

**University Student Union
California State University, Northridge**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2021 and 2020

**University Student Union
California State University, Northridge**

Index

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
Supplementary Information	
Schedule of Net Position	20
Schedule of Revenues, Expenses and Changes in Net Position	21
Other Information	22
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28

Independent Auditor's Report

The Board of Directors
University Student Union
California State University, Northridge
(A California State University Auxiliary Organization)

Report of the Financial Statements

We have audited the accompanying financial statements of University Student Union California State University, Northridge (a California State University Auxiliary Organization), the ("Union") which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University Student Union California State University, Northridge as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 20-27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2021 on our consideration of University Student Union California State University, Northridge'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 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 Union's internal control over financial reporting and compliance.



Los Angeles, California
September 13, 2021

**University Student Union
California State University, Northridge**

**Statements of Financial Position
June 30, 2021 and 2020**

<u>Assets</u>		
	2021	2020
Current assets		
Cash and cash equivalents	\$ 796,975	\$ 2,558,908
Short-term investments	8,500,528	4,053,279
Accounts receivable, net	37,549	26,101
Prepaid expenses and other	100,347	92,696
Total current assets	9,435,399	6,730,984
Property and equipment, net	524,116	670,003
Total assets	\$ 9,959,515	\$ 7,400,987
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	\$ 343,552	\$ 371,684
Accrued expenses	1,071,351	889,842
Deferred revenue	92,700	-
Current portion of postretirement benefit payable	35,417	31,659
Total current liabilities	1,543,020	1,293,185
Commitments and contingencies		
Postretirement benefit payable, net of current portion	3,149,728	3,495,735
Total liabilities	4,692,748	4,788,920
Net assets		
Without donor restrictions	5,266,767	2,612,067
Total liabilities and net assets	\$ 9,959,515	\$ 7,400,987

See Notes to Financial Statements.

**University Student Union
California State University, Northridge**

**Statements of Activities
Years Ended June 30, 2021 and 2020**

	2021	2020
Operating revenues		
Activity fees	\$ 14,614,076	\$ 15,835,020
Program revenue	67,415	249,161
Rental income	513,218	750,855
Recreation center income	84,777	483,772
Commission income	-	64,067
Grant revenue	382,916	32,316
Other income	249,145	296,306
	<u>15,911,547</u>	<u>17,711,497</u>
Operating expenses		
Program services	9,812,840	11,827,661
General and administrative	4,036,557	4,465,481
	<u>13,849,397</u>	<u>16,293,142</u>
Change in net assets from operating activities	<u>2,062,150</u>	<u>1,418,355</u>
Nonoperating (expense) revenue		
Other components of net postretirement benefit cost	(150,984)	(114,272)
Postretirement changes other than net postretirement benefit cost	662,058	(577,426)
Investment income	81,476	91,981
Loss on disposal of property and equipment	-	(2,965)
	<u>592,550</u>	<u>(602,682)</u>
Change in net assets	<u>2,654,700</u>	<u>815,673</u>
Net assets, beginning	<u>2,612,067</u>	<u>1,796,394</u>
Net assets, end	<u>\$ 5,266,767</u>	<u>\$ 2,612,067</u>

See Notes to Financial Statements.

