Associated Students, Inc. of California State University San Marcos

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Years Ended June 30, 2025 and 2024

Aldrich

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Financial Statements and Supplemental Information

Years Ended June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Associated Students, Inc. of California State University San Marcos

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Associated Students, Inc. of California State San Marcos (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, Inc. of California State University San Marcos as of June 30, 2025 and 2024, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Associated Students, Inc. of California State San Marcos and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Associated Students, Inc. of California State San Marcos's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements, continued

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

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

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

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included on pages 16-24 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 23, 2025, on our consideration of Associated Students, Inc. of California State University San Marcos's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Associated Students, Inc. of California State University San Marcos's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students, Inc. of California State University San Marcos internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
September 23, 2025

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Statements of Financial Position

June 30, 2025 and 2024

ASSETS	2025	2024
Current Assets:		
Cash	$ 387,486	$ 114,055
Restricted cash	427,503	337,115
Due from related parties	3,045,006	3,318,153
Total Current Assets	3,859,995	3,769,323
Property and Equipment, net of accumulated depreciation	51,040	51,436
Right-of-Use Assets - Finance Lease, net of accumulated amortization	2,523	4,206
Total Assets	$ 3,913,558	$ 3,824,965
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 17,269	$ 88,831
Due to related parties	684,964	546,957
Current portion of lease liability - finance lease	1,754	1,691
Total Current Liabilities	703,987	637,479
Lease Liability - Finance Lease, net of current portion	902	2,656
Total Liabilities	704,889	640,135
Net Assets Without Donor Restrictions	3,208,669	3,184,830
Total Liabilities and Net Assets	$ 3,913,558	$ 3,824,965

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Statements of Activities

Years Ended June 30, 2025 and 2024

	2025	2024
Revenue and Support Without Donor Restriction:		
Other program revenue	$ 2,204,848	$ 2,099,553
Interest income	101,538	48,259
Contributed nonfinancial assets (Note 6)	81,636	79,490
Other income	73,343	55,632
Total Revenue and Support Without Donor Restriction	2,461,365	2,282,934
Expenses:		
Program Services:		
ASI Cougar Pantry	397,765	367,444
Board of Directors	430,439	336,909
Promotion and Design	280,075	284,602
Student Programs and Activities	865,026	853,369
Supporting Services:		
Management and general	464,221	435,573
Total Expenses	2,437,526	2,277,897
Change in Net Assets	23,839	5,037
Net Assets Without Donor Restrictions, beginning	3,184,830	3,179,793
Net Assets Without Donor Restrictions, ending	$ 3,208,669	$ 3,184,830

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services					Supporting Services	
	ASI Cougar Pantry	Board of Directors	Promotion and Design	Student Programs and Activities	Total Programs	Management and General	Total
Payroll	$ 269,878	$ 223,887	$ 241,265	$ 435,468	$ 1,170,498	$ 98,418	$ 1,268,916
Programming and student activities	105,194	154,220	14,495	376,464	650,373	4,243	654,616
Accounting and legal	-	-	-	-	-	204,727	204,727
Contract services admin fee	-	-	-	-	-	99,251	99,251
In-kind rent (Note 6)	20,001	20,001	20,001	20,001	80,004	1,632	81,636
Travel	1,033	21,573	4,314	2,770	29,690	7,169	36,859
Depreciation and amortization	-	-	-	-	-	17,554	17,554
Other rental and lease equipment	-	-	-	14,404	14,404	899	15,303
Contractual services	-	-	-	14,508	14,508	-	14,508
Insurance	-	-	-	-	-	11,638	11,638
Scholarships	-	10,758	-	-	10,758	-	10,758
Other	140	-	-	232	372	6,856	7,228
Office and other supplies	1,400	-	-	1,179	2,579	3,840	6,419
Telephone	-	-	-	-	-	5,335	5,335
Professional development	119	-	-	-	119	2,659	2,778
Total expenses	$ 397,765	$ 430,439	$ 280,075	$ 865,026	$ 1,973,305	$ 464,221	$ 2,437,526

