

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

**Annual Report**

**For the Years Ended  
June 30, 2021 and 2020**

**Otter Student Union at California State University, Monterey Bay**  
**Annual Report**  
**For the Years Ended**  
**June 30, 2021 and 2020**

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## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying statement of net position of Otter Student Union at California State University, Monterey Bay (OSU), a component unit of California State University, Monterey Bay, as of June 30, 2021 and 2020, and the related statement of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the OSU's basic financial statements as listed in the table of contents.

### 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 audits 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 audits to obtain reasonable assurance about whether the financial statements are free of 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.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Otter Student Union at California State University, Monterey Bay as of June 30, 2021 and 2020, and the change in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a basic part of the financial statements, is required by the Government 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.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Otter Student Union at California State University, Monterey Bay's basic financial statements. The accompanying supplementary information for inclusion in the financial statements of the California State University on pages 25 through 30 is presented for purposes of additional analysis as required by the California State University and is not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Board of Directors  
Otter Student Union at California State University, Monterey Bay  
Seaside, California  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2021, on our consideration of the Otter Student Union at California State University, Monterey Bay'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Otter Student Union at California State University, Monterey Bay's internal control over financial reporting and compliance.

GLENN BURDETTE ATTEST CORPORATION

Glenn Burdette Attest Corporation  
San Luis Obispo, California

September 17, 2021

**Otter Student Union at California State University, Monterey Bay**  
**Management's Discussion and Analysis**  
**June 30, 2021 and 2020**

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

As management of the OSU, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the OSU for the fiscal years ended June 30, 2021 and 2020. We encourage readers to read the information presented here in conjunction with additional information that we have provided in the OSU's financial statements, which follow this narrative. The OSU's financial statements are presented here and are incorporated in the University's financial statements as a component unit.

***Financial Highlights***

- At June 30, 2021, the OSU had \$1.5 million in total assets and \$203 thousand in total liabilities for net position of \$1.3 million or a 248.0 percent increase.
- Student fees transferred from the University in 2020/21 increased 37.6 percent or \$486 thousand to \$1.8 million from \$1.3 million.
- Sales and services of auxiliary enterprises decreased in 2020/21 from \$23 thousand to \$4 thousand for a \$19 thousand or 82.9 percent decrease.
- Other operating expenses decreased by 37.7 percent or \$62 thousand from \$164 thousand to \$102 thousand in 2020/21.
- Operating income increased by 174.0 percent or \$601 thousand from \$345 thousand to \$946 thousand in 2020/21.

**Otter Student Union at California State University, Monterey Bay**  
**Management's Discussion and Analysis**  
**June 30, 2021 and 2020**

***Overview of the Financial Statements***

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flow (on pages 11 through 14) all provide information about the OSU's activities and present a long-term view of its finances.

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

***Condensed Financial Information***

Net position in 2020/21 of \$1.3 million as well as net position in 2019/20 of \$381 thousand are both primarily a result of the net student union fees exceeding total operating expenses resulting in operating income.

The accompanying audited financial statements as of and for the years ended June 30, 2021 and 2020 are reported in accordance with standards and requirements of the GASB as are the following schedules.

**Otter Student Union at California State University, Monterey Bay**  
**Management's Discussion and Analysis**  
**June 30, 2021 and 2020**

**Table 1: Condensed Summary of Net Position as of June 30, 2021, 2020, and 2019**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>			
Current assets	\$ 1,530,631	\$ 489,445	\$ 214,091
Total Assets	<u>1,530,631</u>	<u>489,445</u>	<u>214,091</u>
<b>Liabilities</b>			
Current liabilities	203,306	108,001	177,906
Total Liabilities	<u>203,306</u>	<u>108,001</u>	<u>177,906</u>
<b>Net Position</b>			
Unrestricted	1,327,325	381,444	36,185
Total Net Position	<u>\$ 1,327,325</u>	<u>\$ 381,444</u>	<u>\$ 36,185</u>

**Assets**

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

Cash and cash equivalents are held in checking accounts. In 2020/21, Cash and cash equivalents increased 216.8 percent or \$1.0 million from \$482 thousand to \$1.5 million. This increase can be attributed to a net increase in student fees and federal funding for lost revenue in 2020/21. Cash and cash equivalents in 2019/20 increased 129.6 percent or \$272 thousand from \$210 thousand to \$482 thousand. This increase can be attributed to a full year of operations as compared to 2018/19 which only had six months. More detail on Cash and cash equivalents can be found in Note 1 to the financial statements.