**University Student Union
California State University, Northridge**

**Statement of Functional Expenses
Year Ended June 30, 2021**

	Program services				Supporting services		
	Diversity and Inclusion	Fitness and Wellness	General Programs	Rental	Total	General and Administrative	Total
Salaries and wages	\$ 971,532	\$ 1,464,421	\$ 711,466	\$ 719,218	\$ 3,866,637	\$ 2,216,387	\$ 6,083,024
Staff benefits	380,609	757,046	340,214	393,213	1,871,082	1,095,404	2,966,486
	<u>1,352,141</u>	<u>2,221,467</u>	<u>1,051,680</u>	<u>1,112,431</u>	<u>5,737,719</u>	<u>3,311,791</u>	<u>9,049,510</u>
Other operating expenses							
Contributions to CSU Northridge Foundation	-	-	1,335,902	-	1,335,902	-	1,335,902
Depreciation and amortization	1,711	83,762	22,297	41,796	149,566	25,489	175,055
Equipment	6,885	89,881	169,109	71,082	336,957	25,245	362,202
Fees and charges	26	4,466	323	25,112	29,927	10,110	40,037
General operating expenses	21,313	75,467	15,120	16,139	128,039	57,288	185,327
Grants and scholarships	-	-	64,248	-	64,248	-	64,248
Repairs and maintenance	8,570	317,575	101,541	190,987	618,673	58,065	676,738
Supplies and services	146,067	283,942	289,279	120,656	839,944	455,683	1,295,627
Travel	10,076	1,760	693	777	13,306	3,951	17,257
Utilities	17,427	251,947	148,679	140,506	558,559	88,935	647,494
	<u>212,075</u>	<u>1,108,800</u>	<u>2,147,191</u>	<u>607,055</u>	<u>4,075,121</u>	<u>724,766</u>	<u>4,799,887</u>
Total operating expenses	1,564,216	3,330,267	3,198,871	1,719,486	9,812,840	4,036,557	13,849,397
Other components of net postretirement benefit cost	22,559	37,064	17,546	18,560	95,729	55,255	150,984
Postretirement changes other than net postretirement benefit cost	<u>(98,922)</u>	<u>(162,522)</u>	<u>(76,940)</u>	<u>(81,385)</u>	<u>(419,769)</u>	<u>(242,289)</u>	<u>(662,058)</u>
Total functional expenses	<u>\$ 1,487,853</u>	<u>\$ 3,204,809</u>	<u>\$ 3,139,477</u>	<u>\$ 1,656,661</u>	<u>\$ 9,488,800</u>	<u>\$ 3,849,523</u>	<u>\$ 13,338,323</u>

See Notes to Financial Statements.

**University Student Union
California State University, Northridge**

**Statement of Functional Expenses
Year Ended June 30, 2020**

	Program services					Supporting services	
	Diversity and Inclusion	Fitness and Wellness	General Programs	Rental	Total	General and Administrative	Total
Salaries and wages	\$ 698,403	\$ 3,180,743	\$ 861,787	\$ 1,312,083	\$ 6,053,016	\$ 2,277,599	\$ 8,330,615
Staff benefits	185,682	732,157	270,828	338,013	1,526,680	861,552	2,388,232
	<u>884,085</u>	<u>3,912,900</u>	<u>1,132,615</u>	<u>1,650,096</u>	<u>7,579,696</u>	<u>3,139,151</u>	<u>10,718,847</u>
Other operating expenses							
Cost of sales	-	12,881	-	-	12,881	-	12,881
Depreciation and amortization	3,405	80,096	28,826	38,710	151,037	34,158	185,195
Equipment	23,329	126,380	144,637	127,496	421,842	89,727	511,569
Fees and charges	24	17,021	296	34,070	51,411	17,250	68,661
General operating expenses	24,822	136,332	12,953	19,528	193,635	130,766	324,401
Grants and scholarships	-	-	64,869	-	64,869	-	64,869
Repairs and maintenance	19,915	722,291	248,609	395,851	1,386,666	149,052	1,535,718
Supplies and services	89,343	394,349	404,699	133,891	1,022,282	763,328	1,785,610
Travel	55,858	21,423	15,956	10,521	103,758	34,917	138,675
Utilities	16,922	421,781	167,499	233,382	839,584	107,132	946,716
	<u>233,618</u>	<u>1,932,554</u>	<u>1,088,344</u>	<u>993,449</u>	<u>4,247,965</u>	<u>1,326,330</u>	<u>5,574,295</u>
Total operating expenses	1,117,703	5,845,454	2,220,959	2,643,545	11,827,661	4,465,481	16,293,142
Other components of net postretirement benefit cost	9,425	41,715	12,075	17,591	80,806	33,466	114,272
Postretirement changes other than net postretirement benefit cost	47,626	210,789	61,014	88,891	408,320	169,106	577,426
Total functional expenses	<u>\$ 1,174,754</u>	<u>\$ 6,097,958</u>	<u>\$ 2,294,048</u>	<u>\$ 2,750,027</u>	<u>\$ 12,316,787</u>	<u>\$ 4,668,053</u>	<u>\$ 16,984,840</u>

See Notes to Financial Statements.

