,959	(1,308)
<b>Net non-operating revenues</b>	<b>651</b>	<b>1,959</b>	<b>(1,308)</b>
<b>Increase (decrease) in net position</b>	<b>(12,364)</b>	<b>263,389</b>	<b>(275,753)</b>
<b>Net position at beginning of year</b>	<b>651,471</b>	<b>388,082</b>	<b>263,389</b>
<b>Net position at end of year</b>	<b>\$ 639,107</b>	<b>\$ 651,471</b>	<b>\$ (12,364)</b>

### Revenue and Expense Variance Analysis between 2022 and 2021

Operating revenues is composed of Associated Students student body organization fees, Instructional Related Activities (IRA), and other. Operating revenues decreased by \$72,085 due to a decrease in enrollment from 6,431 for the Fall and 5,673 for the Spring in FY2020-21 to 5,739 for the Fall and 5,305 for the Spring in FY2021-22.

Operating expenses increased by \$202,360 which was due to the increased programming available because of the campus being reopened to the student population beginning in Fall 2021, post-pandemic. The total wages and benefits increased by \$21,825 with the addition of staff members. Student wage reimbursements and student assistant wages, which are included in wages and benefits, increased by \$143,796.

Investment income was \$651, which was a decrease of \$1,308 over the prior year. Investment income is comprised of interest from LAIF.

## **ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

### **Management's Discussion and Analysis**

Years ended June 30, 2022 and 2021

#### **Factors Impacting Future Periods**

As an auxiliary, any state budget cuts to CSU funding affects enrollment and could have a negative impact on AS revenue and funding for its operational needs. Also, freezes or cuts to HSU enrollment or CSU funding could put strain on the AS budget by increasing demand for current AS services or propagate the need to expand AS programs. Although there is additional funding for the CSU in its transition to becoming a Polytechnic Institution, AS will likely not see results of this for another few years. Once more programs have been established, this has the potential to leave a positive impact on AS revenue as enrollment increases. Highlights of Humboldt State University's budget for 2022-23 include an enrollment target that is about 4% lower than what was seen for enrollment for 2021-22. Lower enrollment numbers than projected would likely have a negative impact on the revenue of the Associated Students of HSU. Management continues to monitor operating costs in Associated Students, review its operations, and adjusts accordingly.

#### **Contact Information**

This financial report is designed to provide a general overview of the auxiliary's finances. If you have questions about this report or need additional financial information, contact the Associated Students of Humboldt State University, 1 Harpst Street, Arcata, CA, 95521.

## **BASIC FINANCIAL STATEMENTS**

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY****Statement of Net Position****June 30, 2022**

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## Assets

## Current Assets

Cash on Hand (US Bank Checking)	\$	422,152
Cash Invested in LAIF		<u>233,915</u>
Total Cash and Cash Equivalents		656,067
Prepaid Expenses		<u>2,423</u>
Total Current Assets		<u>658,490</u>
Total Assets	\$	<u>658,490</u>

## Liabilities

## Current Liabilities

Accounts Payable	\$	12,774
Accrued Liabilities		6,318
Other Liabilities		<u>291</u>
Total Current Liabilities		19,383
Total Liabilities	\$	<u>19,383</u>

## Net Position

Unrestricted	\$	639,107
Total Net Position	\$	<u><u>639,107</u></u>

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**  
**Statement Revenue, Expenses, and Changes in Net Position**  
**Year ended June 30, 2022**

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Revenues:

Operating Revenues:

ASB Student Activity Fee	\$ 641,753
AS Programs	3,754
Instructional Related Activities (IRA)	<u>8,417</u>
Total Operating Revenues	<u>653,924</u>

Expenses:

Operating Expenses:

Salaries and Wages	\$ 342,576
Employee Benefits	58,546
Professional Services	104,300
Communications	3,527
Travel	18,977
Insurance	6,504
Program Expenditures	<u>132,509</u>
Total Operating Expenses	<u>666,939</u>
Operating Loss	<u>(13,015)</u>

Non-Operating Revenue:

Investment Income	<u>651</u>
Non-Operating Revenue	<u>651</u>
Decrease in Net Position	<u>(12,364)</u>

Net Position:

Net Position at Beginning of Year	<u>651,471</u>
<b>Net Position at the End of the Year</b>	<b><u>\$ 639,107</u></b>

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**  
**Statement of Cash Flows**  
**Year ended June 30, 2022**

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**Cash flows from operating activities:**

Cash received from students	\$ 641,753
Cash received for general and administrative expenses	10,473
Cash payments to suppliers for operations	(260,455)
Cash payments to employees for services	(413,609)
<b>Net cash provided by (used in) operating activities</b>	<b><u>(21,838)</u></b>

**Cash flows from investing activities:**

Investment income (loss) proceeds (payments)	<u>651</u>
<b>Net cash provided by (used in) investing activities</b>	<b><u>651</u></b>

<b>Net increase (decrease) in cash and cash equivalents</b>	(21,187)
Cash and cash equivalents at beginning of year	<u>677,254</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 656,068</u></b>

**Reconciliation to cash per statement of net position**

Cash on hand and commercial accts	\$ 422,152
Cash invested in LAIF	<u>233,915</u>
<b>Total cash and cash equivalents at end of year</b>	<b><u>\$ 656,067</u></b>

**Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:**

Operating income (loss)	\$ (13,015)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Purchase of fixed assets	
Change in assets and liabilities:	
Accounts receivable	27
Prepaid expenses	(2,423)
Accounts payable	7,785
Accrued salaries and benefits	(977)
Accrued compensated absences	(11,510)
Other liabilities	<u>(1,725)</u>
Total adjustments	<u>(8,823)</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ (21,838)</u></b>

## ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

### Notes to Financial Statements

Year Ended June 30, 2022

#### **(1) Operations and Summary of Significant Accounting Policies**

The financial statements of Associated Students of Humboldt State University (AS) have been prepared to conform with Accounting Principles Generally Accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The summary of significant accounting policies is presented to assist in understanding the AS financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

##### **(a) Nature of Operations**

AS is an auxiliary organization of Humboldt State University (HSU) and a component unit of the California State University (CSU), organized and operated in accordance with the Education Code of the State of California and the California Code of Regulations. The function of the Organization is to provide essential activities which are an integral part of the Humboldt State University Campus Programs. Such activities include student government, cultural programs, and various other services.

##### **(b) Related Organizations**

AS is related to other auxiliaries of Humboldt State University, including the Humboldt State University Center, the Humboldt State University Sponsored Programs Foundation, and the Humboldt State University Foundation. These auxiliaries and Humboldt State University periodically provide various services for one another.

##### **(c) Basis of Presentation**

After reassessing its articles of incorporation and bylaws and considering that AS is a component unit of Humboldt State University, AS determined that it should apply generally accepted accounting principles applicable to governmental entities.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, as prescribed by the GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The financial statements required by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities* include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. AS has elected to use the proprietary fund reporting model for special-purpose governments engaged only in business-type activities. In accordance with the business-type activities reporting model, AS prepares its statement of cash flows using the direct method.



**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

Notes to Financial Statements

Year Ended June 30, 2022

**(d) Revenue Recognition**

Student fees, investment income and revenues (which includes AS programs and IRA) are recorded when earned.

**(e) Allowance for Doubtful Accounts**

AS has established an allowance for bad debt based upon management's estimate as to the collectability of accounts receivable.

**(f) Use of Estimates**

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

**(g) Cash and Cash Equivalents**

For the purpose of the statement of cash flows, all cash on hand, commercial accounts, and cash invested in LAIF, are considered cash.

**(h) Classification of Revenues and Expenses**

AS considers operating revenues and expenses in the statement 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 primary functions of AS. Exchange transactions include charges for services rendered and the acquisition of goods and services.

Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 35. These nonoperating activities include net investment income and changes in campus program fund liabilities. There were no campus program fund liabilities for FY 2021-22

**(i) Net Position**

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. AS reports two categories of net position, as follows:

**Net Investment in Capital Assets** - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets. The assets currently owned by AS are fully depreciated.

**Unrestricted Net Position** - consists of all other net position that does not meet the definition of the above component and is available for general use by AS.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted net position first, unless a determination is made to use unrestricted net position.

## ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

### Notes to Financial Statements

Year Ended June 30, 2022

#### (2) Cash and Cash invested in LAIF

AS maintains cash in the State of California Local Agency Investment Fund (LAIF), an investment pool. The investment is not insured. However, these funds are invested in accordance with California Government Code Sections 16430 and 16480, the stated investment authority for the Pooled Money Investment Account. On June 30, 2022, the uninsured and uncollateralized cash balance was \$233,916.

Custodial credit risk is the risk that in the event of the failure of a counterparty, AS would not be able to recover the value of its investments that are in the possession of an outside party. Financial instruments that potentially subject AS to custodial risk are investments and cash in excess of amounts insured by the FDIC. No policy exists related to custodial risk specifically. The AS investment policy does not prohibit deposits in single institutions that expose AS to custodial credit risk. Management believes the organization is not exposed to any significant custodial credit risk related to cash.

The AS cash investment portfolio consists entirely of investments in LAIF, a voluntary program created by statute as an alternative for California's local governments and special districts that allow affiliates to participate in a major investment portfolio. It is under the administration of the California State Treasurer's Office. There are no significant interest rate risks or credit risks to be disclosed in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*.

#### (3) Exempt Status

AS is exempt from federal income tax under Internal Revenue Code 501(c)(3), and California franchise tax under California Revenue and Taxation Code Section 23701. Accordingly, no provision for income taxes has been reflected in these financial statements. AS does not believe it has any uncertain tax positions requiring accrual.

**Unrelated business income tax:** The Tax Reform Act of 1969 imposes a corporate income tax on the unrelated business taxable income (UBIT) of an otherwise tax-exempt organization. A provision, if necessary, for applicable federal and state income taxes is made in accordance with these statutes. There was no income tax expense related to UBIT for the years ended June 30, 2022.

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

## Notes to Financial Statements

Year Ended June 30, 2022

**(4) Functional Allocation of Expenses**

The functional allocation of expenses is allocated based on the functional group as defined by the department and program code that was used with the expense. Expenses by functional classification are as follows for the year ended June 30:

	<b>2022</b>
AS Programs Expenses	
Cultural affairs	\$ 55,414
Student services	224,354
Community services	12,853
Intramural recreation	28,087
Student government	38,838
Total AS Program Expenses	<u>359,546</u>
General and administrative expenses	<u>307,393</u>
Total operating expenses	<u><u>\$ 666,939</u></u>

**(5) Unrestricted Net Position**

Unrestricted net position consists of the following board designated classifications as of June 30, 2022.

	<b>2022</b>
General Operating Reserve	\$ 511,285
Facilities/Special Projects Reserve	63,911
Capital Purchase Reserve	63,911
Subtotal	<u><u>\$ 639,107</u></u>

**(6) Prepaid Expenses**

As of June 30, 2022, prepaid expenses had a total of \$2,423 for medical benefits.

**(7) Related Party Transactions*****(a) Management Services with Humboldt State University***

The current Business Services agreement between Humboldt State University and AS commenced July 1, 2021 and ended June 30, 2022. In the agreement, Associated Students agreed to pay HSU for the Business Services in the amount of \$96,000 for fiscal year 2021-22.

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

Notes to Financial Statements

Year Ended June 30, 2022

***(b) Reimbursement and other services with Humboldt State University***

For the year ending June 30, 2022, reimbursements and other services with Humboldt State University were as follows:

	<u><b>2022</b></u>
Payments to University for salaries of University personnel on contracts, grants and other programs	\$ 105,372
Payments to University for other than salaries of University personnel	199,162
Payments received from University for services, space, and programs	16,093
Accounts (payable to) Humboldt State University	(12,774)

**(8) Other Factors**

In January 2020, an outbreak of a novel coronavirus (COVID-19) occurred in the United States, along with various other countries globally. On March 11, 2020, the World Health Organization assessed the COVID-19 outbreak and characterized it as a pandemic. Although this was expected to be temporary, given the dynamic nature of these circumstances, the duration and intensity of the impact of COVID-19 and resulting impact to the market value changes, losses, and related financial impacts cannot be reasonably estimated at this time. Although we are beginning to return to typical pre-pandemic operations, we are yet to be at full capacity. In consequence, management is not currently able to reasonably estimate the potential financial impacts, and the financial statements have not been adjusted related to this matter. Enrollment decreased in the 2021-2022 fiscal year which had a negative impact on revenue. The decrease in enrollment will be monitored for future periods and adjustments will be made by management to their operating costs accordingly.