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services					Supporting Services	
	ASI Cougar Pantry	Board of Directors	Promotion and Design	Student Programs and Activities	Total Programs	Management and General	Total
Payroll	$ 233,818	$ 162,527	$ 235,089	$ 408,474	$ 1,039,908	$ 87,407	$ 1,127,315
Programming and student activities	111,674	105,906	22,094	384,262	623,936	3,608	627,544
Accounting and legal	-	-	-	-	-	199,902	199,902
Contract services admin fee	-	-	-	-	-	89,011	89,011
In-kind rent (Note 6)	19,475	19,475	19,475	19,475	77,900	1,590	79,490
Travel	2,477	33,896	7,944	10,519	54,836	7,242	62,078
Other rental and lease equipment	-	-	-	25,359	25,359	997	26,356
Depreciation and amortization	-	-	-	-	-	16,598	16,598
Scholarships	-	15,064	-	-	15,064	-	15,064
Insurance	-	-	-	-	-	9,121	9,121
Office and other supplies	-	-	-	5,099	5,099	3,267	8,366
Telephone	-	-	-	-	-	7,261	7,261
Other	-	41	-	181	222	6,315	6,537
Professional development	-	-	-	-	-	3,254	3,254
Total expenses	$ 367,444	$ 336,909	$ 284,602	$ 853,369	$ 1,842,324	$ 435,573	$ 2,277,897

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	$ 23,839	$ 5,037
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	17,554	16,598
Loss on disposals of property and equipment	-	6,115
Changes in operating assets and liabilities:		
Due from related parties	273,147	(43,257)
Accounts payable	(71,562)	70,189
Due to related parties	138,007	47,637
Net Cash Provided by Operating Activities	380,985	102,319
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	(15,475)	(41,867)
Cash Flows Used by Financing Activities:		
Payments on finance lease obligation	(1,691)	(1,630)
Net Increase in Cash and Restricted Cash	363,819	58,822
Cash and Restricted Cash, beginning	451,170	392,348
Cash and Restricted Cash, ending	$ 814,989	$ 451,170
Cash and Restricted Cash Consist of the Following:		
Cash	$ 387,486	$ 114,055
Restricted Cash	427,503	337,115
Total Cash and Restricted Cash	$ 814,989	$ 451,170
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for interest from finance lease	$ 127	$ 206

See accompanying notes to financial statements.

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities
The Associated Students, Inc. of California State University San Marcos (the Organization) is a nonprofit California corporation organized in 1994 as an auxiliary organization to California State University San Marcos (the University) operated in accordance with the General Nonprofit Corporation Law of California. The Organization administers various student programs and activities. Student fees and other revenues are collected for the support of student-related programs and for the acquisition of assets that benefit the student body.

The Organization's financial statements are included as a component unit of the University's annual general-purpose financial statements. This is required by government accounting standards that apply to the University.

Related Parties
The Organization is related to other auxiliaries of the University, including California State University San Marcos Corporation (SM Corp), and California State University San Marcos Foundation (the Foundation). These auxiliaries and the University periodically provide various services to one another.

Basis of Presentation
The financial statements of the Organization have been prepared in accordance with accounting standards generally accepted in the United States of America (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- *Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

- *Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were temporary or perpetual in nature for the years ended June 30, 2025 and 2024.

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

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

Income Taxes
The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Organization follows U.S. GAAP related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statements of activities, when applicable. Management has determined that the Organization has no uncertain tax positions as of June 30, 2025 and 2024, and therefore no amounts have been accrued.

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Restricted Cash
The Organization holds funds for on-campus student organizations to fund activities. These funds can be drawn upon at any time by the on-campus student organizations and are recognized as a liability to the University under due to related parties.

Accounts Receivable
Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year-end, as well as write-offs experienced in the past, and establish an allowance for credit losses to provide for the estimated amount of receivables that may not be collected. As of June 30, 2025 and 2024, management determined that no allowance for credit losses was considered necessary.

Property and Equipment
The Organization capitalizes all expenditures for property and equipment in excess of $5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift, if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of five years.

Revenue Recognition
The Organization's main source of revenue is from payments from the University for the administrative oversight of the Student Body Organization, which is shown as other program revenue on the statements of activities. These payments support the Organization's operations and are recognized as revenue over the course of each semester term. The Organization recognizes revenue from contracts with customers in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. Discounts provided to customers are recognized as a reduction in fees as the goods or services are transferred or discounts are granted. The Organization recognizes revenue from contracts with customers when its performance obligations are satisfied, regardless of the period in which it is billed. This is typically the point in time in which the customer partakes of the service or the goods are transferred.