**University Student Union
California State University, Northridge**

**Statements of Cash Flows
Years Ended June 30, 2021 and 2020**

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 2,654,700	\$ 815,673
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	175,055	185,195
Bad debt expense	-	8,624
Loss on disposal of property and equipment	-	2,965
Postretirement benefits	(662,058)	577,426
Changes in operating assets and liabilities		
Accounts receivable	(11,448)	25,313
Prepaid expenses and other	(7,651)	8,747
Accounts payable	(28,132)	(155,846)
Accrued expenses	181,509	(5,681)
Postretirement benefit payable	319,809	66,564
Deferred revenue	92,700	(308,297)
	<u>2,714,484</u>	<u>1,220,683</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Proceeds from sale of investments	500,000	1,063,055
Purchases of investments	(4,947,249)	-
Purchases of property and equipment	(29,168)	(148,147)
	<u>(4,476,417)</u>	<u>914,908</u>
Net cash (used in) provided by investing activities		
Net change in cash and cash equivalents	(1,761,933)	2,135,591
Cash and cash equivalents, beginning	<u>2,558,908</u>	<u>423,317</u>
Cash and cash equivalents, end	<u>\$ 796,975</u>	<u>\$ 2,558,908</u>

See Notes to Financial Statements.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2021 and 2020**

Note 1 - Business activity and summary of significant accounting policies

Business activity

University Student Union California State University, Northridge (a California State University Auxiliary Organization) (the "Union") is a nonprofit auxiliary organization related to California State University, Northridge (the "University"). The Union was organized to provide a variety of unique and convenient programs and services on the University campus. The Union operates the Student Union building as well as sponsors various campus activities that complement the instructional program and initiatives of the University.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation

The Union is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, which are described as follows:

Net Assets Without Donor Restrictions - Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve through a board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose, or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At June 30, 2021 and 2020, the Union does not have any net assets with donor restrictions.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and all highly liquid investments with an initial maturity at date of purchase of three months or less.

Accounts receivable

Accounts receivable are stated as unpaid balances less an allowance for doubtful accounts. The Union provides for losses on receivables using the allowance method, which is based on experience and other circumstances. The Union had \$12,000 in allowance for doubtful accounts at both June 30, 2021 and 2020.

Investments

Investments are reported at their fair values in the statements of financial position. Realized and unrealized gains or losses are included in the statement of activities as investment income. At June 30, 2021 and 2020, investments consist of pooled investment funds with the University in the amount of \$8,500,528 and \$4,053,279, respectively.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2021 and 2020**

Fair value measurements

The Union values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Leasehold improvements are stated at cost and are amortized using the straight-line method over the estimated useful life of fifteen years. Repairs and maintenance are charged to expenses as incurred.

Revenue recognition

The Union's activity fees and grant revenue are amounts allocated by the University for programs held during the school year. The Union recognizes the revenues over the school year, when the revenues have been earned. Activity fees are not refundable. Deferred revenue consists primarily of amounts received for services which have not been earned.

Advertising costs

Advertising costs are charged to expense as incurred. Advertising expense was \$4,227 and \$12,730 for the years ended June 30, 2021 and 2020, respectively.