Receivables decreased in 2020/21 by 72.1 percent or \$5 thousand from \$7 thousand to \$2 thousand. The decrease is a result of no Accounts Receivable Other in 2020/21 versus a refund due from the credit card company for a canceled summer retreat in 2019/20. In 2019/20, Receivables increased by 353.1 percent or \$55 hundred from \$15 hundred to \$7 thousand. The increase was due to a \$6 thousand procurement card refund due from US Bank.

**Liabilities**

*Current liabilities*, amounts owed within one year, consist of Accounts payable, Payable to Corporation, Due to University, and Other liabilities.

Payable to Corporation consists primarily of invoices from the University Corporation for salaries and benefits paid as well as vacation accruals for OSU employees. In 2020/21, Payable to Corporation increased by 53.2 percent or \$56 thousand from \$107 thousand to \$163 thousand. This



**Otter Student Union at California State University, Monterey Bay**  
**Management's Discussion and Analysis**  
**June 30, 2021 and 2020**

increase is due to outstanding payroll and administrative fee invoices due at year-end. Payable to Corporation in 2019/20 decreased by 39.9 percent or \$70 thousand from \$177 thousand to \$107 thousand. This decrease was due to less invoices owed and outstanding at year-end as compared to 2018/19.

In 2020/21, Due to University increased by \$22 thousand or 1,670.3 percent from \$1 thousand to \$23 thousand as a result of a bank transfer received by OSU meant for the campus. Due to University in 2019/20 increased by 2,488.2 percent or \$13 hundred due to a fourth quarter invoice for centrally paid indirect cost.

***Results of Operations***

In fiscal year 2020/21, the OSU's net position increased 248 percent or \$946 thousand as a result of Operating revenues exceeding Operating expenses.

**Table 2: Condensed Summary of Changes in Net Position for  
Years Ended June 30, 2021, 2020 and 2019**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Operating Revenues</b>			
Student fees	\$ 1,779,234	\$ 1,292,954	\$ 513,084
Sales and services of auxiliary enterprises	3,930	22,916	6,868
Other operating revenues	144	1,251	356
Total Operating Revenues	<u>1,783,308</u>	<u>1,317,121</u>	<u>520,308</u>
<b>Operating Expenses</b>			
Contract services	735,592	808,354	423,977
Other operating expenses	101,835	163,508	60,146
Total Operating Expenses	<u>837,427</u>	<u>971,862</u>	<u>484,123</u>
Operating Income	<u>945,881</u>	<u>345,259</u>	<u>36,185</u>
<b>Increase in Net Position</b>	945,881	345,259	36,185
<b>Net Position</b>			
Net position — beginning of year	381,444	36,185	-
Net position — end of year	<u>\$ 1,327,325</u>	<u>\$ 381,444</u>	<u>\$ 36,185</u>

**Otter Student Union at California State University, Monterey Bay**  
**Management's Discussion and Analysis**  
**June 30, 2021 and 2020**

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

Student fees is a result of student union fees surplus for OSU operations. In 2020/21, Student fees increased \$486 thousand or 37.6 percent from \$1.3 million to \$1.8 million. This increase is a result of additional surplus fees and qualifying lost revenue from the Higher Education Emergency Relief Fund. Student fees increased \$780 thousand or 152.0 percent from \$513 thousand to \$1.3 million in 2019/20. The increase was attributed to a full year of operations as compared to six months in 2018/19.

Sales and services of auxiliary enterprises in 2020/21 decreased to \$4 thousand from \$23 thousand for a \$19 thousand or 82.9 percent change as a result of the campus closure due to the COVID-19 pandemic. In 2019/20, Sales and services of auxiliary enterprises increased by \$16 thousand or 233.7 percent from \$7 thousand to \$23 thousand. This increase can be attributed to a full year of operations as compared to six months in 2018/19.