Grants and Contributions – Revenues from grants and contracts are recognized to the extent of eligible costs incurred up to an amount not to exceed the *total* grant or contract authorized. Deferred revenue results from grant awards and contracts received (or in accounts receivable) that are applicable to the subsequent period. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Fair Value Measurements
The carrying value of cash and payables approximates fair value as of June 30, 2025 and 2024, due to the relative short maturities of these instruments.

Subsequent Events
The Organization has evaluated subsequent events through September 23, 2025, which is the date the financial statements were available to be issued.

Note 2 - Concentrations of Credit Risk

The Organization maintains an account at a financial institution with funds insured by the Federal Deposit Insurance Corporation (FDIC). The Organization's account at this institution may, at times, exceed FDIC-insured limits of up to $250,000. The Organization has not experienced any such losses in these accounts.

Note 3 - Financial Assets and Liquidity Resources

Board Designations

The Organization's net assets without donor restrictions are Board-designated reserve funds for specific purposes. These funds can be redesignated upon the approval of the Board of Directors should the funds be needed for other purposes.

Net assets without donor restrictions are as follows for the years ended June 30:

	2025	2024
Board designated:		
Reserved for working capital and current operations	$ 1,442,735	$ 1,442,735
Reserved for future inflation gaps	836,993	969,102
Reserved for general programs and services support	510,776	392,570
Reserved for planned future growth	324,626	288,698
Reserved for capital equipment replacement and acquisition	93,539	78,063
Reserved for Cougar Pantry support	-	13,662
	$ 3,208,669	$ 3,184,830

Liquidity

The following represents the Organization's liquidity at June 30:

	2025	2024
Cash	$ 387,486	$ 114,055
Restricted cash	427,503	337,115
Due from related parties	3,045,006	3,318,153
Total financial assets	3,859,995	3,769,323
Less amounts not available for general use within one year:		
Restricted funds held on behalf of others	(427,503)	(337,115)
Board designated, net of working capital and current operations	(1,765,934)	(1,742,095)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,666,558	$ 1,690,113

Note 3 - Financial Assets and Liquidity Resources, continued

The Organization is substantially supported by student fees collected by the University and these fees are subsequently transferred to the Organization as program fee revenue for the administrative oversight of the Student Body Organization. The fees carry no donor restrictions. The Organization structures its financial assets to be available as general expenditures, liabilities, and other obligations come due. Excess cash is invested in the California State University's investment pool and is recognized as due from related parties in the financial statements. Amounts are available to be drawn down from the University at any time in order to meet the needs of the Organization. The Organization holds funds on behalf of various on-campus recognized student organizations and may be drawn at any time by the recognized student organizations. These funds are also recognized as a liability due to the University under due to related parties.

Note 4 - Property and Equipment

Property and equipment consist of the following at June 30:

	2025	2024
Equipment	$ 93,538	$ 78,063
Less accumulated depreciation	(42,498)	(26,627)
	$ 51,040	$ 51,436

Note 5 - Revenue Recognition

Contract Balances
Accounts receivable balances from contracts with customers are as follows:

	2025	2024
Beginning of year	$ 3,318,153	$ 3,274,896
End of year	$ 3,045,005	$ 3,318,153

Significant Judgments
The Organization analyzes revenue recognition on a portfolio approach under ASC Topic 606. Significant judgment is utilized in determining the appropriate portfolios to assess for meeting the criteria to recognize revenue under ASC Topic 606. The Organization has determined that, for each distinct revenue stream identified, all contracts can be grouped into one portfolio. Based on past experience, customers within each distinct revenue stream all behave similarly, contracts contain similar terms, and policies are the same across all contracts. The Organization does not expect that revenue earned for the portfolio is significantly different as compared to revenue that would be earned if they were to assess each contract separately.

Significant judgment is also required to assess collectability. The Organization assesses collectability each reporting period to monitor that the collectability threshold is met and does not recognize revenue if collection is not probable. Impairment losses are recognized when there are significant changes in a customer’s assessed collectability.