Functional allocation of expenses

The costs of providing programs and activities have been summarized on a functional basis in the statements of activities. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Union. Those expenses include depreciation and amortization, the Executive Director's office, Maintenance, and the Technology Support Services department. Depreciation is allocated based on the nature of the assets and the department by which they are used. The Executive Director's office expenses are allocated based on the time and effort allocation of the Executive Director. The Maintenance department expenses are allocated based on square footage of each function, and the Technology Support Services department expenses are allocated based on the number of computers utilized by each function.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2021 and 2020**

Income taxes

The Union is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue Taxation Code of California. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Union has no unrecognized tax benefits at June 30, 2021 and 2020. The Union's federal and state income tax returns prior to fiscal years 2018 and 2017, respectively, are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If applicable, the Union recognizes interest and penalties associated with tax matters as part of income tax expense and includes accrued interest and penalties with accrued expenses in the statements of financial position.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent accounting pronouncements

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* ("*Topic 606*") in May 2014, providing new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenues. The Union adopted ASU 2014-09 on July 1, 2020 using the modified retrospective method of transition for all contracts that were not completed as of that date.

The Union's revenue for reporting periods ended after June 30, 2020 is presented under the new guidance, while financial results for prior periods will continue to be reported in accordance with the prior guidance and the Union's historical accounting policy. The Union has not experienced changes to the pattern of revenue recognition for its contracts, the identification of contracts and performance obligations or the measurement of variable consideration.

Subsequent events

The Union has evaluated subsequent events through September 13, 2021, which is the date these financial statements were available to be issued.

Note 2 - Liquidity

The Union regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Union has various sources of liquidity at its disposal, including cash and cash equivalents, short-term investments, and accounts receivable.

The emergence of COVID-19 may have the potential to impact the Union's liquidity (see Note 9). Management continues to regularly monitor liquidity and has reduced expenditures as a result of loss of revenue streams.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2021 and 2020**

At June 30, 2021, the Union had the following assets and liquidity resources available over the next 12 months:

	2021	2020
Cash and cash equivalents	\$ 796,975	\$ 2,558,908
Short-term investments	8,500,528	4,053,279
Accounts receivable, net	37,549	26,101
	\$ 9,335,052	\$ 6,638,288

Note 3 - Concentrations

Financial instruments which potentially subject the Union to concentrations of credit risk consist primarily of cash and cash equivalents. The Union maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits.

Note 4 - Fair value measurements

At June 30, 2021 and 2020, investments are carried at fair value and are classified in one of the three categories as described in Note 1. The pooled investment funds are not traded on an active market and are therefore classified as Level 2 and are valued using quoted prices for similar assets in active exchange markets.

Note 5 - Related party transactions

The Union provides and receives services from the University, California State University, Northridge Foundation, Associated Students, Inc., and The University Corporation. At June 30, 2021 and 2020, accounts receivable and accounts payable included in the statements of financial position relating to these organizations are as follows:

	2021	2020
Receivables		
California State University, Northridge	\$ -	\$ 2,327
Associated Students, Inc.	-	462
The University Corporation	-	6,604
	\$ -	\$ 9,393
Payables		
California State University, Northridge	\$ -	\$ 1,877
Associated Students, Inc.	-	800
	\$ -	\$ 2,677

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2021 and 2020**

During the years ended June 30, 2021 and 2020, amounts received from the University for rent and other services are included in operating revenues and are as follows:

	2021	2020
Amounts paid by the University	\$ 781,249	\$ 515,981
Work study	46,452	135,831
	\$ 827,701	\$ 651,812

During the years ended June 30, 2021 and 2020, amounts paid to the University for services such as student advising services, software maintenance, physical plant management and other services are included in operating expenses and are as follows:

	2021	2020
Services	\$ 578,087	\$ 1,168,541
Salaries	189,364	339,075
	\$ 767,451	\$ 1,507,616

For the years ended June 30, 2021 and 2020, there were no transfers to or from the University.