*Operating expenses* include Contract services, Supplies and services, Professional services, Equipment, and Other operating expenses.

In 2020/21, Supplies and services decreased by 55.4 percent or \$12 thousand from \$21 thousand to \$9 thousand due to the statewide shelter-in-place order in effect for the fiscal year. Supplies and services increased in 2019/20 from \$4 thousand to \$21 thousand for a \$17 thousand or 418.6 percent change as a result of a full year of operations as compared to six months in 2018/19.

Travel in 2020/21 decreased by 100.0 percent to zero from \$14 thousand as a result of travel restrictions related to COVID-19. In 2019/20, Travel increased from \$7 thousand to \$14 thousand for a change of \$7 thousand or 96.4 percent. This increase can also be attributed to the full year of operations in 2019/20 versus six months in 2018/19.

In 2020/21, Equipment decreased by 72.1 percent or \$22 thousand from \$30 thousand to \$8 thousand as a result of most programming equipment having been purchased in prior year. Equipment in 2019/20 increased 1,696.2 percent or \$29 thousand from \$1 thousand to \$30 thousand due to the purchase of sound and lighting equipment as well as I/T hardware for additional employees.

Other operating expenses is made up primarily of fees for administrative services, advertising and other costs associated with campus events. In 2020/21, Other expenses decreased \$16 thousand or 18.2 percent from \$87 thousand to \$71 thousand. This decrease can be attributed to the campus closure brought about by the COVID-19 pandemic which resulted in less advertisement and hospitality for on-campus events. Other operating expenses in 2019/20 increased \$43 thousand or 95.8 percent from \$44 thousand to \$87 thousand. This increase was a result of a full year of operations in 2019/20 versus six months in 2018/19.

**Otter Student Union at California State University, Monterey Bay**  
**Management's Discussion and Analysis**  
**June 30, 2021 and 2020**

***Currently Known Facts, Decisions and Conditions***

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

**Construction of Student Union Building**

Construction of the new Otter Student Union building was finalized in 2020/21. The OSU began construction on its new building in August 2018 with delays in 2020/21 due to COVID-19. The new building was completed in time for the fall semester 2021, when students returned to campus. The grand opening for the OSU building was held in August 2021 just in time for the Welcome Back to Campus Week. It will house a ballroom, meeting rooms, lounges, dining options, bookstore and other administrative support spaces to better meet the needs and demands of the growing campus.

**Commitments with the Corporation**

In 2021/22, the Corporation will lease space within the OSU building for use as dining and bookstore venues. Utilities are separately metered to these spaces and the Corporation will be responsible for those costs as well.

**COVID-19 Impact**

With the reopening of the campus in August 2021 and the completion of the OSU facility, the total anticipated increase in income will be attributed to the increase in Student Fees from returning students and resuming student activities to be held in the new OSU facility. While fiscal year 2020/21 had a significant decrease in operations, including revenues, earnings and cash flow due to the campus closure, we anticipate all activities to increase in 2021/22.

**Otter Student Union at California State University, Monterey Bay  
Management's Discussion and Analysis  
June 30, 2021 and 2020**

***Requests for Information***

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

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

**Otter Student Union at California State University, Monterey Bay**  
**Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**Otter Student Union at California State University, Monterey Bay**  
**Statement of Net Position**  
**June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,528,687	\$ 482,472
Receivables:		
University	1,944	675
Other	-	6,298
Total Current Assets	1,530,631	489,445
 Total Assets	 1,530,631	 489,445
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	16,391	98
Payable to Corporation	163,237	106,583
Due to University	23,368	1,320
Other liabilities	310	-
Total Current Liabilities	203,306	108,001
 Total Liabilities	 203,306	 108,001
<b>Net Position</b>		
<b>Net Position:</b>		
Unrestricted	1,327,325	381,444
Total Net Position	\$ 1,327,325	\$ 381,444