## **SUPPLEMENTARY INFORMATION**

**Associated Students of Humboldt State University**  
Schedule of Net Position  
June 30, 2022  
(for inclusion in the California State University Financial Statements)

**Assets:**

**Current assets:**

Cash and cash equivalents	422,152
Short-term investments	233,915
Accounts receivable, net	-
Lease receivables, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	2,423
<b>Total current assets</b>	<b>658,490</b>

**Noncurrent assets:**

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivables, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	-
Other assets	-
<b>Total noncurrent assets</b>	<b>-</b>
<b>Total assets</b>	<b>658,490</b>

**Deferred outflows of resources:**

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

**Liabilities:**

**Current liabilities:**

Accounts payable	12,774
Accrued salaries and benefits	4,352
Accrued compensated absences, current portion	1,966
Unearned revenues	-
Lease liabilities, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	291
<b>Total current liabilities</b>	<b>19,383</b>

**Noncurrent liabilities:**

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
<b>Total noncurrent liabilities</b>	<b>-</b>
<b>Total liabilities</b>	<b>19,383</b>

**Deferred inflows of resources:**

Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
Others	-
<b>Total deferred inflows of resources</b>	<b>-</b>

**Net position:**

Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	639,107
<b>Total net position</b>	<b>639,107</b>

See Accompanying Notes to Supplementary

**Associated Students of Humboldt State University**  
Schedule of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2022  
(for inclusion in the California State University Financial Statements)

**Revenues:**

**Operating revenues:**

Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-
<b>Grants and contracts, noncapital:</b>	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	3,754
Sales and services of auxiliary enterprises, gross	8,417
Scholarship allowances (enter as negative)	-
Other operating revenues	641,753
<b>Total operating revenues</b>	<b>653,924</b>

**Expenses:**

**Operating expenses:**

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	666,939
Depreciation and amortization	-
<b>Total operating expenses</b>	<b>666,939</b>
<b>Operating income (loss)</b>	<b>(13,015)</b>

**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	651
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	-
<b>Net nonoperating revenues (expenses)</b>	<b>651</b>
<b>Income (loss) before other revenues (expenses)</b>	<b>(12,364)</b>

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
<b>Increase (decrease) in net position</b>	<b>(12,364)</b>

**Net position:**

Net position at beginning of year, as previously reported	651,471
Restatements	-
<b>Net position at beginning of year, as restated</b>	<b>651,471</b>
<b>Net position at end of year</b>	<b>639,107</b>

**Associated Students of Humboldt State University**  
**Other Information**  
**June 30, 2022**  
**(for inclusion in the California State University Financial Statements)**

**1 Cash and cash equivalents:**

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

**Noncurrent restricted cash and cash equivalents**

Current cash and cash equivalents

**Total**

	-
	422,152
<b>\$</b>	<b>422,152</b>

**2.1 Composition of investments:**

Investment Type	Current	Noncurrent	Total
Money market funds			-
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities			-
Municipal bonds			-
Corporate bonds			-
Asset backed securities			-
Mortgage backed securities			-
Commercial paper			-
Mutual funds			-
Exchange traded funds			-
Equity securities			-
Alternative investments:			
Private equity (including limited partnerships)			-
Hedge funds			-
Managed futures			-
Real estate investments (including REITs)			-
Commodities			-
Derivatives			-
Other alternative investment			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)	233915		233,915
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
			-
			-
			-
			-
Total Other investments	-	-	-
<b>Total investments</b>	<b>233,915</b>	-	<b>233,915</b>
Less endowment investments (enter as negative number)		-	-
<b>Total investments, net of endowments</b>	<b>\$ 233,915</b>	-	<b>233,915</b>