The Union entered into agreements with Associated Students, Inc., the International and Exchange Student Center, and Office of Student Involvement & Development for space. Associated Students, Inc. is a campus auxiliary and the International and Exchange Student Center and the Office of Student Involvement & Development are departments of the University. The Union received rental income of \$176,291, \$122,706, and \$187,762 from each entity, respectively, for the year ended June 30, 2021 in connection with these agreements. The Union received rental income of \$153,068, \$113,563, and \$173,772 from each entity, respectively, for the year ended June 30, 2020 in connection with these agreements.

The Union, The University Corporation, and Student Housing entered into an agreement in which The University Corporation manages all operation of the food units located at the Union and Student Housing in exchange for a 1.5% commission of all The University Corporation's food unit and catering sales on campus. Student Housing receives 68% of the commission and the Union receives 32% of the commission. Commission income from this agreement was \$0 and \$64,067 for the years ended June 30, 2021 and 2020, respectively.

Revenue bonds were issued by the Trustees of the California State University and Colleges ("Trustees") for the construction, repair and maintenance of the University's Student Union building. Legal title to the Student Union building is vested, along with related debt, with the Trustees. Accordingly, both the building and debt are carried on the books of the Trustees. Student Union fees are collected by the University and remitted to a trust fund administered by the University on behalf of the Union. The Union has entered into a 10-year revolving agreement with the Chancellor's Office, which will expire on June 30, 2027, and provides, among other things, that the excess of the student fees (after satisfying certain reserve requirements; servicing principal and interest payments on the revenue bonds; providing funds for major repairs and replacements; providing funds for projects under construction; and Chancellor's Office overhead expenses) is

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2021 and 2020**

available, after approval by the University, for payment of expenses incurred in operation of the Union.

Pursuant to this agreement, the Union received and recorded to revenue \$14,614,076 and \$15,835,020 to fund its operation for the fiscal years ended June 30, 2021 and 2020, respectively. The amounts earned from this agreement represent 92% and 89% of total revenue for the years ended June 30, 2021 and 2020, respectively.

Note 6 - Property and equipment

At June 30, 2021 and 2020, property and equipment consist of the following:

	2021	2020
Equipment and software	\$ 1,592,785	\$ 1,596,181
Leasehold improvements	879,002	879,002
Construction in progress	-	4,161
	2,471,787	2,479,344
Total	2,471,787	2,479,344
Less accumulated depreciation and amortization	1,947,671	1,809,341
	\$ 524,116	\$ 670,003
Total	\$ 524,116	\$ 670,003

Depreciation and amortization expense for the years ended June 30, 2021 and 2020 was \$175,055 and \$185,195, respectively.

Note 7 - Retirement plans

The Union maintains a noncontributory defined contribution employer pension plan (the "Plan"). Employees are eligible to participate in the Plan once they have attained the age of 21 and have completed one year of service. Under the provisions of the Plan agreement, the Union makes employer pension contributions into the Plan for the benefit of eligible employees.

The Union maintains a 403(b) retirement plan and makes discretionary contributions for the benefit of eligible employees.

For the years ended June 30, 2021 and 2020, the Union paid or accrued total retirement plan contributions of \$423,671 and \$406,110, respectively.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2021 and 2020**

Note 8 - Postretirement benefit plan

In 2007, the Union implemented a postretirement benefit plan which provides postretirement benefits. Employees are eligible if they either retire after the age of 60 with 20 years of continuous service; or retire after the age of 65 with 10 years of continuous service, and were hired prior to July 1, 2008. The following tables provide further information about the Union's postretirement benefit plan:

	<u>2021</u>	<u>2020</u>
Benefit obligation at beginning of year	\$ 5,012,346	\$ 3,936,014
Service cost	471,825	352,292
Interest cost	136,124	138,005
Actuarial (gains) losses	(225,526)	608,094
Benefits paid	<u>(15,710)</u>	<u>(22,059)</u>
Benefit obligation at end of year	<u>\$ 5,379,059</u>	<u>\$ 5,012,346</u>
Fair value of plan assets at beginning of year	1,484,952	1,052,610
Actual return on plan assets	421,672	54,401
Employer contributions	303,000	400,000
Benefits paid	<u>(15,710)</u>	<u>(22,059)</u>
Fair value of assets at end of year	<u>2,193,914</u>	<u>1,484,952</u>
Net unfunded status	<u>\$ 3,185,145</u>	<u>\$ 3,527,394</u>