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

**Otter Student Union at California State University, Monterey Bay**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Operating Revenues:</b>		
Student fees	\$ 1,779,234	\$ 1,292,954
Sales and services of auxiliary enterprises	3,930	22,916
Other operating revenues	144	1,251
Total Operating Revenues	1,783,308	1,317,121
<b>Operating Expenses:</b>		
Contract services	735,592	808,354
Supplies and services	9,255	20,761
Travel	-	14,443
Professional services	12,990	10,950
Equipment	8,494	30,391
Other operating expenses	71,096	86,963
Total Operating Expenses	837,427	971,862
<b>Operating Income</b>	945,881	345,259
<b>    Increase in Net Position</b>	945,881	345,259
<b>Net Position:</b>		
Net position - beginning of year	381,444	36,185
Net position - end of year	\$ 1,327,325	\$ 381,444

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

**Otter Student Union at California State University, Monterey Bay**  
**Statement of Cash Flows**  
**Years Ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities:</b>		
Receipts from sales and services of auxiliary enterprises	\$ 1,781,895	\$ 1,316,734
Payments to suppliers	(40,360)	(56,030)
Payments to Corporation	(646,586)	(901,063)
Payments/Receipts to/from University	21,908	(4,009)
Other receipts	144	1,251
Other payments	(70,786)	(84,581)
Net Cash Provided by Operating Activities	1,046,215	272,302
 Net Increase in Cash	 1,046,215	 272,302
 <b>Cash and Cash Equivalents - Beginning of year</b>	 482,472	 210,170
 <b>Cash and Cash Equivalents - End of year</b>	 \$ 1,528,687	 \$ 482,472
 <b>Reconciliation of Cash and Cash Equivalents to Statements of Net Position:</b>		
Cash and cash equivalents	\$ 1,528,687	\$ 482,472
 <b>Cash and Cash Equivalents - End of Year</b>	 \$ 1,528,687	 \$ 482,472

The accompanying notes are an integral part of these financial statements



**Otter Student Union at California State University, Monterey Bay**  
**Statement of Cash Flows (Continued)**  
**Years Ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating income	\$ 945,881	\$ 345,259
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Receivables	5,029	(5,434)
Prepaid expenses and other assets	-	2,382
Accounts payable	16,293	(454)
Payable to Corporation	56,654	(70,720)
Due to University	22,048	1,269
Other liabilities	310	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,046,215</b>	<b>\$ 272,302</b>

The accompanying notes are an integral part of these financial statements

**Otter Student Union at California State University, Monterey Bay**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Description of Reporting Entity***

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

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

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

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

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

***Other Accounting Policies***

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

**Otter Student Union at California State University, Monterey Bay**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Receivables* – Receivables consist of monies due from the University and Other Receivables. No allowance for doubtful accounts is calculated as management believes these receivables are collectible and continues to monitor collectability.

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

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

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

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

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

*Classification of Current and Noncurrent Assets and Liabilities* – The OSU considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within twelve months of the Statements of Net Position date. Liabilities that can reasonably be expected, as part of normal business operations, to be liquidated within twelve months of the Statements of Net Position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

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

**Otter Student Union at California State University, Monterey Bay**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

The OSU follows accounting standards generally accepted in the United States of America, which requires, among other things, the recognition and measurement of tax positions based on a "more likely than not" (likelihood greater than 50%) approach. As of June 30, 2021, management has considered its tax positions and believes that the Organization did not maintain any tax positions that did not meet the "more likely than not" threshold. The Organization does not expect any material changes through June 30, 2022. However, tax returns remain subject to examination by the Internal Revenue Service and by the California Franchise Tax Board for fiscal years ending on or after June 30, 2018.

*Recent Pronouncements* – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. Activities meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the entity to disburse fiduciary resources. The provisions of Statement No. 84 are effective for fiscal years beginning after December 15, 2019. Implementation of this Statement did not have a material impact on the Organization's financial statements.

**Otter Student Union at California State University, Monterey Bay**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In June 2017, GASB issued Statement No. 87, *Leases*. Statement No. 87 increases the usefulness of entities' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of Statement No. 87 are effective for fiscal years beginning after June 15, 2021. Management has not yet determined the impact of this Statement on its financial statements.