See Accompanying Notes to Supplementary



## 2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$	-			
Repurchase agreements		-			
Certificates of deposit		-			
U.S. agency securities		-			
U.S. treasury securities		-			
Municipal bonds		-			
Corporate bonds		-			
Asset backed securities		-			
Mortgage backed securities		-			
Commercial paper		-			
Mutual funds		-			
Exchange traded funds		-			
Equity securities		-			
Alternative investments:					
Private equity (including limited partnerships)		-			
Hedge funds		-			
Managed futures		-			
Real estate investments (including REITs)		-			
Commodities		-			
Derivatives		-			
Other alternative investment		-			
Other external investment pools		-			
CSU Consolidated Investment Pool (formerly SWIFT)		-			
State of California Local Agency Investment Fund (LAIF)	233,915				233,915
State of California Surplus Money Investment Fund (SMIF)	-				
Other investments:		-			
		-			
		-			
		-			
		-			
Total Other investments	\$	-	-	-	-
<b>Total investments</b>	<b>233,915</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233,915</b>

## 2.3 Investments held by the University under contractual agreements:

*Instruction: Amounts should agree with University's investments held on behalf of Discretely Presented Component Units.*

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

**3.1 Composition of capital assets:**

	Balance June 30, 2021	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2021 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2022
<b>Non-depreciable/Non-amortizable capital assets:</b>									
Land and land improvements					\$ -				\$ -
Works of art and historical treasures					-				-
Construction work in progress (CWIP)					-				-
Intangible assets:									
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Intangible assets in progress (PWIP)					-				-
Licenses and permits					-				-
Other intangible assets:					-				-
					-				-
					-				-
					-				-
					-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable capital assets</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
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:	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable capital assets</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>
<b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b>									
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
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:	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets, net excluding lease assets</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>
<b>Lease assets, net</b>									
<b>Total capital assets, net</b>									-

See Accompanying Notes to Supplementary



5 Lease Liabilities schedule:

	Lease Liabilities related to SRB			All other lease liabilities			Total lease liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2023			-			-	-	-	-
2024			-			-	-	-	-
2025			-			-	-	-	-
2026			-			-	-	-	-
2027			-			-	-	-	-
2028 - 2032			-			-	-	-	-
2033 - 2037			-			-	-	-	-
2038 - 2042			-			-	-	-	-
2043 - 2047			-			-	-	-	-
2048 - 2052			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum lease payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Total lease liabilities									-
Less: current portion									-
Lease liabilities, net of current portion									\$ -

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2023			-			-	-	-	-
2024			-			-	-	-	-
2025			-			-	-	-	-
2026			-			-	-	-	-
2027			-			-	-	-	-
2028 - 2032			-			-	-	-	-
2033 - 2037			-			-	-	-	-
2038 - 2042			-			-	-	-	-
2043 - 2047			-			-	-	-	-
2048 - 2052			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net 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	105,372.00
Payments to University for other than salaries of University personnel	199,162.00
Payments received from University for services, space, and programs	16,093.00
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)	(12,774.00)
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	
Other amounts receivable from University (enter as positive number)	

8 Restatements

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

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

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	342,576	58,546	-	-	-	265,817	-	666,939
Depreciation and amortization	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>\$ 342,576</b>	<b>58,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>265,817</b>	<b>-</b>	<b>666,939</b>

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

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

Total deferred outflows - others

-

**Total deferred outflows of resources**

**\$ -**

2. Deferred Inflows of Resources

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

Total deferred inflows - others

-

**Total deferred inflows of resources**

**\$ -**

11 Other nonoperating revenues (expenses)

Other nonoperating revenues

Other nonoperating (expenses)

**Total other nonoperating revenues (expenses)**

**\$ -**

**ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY**

Note to Supplementary Information

Year Ended June 30, 2022

**NOTE 1 – SUPPLEMENTARY INFORMATION**

As an auxiliary organization of the California State University (CSU), Associated Students of Humboldt State University (Associated Students) is required to include audited supplementary information in its financial statements in the form and content specified by CSU. As a result, there are differences in reporting format between Associated Students' financial statements and the supplementary schedules for CSU.

## **ADDITIONAL INFORMATION**

## **Report of Independent Auditors 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  
Humboldt State University Associated Students

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 the business-type activities of Humboldt State University Associated Students (Associated Students), a component unit of Cal Poly Humboldt, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Associated Students' basic financial statements, and have issued our report thereon dated September 8, 2022.

### **Report on Internal Control Over Financial Reporting**

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

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

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



## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Associated Students' 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*.

## **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.

*Moss Adams LLP*

Medford, Oregon  
September 8, 2022