Amounts recognized in the statements of financial position consist of the following:

	<u>2021</u>	<u>2020</u>
Current liabilities	\$ (35,417)	\$ (31,659)
Noncurrent liabilities	<u>(3,149,728)</u>	<u>(3,495,735)</u>
Total recognized in statements of financial position	<u>\$ (3,185,145)</u>	<u>\$ (3,527,394)</u>

Cumulative amounts recognized in changes in net assets without donor restrictions are as follows:

	<u>2021</u>	<u>2020</u>
Unrecognized prior service cost	\$ 243,319	\$ 261,078
Net actuarial loss	<u>991,838</u>	<u>1,636,137</u>
Total cumulative amounts recognized in net assets without donor restrictions	<u>\$ 1,235,157</u>	<u>\$ 1,897,215</u>

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2021 and 2020**

Amounts recognized in the statements of activities consist of the following:

	2021	2020
Service cost	\$ 471,825	\$ 352,292
Other components of net postretirement benefit cost		
Interest cost	136,124	138,005
Expected return on assets	(89,467)	(67,902)
Amortization of unrecognized prior service cost	17,759	(6,113)
Amortization of unrecognized loss	86,568	50,282
	150,984	114,272
Total net postretirement benefit cost ("NPBC")	\$ 622,809	\$ 466,564

Other changes recognized in change in net assets are as follows:

	2021	2020
Prior service cost for period	\$ -	\$ -
Net loss for period	(557,731)	621,595
Amortization of prior service cost	(17,759)	6,113
Amortization of net loss (gain)	(86,568)	(50,282)
Total changes recognized in net assets without donor restrictions	\$ (662,058)	\$ 577,426
Total changes recognized in NPBC and net assets without donor restrictions	\$ (39,249)	\$ 1,043,990

Assumptions

Weighted average assumptions for net periodic benefit cost used in the accounting for the Union's postretirement benefit plan were as follows at June 30:

	2021	2020
Discount rate	2.72%	3.52%
Rate of return on plan assets	5.50%	5.50%
Rate of compensation increase	N/A	N/A
Medical trend		
Initial	4.50%	4.50%
Ultimate	4.50%	4.50%
Number of years to ultimate	N/A	N/A

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2021 and 2020**

Weighted average assumptions for the projected benefit obligation used in the accounting for the Union's postretirement benefit plan were as follows at June 30:

	2021	2020
Discount rate	2.84%	2.72%
Rate of return on plan assets	5.50%	5.50%
Rate of compensation increase	N/A	N/A
Medical trend		
Initial	4.50%	4.50%
Ultimate	4.50%	4.50%
Number of years to ultimate	N/A	N/A

The Union's overall investment strategy is to diversify investments among equities, fixed income and possibly other securities, such as real estate, to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category.

The fair values of the Union's postretirement benefit plan assets at June 30, 2021 and 2020, by asset class are as follows:

	2021	2020
Equities	\$ 1,348,651	\$ 869,044
Fixed income	845,263	615,908
	\$ 2,193,914	\$ 1,484,952

The plan assets are classified as Level 1 in the fair value hierarchy and are valued using real-time quotes for transactions in active exchange markets involving identical assets.