In June 2018, GASB issued Statement No 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Statement No. 89 enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The provisions of Statement No. 89 are effective for fiscal years beginning after December 15, 2020. Management has not yet determined the impact of this Statement on its financial statements.

In August 2018, GASB issued Statement No 90, *Majority Equity Interests*. Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions of Statement No. 90 are effective for fiscal years beginning after December 15, 2019 with earlier application encouraged. Implementation of this Statement did not have a material impact on the Organization's financial statements.

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

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

**Otter Student Union at California State University, Monterey Bay**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Statement No. 93 addresses accounting and financial reporting implications that result from the replacement of the interbank offered rate. The provisions of Statement No. 93 are effective for fiscal years beginning after June 15, 2021 with earlier application encouraged. Management has not yet determined the impact of this Statement on its financial statements.

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

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, or later. The requirements of this Statement are effective immediately and the effective dates of the Statements affected have been updated in this footnote. Implementation of this Statement did not have a material impact on the Organization's financial statements.

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

In June 2020, GASB issued Statement No 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Statement No. 97 will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The provisions of Statement 96 are effective for fiscal years beginning after June 15, 2021 with earlier application encouraged. Management has not yet determined the impact of this Statement on its financial statements.

**Otter Student Union at California State University, Monterey Bay**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Subsequent Events* – Events subsequent to June 30, 2021 have been evaluated through September 17, 2021, which is the date the financial statements were available to be issued. Management did not identify any subsequent events that required disclosure.

**NOTE 2. DEPOSITS**

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

At June 30, 2021 and 2020, the OSU’s checking account was insured by the FDIC up to \$250,000. At June 30, 2021 and 2020, the OSU had \$1,279,695 and \$233,282 respectively, in uninsured cash deposits.

**NOTE 3. OPERATING AGREEMENTS**

**CSU**

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

**Corporation**

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

**NOTE 4. RISK MANAGEMENT**

OSU manages its risk through the purchase of insurance through California State University Risk Management Authority (CSURMA)/Auxiliaries Organization Risk Management Alliance (AORMA), a joint powers public entity risk pool, for coverage of workers’ compensation, general liability, professional liability, property and general organizational risk exposures. The Auxiliary Organization Risk Management Alliance (AORMA) Self Insured Retention (SIR) liability fund provides coverage for the first \$5,000,000 of each General Liability, Automobile Liability, Products and Completed Operations, Professional Liability including Directors & Officers Liability and Employment Practices Liability claim. Reinsurance insurance for AORMA’s \$5,000,000 layer is purchased from Markel Global Reinsurance Company (50%) and Great American

**Otter Student Union at California State University, Monterey Bay**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 4. RISK MANAGEMENT (Continued)**

Insurance (50%) (AM Best Rating: A, XV Rating; A+ XV) in the amount of \$4,500,000 each occurrence. AORMA also purchases \$5,000,000 excess of \$5,000,000 from Argonaut (AM Best Rating: A-, XIV Rating) and \$10,000,000 excess of \$10,000,000 from Everest Re (AM Best Rating: A+, XV Rating).

AORMA’s “All Risk” property insurance program coverage is through the Alliant Property Insurance Program (APIP). This program, including Flood, Boiler and Machinery, Cyber Liability, & Pollution Liability coverage, provides replacement cost coverage for all buildings and contents, subject to a limit of liability per occurrence of \$1 billion. Members’ deductibles are \$5,000 for business personal property and business interruption / loss of rents. The member deductible for real property is based on the Total Insurance Value (TIV) of the building as shown below:

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

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

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

Otter Student Union Insurance coverages meet the requirement of the CSURMA and, as such, present no significant inadequacies in coverage. The California State University Board of Trustees has been named as an additional insured as respects the activities of the Auxiliary Organization. CSURMA/AORMA provides self-insured risk with purchase of excess insurance. OSU maintains general liability insurance coverage for individual claims up to \$20,000,000 per occurrence. Errors and omission claims under \$25,000 are self-insured. There have been no settlements in the past three years that have exceeded insurance limits. There are no self-insurance claims liabilities recorded in the accompanying financial statements because any amounts at June 30, 2021 are expected to be minimal. Likewise, no amounts have been paid to CSURMA/AORMA by June 30, 2021, related to OSU’s estimated future funding for claims liability.



**Otter Student Union at California State University, Monterey Bay**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 5. RELATED PARTY TRANSACTIONS**

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

	<b>2021</b>	<b>2020</b>
<b>University:</b>		
Otter Student Union receivable from the University	\$ 1,944	\$ 675
Otter Student Union payable to the University	23,368	1,320
Payments for other than salaries of University personnel	1,820	4,208
 <b>Corporation:</b>		
Otter Student Union payable to the Corporation	\$ 163,237	\$ 106,583
Expense reimbursements to Corporation	699,693	776,693

**NOTE 6. COVID-19 PANDEMIC**

As noted in Management's Discussion and Analysis, OSU has been impacted by the recent COVID-19 pandemic. Due to the uncertainty surrounding the pandemic, the length and severity of the outbreak, and the volatility in the world investment markets, there is uncertainty as to how these events will affect results of operations in the future. Fortunately, the campus has re-opened and the students have returned for the Fall 2021 semester in person. In addition, the new OSU building has opened so the expectation is more activities will begin and generate more operating revenues going forward.

## **Supplemental Information**

**Otter Student Union at CSU Monterey Bay**  
**Schedule of Net Position**  
**June 30, 2021**  
**(for inclusion in the California State University)**

<b>Assets:</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 1,528,687
Short-term investments	-
Accounts receivable, net	1,944
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
<b>Total current assets</b>	<u>1,530,631</u>
<b>Noncurrent assets:</b>	
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	-
Other assets	-
<b>Total noncurrent assets</b>	<u>-</u>
<b>Total assets</b>	<u>1,530,631</u>
<b>Deferred outflows of resources:</b>	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
<b>Total deferred outflows of resources</b>	<u>-</u>
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accounts payable	202,996
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
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	310
<b>Total current liabilities</b>	<u>203,306</u>
<b>Noncurrent liabilities:</b>	
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	-
Net pension liability	-
Other liabilities	-
<b>Total noncurrent liabilities</b>	<u>-</u>
<b>Total liabilities</b>	<u>203,306</u>
<b>Deferred inflows of resources:</b>	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
<b>Total deferred inflows of resources</b>	<u>-</u>
<b>Net position:</b>	
Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	1,327,325
<b>Total net position</b>	<u>\$ 1,327,325</u>

**Otter Student Union at CSU Monterey Bay**  
**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)		-
<b>Grants and contracts, noncapital:</b>		
Federal		-
State		-
Local		-
Nongovernmental		-
Sales and services of educational activities		-
Sales and services of auxiliary enterprises, gross		3,930
Scholarship allowances (enter as negative)		-
Other operating revenues		1,779,378
<b>Total operating revenues</b>		<u>1,783,308</u>

**Expenses:**

**Operating expenses:**

Instruction		-
Research		-
Public service		-
Academic support		-
Student services		-
Institutional support		790,647
Operation and maintenance of plant		19,752
Student grants and scholarships		-
Auxiliary enterprise expenses		27,028
Depreciation and amortization		-
<b>Total operating expenses</b>		<u>837,427</u>
<b>Operating income (loss)</b>		<u>945,881</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		-
Endowment income (loss), net		-
Interest expense		-
Other nonoperating revenues (expenses) - excl. interagency transfers		-
<b>Net nonoperating revenues (expenses)</b>		<u>-</u>
<b>Income (loss) before other revenues (expenses)</b>		<u>945,881</u>

State appropriations, capital		-
Grants and gifts, capital		-
Additions (reductions) to permanent endowments		-
<b>Increase (decrease) in net position</b>		<u>945,881</u>

**Net position:**

Net position at beginning of year, as previously reported		381,444
Restatements		-
<b>Net position at beginning of year, as restated</b>		<u>381,444</u>
<b>Net position at end of year</b>	\$	<u><u>1,327,325</u></u>