Cash flows

The following benefit payments, subsequent to June 30, are expected to be paid as follows:

Year beginning July 1,		
2021	\$	35,417
2022		36,879
2023		54,868
2024		78,729
2025		101,124
2026-2030		773,641
	\$	1,080,658

The Union expects to fund the postretirement benefit plan in the amount of \$400,000 during the next fiscal year.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2021 and 2020**

The following table includes the amounts in net assets without donor restrictions expected to be recognized as components of net periodic benefit cost over the 2021-22 fiscal year:

Net actuarial loss	\$	36,607
Net prior service cost		28,761

Note 9 - Commitments and contingencies

Operating leases

The Union leases office equipment under a noncancelable operating lease expiring in July 2023. For the years ended June 30, 2021 and 2020, total rent expense under the lease was \$15,246 and \$15,900, respectively.

The following is a schedule of the Union's minimum lease requirements under the noncancelable lease:

Year ending June 30,		
2022	\$	15,246
2023		<u>15,246</u>
	\$	<u><u>30,492</u></u>

Coronavirus

In December 2019, a novel strain of the coronavirus ("COVID-19") was reported. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closures. As a result of mandates issued by government officials, the campus of California State University, Northridge and the University Student Union transitioned to virtual learning and programming in late March 2020.

The Union fee revenue was not impacted because all activity fees for the fiscal years ended June 30, 2020 and 2021 were received. According to the Interim CSU Refund Policy for Tuition and Fees, retired in March 2021, mandatory activity fees will not be refunded. While the disruption currently is expected to be temporary, there is uncertainty about what the long-term financial and operational impact of governmental initiatives will be on the Union.

Legal matters

The Union is subject to certain claims that arise out of the normal course of operations of the Union. In the opinion of management, the Union has sufficient financial resources and insurance to cover any such claims, and these matters will not have a material effect on the financial position of the Union if disposed of unfavorably.

Supplementary Information

**University Student Union
California State University, Northridge**

**Schedule of Net Position
June 30, 2021
(for inclusion in the California State University)**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 796,975
Short-term investments	8,500,528
Accounts receivable, net	37,549
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	100,347
Total current assets	<u>9,435,399</u>
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Capital lease 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	524,116
Other assets	-
Total noncurrent assets	<u>524,116</u>
Total assets	<u>9,959,515</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
Total deferred outflows of resources	<u>-</u>
Liabilities:	
Current liabilities:	
Accounts payable	343,552
Accrued salaries and benefits	669,431
Accrued compensated absences, current portion	401,920
Unearned revenues	92,700
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	35,417
Total current liabilities	<u>1,543,020</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Capital lease obligations, 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	3,149,728
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	<u>3,149,728</u>
Total liabilities	<u>4,692,748</u>
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	<u>-</u>
Net position:	
Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	5,266,767
Total net position	<u>\$ 5,266,767</u>

See Independent Auditor's Report.

**University Student Union
California State University, Northridge**

**Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2021
(for inclusion in the California State University)**

Revenues:	
Operating revenues:	
Student tuition and fees, gross	\$ -
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	382,916
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	665,410
Scholarship allowances (enter as negative)	-
Other operating revenues	14,863,221
Total operating revenues	<u>15,911,547</u>
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	11,446,653
Institutional support	-
Operation and maintenance of plant	676,738
Student grants and scholarships	64,248
Auxiliary enterprise expenses	1,486,703
Depreciation and amortization	175,055
Total operating expenses	<u>13,849,397</u>
Operating income (loss)	<u>2,062,150</u>
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	81,476
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	511,074
Net nonoperating revenues (expenses)	<u>592,550</u>
Income (loss) before other revenues (expenses)	<u>2,654,700</u>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	<u>2,654,700</u>
Net position:	
Net position at beginning of year, as previously reported	2,612,067
Restatements	-
Net position at beginning of year, as restated	<u>2,612,067</u>
Net position at end of year	<u>\$ 5,266,767</u>

See Independent Auditor's Report.

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2021
(for inclusion in the California State University)**

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

Noncurrent restricted cash and cash equivalents

Current cash and cash equivalents

Total

	-
	796,975
Total	\$ 796,975

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)	8,500,528	-	8,500,528
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:	-	-	-
Total Other investments	-	-	-
Total investments	8,500,528	-	8,500,528
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ 8,500,528	-	\$ 8,500,528

See Independent Auditor's Report.

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2021
(for inclusion in the California State University)**

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -	\$ -	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	-	-	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	8,500,528	-	-	-	8,500,528
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
Total Other investments	-	-	-	-	-
Total investments	\$ 8,500,528	-	-	-	\$ 8,500,528

2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g - CSU Consolidated Investment Pool (formerly SWIFT):	\$ 8,500,528	-	\$ 8,500,528

See Independent Auditor's Report.

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2021
(for inclusion in the California State University)**

3.1 Composition of capital assets:

	Balance June 30, 2020	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2020 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2021
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -				\$ -				-
Works of art and historical treasures	-				-				-
Construction work in progress (CWIP)	4,161				4,161			(4,161)	-
Intangible assets:									
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Intangible assets in progress (PWIP)	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
Total Other intangible assets	-				-				-
Total intangible assets	-				-				-
Total non-depreciable/non-amortizable capital assets	\$ 4,161				\$ 4,161			-(4,161)	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Leasehold improvements	879,002				879,002				879,002
Personal property:									
Equipment	1,596,181				1,596,181	29,168	(36,725)	4,161	1,592,785
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	2,475,183				2,475,183	29,168	(36,725)	4,161	2,471,787
Total capital assets	\$ 2,479,344				\$ 2,479,344	\$ 29,168	-(36,725)	-	2,471,787
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Leasehold improvements	(530,579)				(530,579)	(56,406)			(586,985)
Personal property:									
Equipment	(1,278,762)				(1,278,762)	(118,649)	36,725		(1,360,686)
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	(1,809,341)				(1,809,341)	(175,055)	36,725		(1,947,671)
Total capital assets, net	\$ 670,003				\$ 670,003	-(145,887)			524,116

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 175,055
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 175,055

See Independent Auditor's Report.

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2021
(for inclusion in the California State University)**

4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/Reclassifications	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 353,627	\$ -	\$ 353,627	\$ 333,752	\$ (285,459)	\$ 401,920	\$ 401,920	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:								
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 353,627	\$ -	\$ 353,627	\$ 333,752	\$ (285,459)	\$ 401,920	\$ 401,920	\$ -

5 Capital lease obligations schedule:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	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:									
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	-	-	-	-	-	-	-	-	-
Less: amounts representing interest									
Present value of future minimum lease payments									-
Unamortized net premium/(discount)									-
Total capital lease obligations									-
Less: current portion									-
Capital lease obligations, net of current portion									\$ -

See Independent Auditor's Report.

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2021
(for inclusion in the California State University)**

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:									
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
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	\$	189,364
Payments to University for other than salaries of University personnel		578,087
Payments received from University for services, space, and programs		827,701
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)		-
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:

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

See Independent Auditor's Report.

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2021
(for inclusion in the California State University)**

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	5,363,806	1,667,487	377,497	528,289	-	3,509,574	-	11,446,653
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	676,738	-	676,738
Student grants and scholarships	-	-	-	-	64,248	-	-	64,248
Auxiliary enterprise expenses	719,218	252,519	46,174	94,520	-	374,272	-	1,486,703
Depreciation and amortization	-	-	-	-	-	-	175,055	175,055
Total operating expenses	\$ 6,083,024	\$ 1,920,006	\$ 423,671	\$ 622,809	\$ 64,248	\$ 4,560,584	\$ 175,055	\$ 13,849,397

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 - 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 - 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	\$ 511,074
Other nonoperating (expenses)	-
Total other nonoperating revenues (expenses)	\$ 511,074

See Independent Auditor's Report.

Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
University Student Union
California State University, Northridge
(A California State University Auxiliary Organization)

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 financial statements of University Student Union California State University, Northridge (the "Union"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated September 13, 2021.

Internal Control over Financial Reporting

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

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.

Compliance and Other Matters

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

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.

CohnReznick LLP

Los Angeles, California
September 13, 2021



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