**Otter Student Union of CSU Monterey Bay**  
**Other Information**  
**June 30, 2021**  
**(for inclusion in the California State University)**

**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**

-
1,528,687
<b>\$ 1,528,687</b>

**Composition of investments: N/A**

Investment Type	Current	Noncurrent	Fair Value
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)			-
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
Total Other investments	-	-	-
<b>Total investments</b>	-	-	-
Less endowment investments (enter as negative number)			-
<b>Total investments, net of endowments</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

**Fair value hierarchy in investments: N/A**

Investment Type	Fair Value	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)	-				
State of California Surplus Money Investment Fund (SMIF)	-				
Other investments:	-				
Total Other investments	\$ -	-	-	-	-
<b>Total investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Otter Student Union of CSU Monterey Bay  
Other Information  
June 30, 2021  
(for inclusion in the California State University)

Investments held by the University under contractual agreements: N/A

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

Composition of capital assets: N/A

	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
<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>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>Less accumulated depreciation/amortization:</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</b>	\$ -	-	-	-	\$ -	-	-	-	-
<b>Detail of depreciation and amortization expense: N/A</b>									
Depreciation and amortization expense related to capital assets	\$ -								
Amortization expense related to other assets	-								
<b>Total depreciation and amortization</b>	\$ -								

Otter Student Union of CSU Monterey Bay  
Other Information  
June 30, 2021  
(for inclusion in the California State University)

Long-term liabilities: N/A

	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	\$ -	-	-	-	-	\$ -	\$ -	-
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
<b>3. Capital lease obligations:</b>								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
<b>Total capital lease obligations</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4. Long-term debt obligations:</b>								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -	-	-	-	\$ -	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
<b>Sub-total long-term debt</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
<b>Total long-term debt obligations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total long-term liabilities</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>

Capital lease obligations schedule: N/A

	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
<b>Year ending June 30:</b>									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum lease payments</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: amounts representing interest									-
<b>Present value of future minimum lease payments</b>									-
Unamortized net premium/(discount)									-
<b>Total capital lease obligations</b>									-
Less: current portion									-
<b>Capital lease obligations, net of current portion</b>									<b>\$ -</b>

Long-term debt obligations schedule: N/A

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
<b>Year ending June 30:</b>									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum payments</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: amounts representing interest									-
<b>Present value of future minimum payments</b>									-
Unamortized net premium/(discount)									-
<b>Total long-term debt obligations</b>									-
Less: current portion									-
<b>Long-term debt obligations, net of current portion</b>									<b>-</b>

**Otter Student Union of CSU Monterey Bay**  
**Other Information**  
**June 30, 2021**  
**(for inclusion in the California State University**

**7 Transactions with related entities:**

Payments to University for salaries of University personnel working on contracts, grants, and other programs	-
Payments to University for other than salaries of University personnel	1,820
Payments received from University for services, space, and programs	-
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	(23,368)
Other amounts (payable to) University	-
Accounts receivable from University	1,944
Other amounts receivable from University	-

**8 Restatements: N/A**

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	-

**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	-	-	-	-	-	790,647	-	790,647
Operation and maintenance of plant	-	-	-	-	-	19,752	-	19,752
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	27,028	-	27,028
Depreciation and amortization	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>837,427</b>	<b>-</b>	<b>837,427</b>

**10 Deferred outflows/inflows of resources: N/A**

**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	-
<b>Total deferred outflows of resources</b>	<b>\$ -</b>

**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	-
<b>Total deferred inflows of resources</b>	<b>\$ -</b>





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

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

We have audited, in accordance with 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 statement of net position and related statement of revenues, expenses and changes in net position and cash flows of Otter Student Union at California State University, Monterey Bay (OSU), a component unit of California State University, Monterey Bay, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the OSU's basic financial statements, and have issued our report thereon dated September 17, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the OSU's internal control over financial reporting (internal control) to determine the 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 OSU's internal control. Accordingly, we do not express an opinion on the effectiveness of the OSU's internal control.

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



Glenn Burdette Attest Corporation  
San Luis Obispo, California

September 17, 2021