Note 6 - Operating Lease and Contributed Nonfinancial Assets

The Organization entered into a lease for spaces in the University Student Union with the University for ten years. As consideration for the leased space, the Organization operates student programs within the space leased in the University Student Union. The Organization records this as contributed nonfinancial assets and in-kind rent expense shown within program services and management and general expenses on the statements of activities. Contributed nonfinancial assets are valued at the estimated fair market value for similar facilities. Total contributed nonfinancial activity for the years ended June 30, 2025 and 2024, was $81,636 and $79,490, respectively.

Note 7 - Transactions with Related Parties

The Organization receives services from, and provides services to, the University and related parties including the Foundation and SM Corp. The Organization has a payroll and employment services agreement with SM Corp under which all of the Organization's personnel became employees of SM Corp. The Organization pays SM Corp the costs and fees of providing payroll and benefits along with an administrative fee.

The original term of the agreement was one year, but it renews automatically unless either party gives three months' written notice.

The Organization holds assets for various student organizations as well. The activity for these student organizations is recorded with the University. Therefore, the Organization only records cash and a liability due to the University.

Excess money of the Organization is held by the University in a pooled investment account. The amount held on behalf of the Organization and its proportional share of investment income is included in due from related parties.

Note 7 - Transactions with Related Parties, continued

Related party transactions are as follows:

Related Party	Description	Reported in	2025	2024
Expenses to:				
University	Accounting, personnel services, and reimbursed costs	Programs / Student	$ 467,951	$ 452,891
SM Corp	Payroll processing, administrative and other expenses	Payroll expenses	1,374,874	1,216,900
Foundation	Cost reimbursements	Other expenses	10,960	9,358
			$ 1,853,785	$ 1,679,149
Revenues from:				
University	Services, space, and programs	Other income and expenses	$ 15,417	$ 10,559
University	Proportionate share of investment return	Interest income	101,538	48,259
University	Management fee from campus	Other program revenue	2,204,848	2,099,553
Foundation	Various student organizations	Other income	174,224	113,316
			$ 2,496,027	$ 2,271,687
Due from:				
University	Pooled investment account	Due from related parties	$ 3,024,539	$ 3,318,153
University	Cost reimbursements	Due from related parties	2,637	-
Foundation	Cost reimbursements	Due from related parties	17,830	-
			$ 3,045,006	$ 3,318,153
Due to:				
University	Reimbursed services	Due to related parties	$ 427,626	$ 334,873
SM Corp	Payroll processing and administration fees	Due to related parties	250,138	212,084
Foundation	Cost reimbursements	Due to related parties	7,200	-
			$ 684,964	$ 546,957

Note 8 - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent, which is allocated on a square-footage basis, as well as payroll, which is allocated on the basis of estimates of time and effort.

Note 9 - Leasing Arrangements

The Organization leases a copier under a finance lease agreement that expires in December 2026. Aggregate base monthly rental payments were $152 at June 30, 2025 and 2024.

The Organization has elected the practical expedient to account for the lease and non-lease components as a single lease component (e.g., maintenance and operating services). Therefore, for those leases, the lease payments used to measure the lease liability include all of the fixed consideration in the contract. All variable payments not based on a market rate or an index are expensed as incurred.

The Organization determines if an arrangement is or contains a lease at contract inception. The Organization recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. Key estimates and judgments include how the Organization determines the discount rate, the lease term, and the lease payments.

When the discount rate implicit in a lease is not readily determinable, the Organization calculates the lease liability using the incremental borrowing rate, which is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. These are estimated using actual borrowing costs and making necessary adjustments.

The following summarizes the finance right-of-use asset as of June 30:

	2025	2024
Finance Lease		
Property and equipment	$ 7,572	$ 7,572
Accumulated amortization	(5,048)	(3,366)
	$ 2,524	$ 4,206

The amounts contractually due on lease liabilities as of June 30, 2025, were as follows:

Year Ending June 30,	Finance
2026	$ 1,823
2027	911
Total lease payments	2,734
Less amount representing imputed interest	(78)
Present value of lease liabilities	$ 2,656

The following summarizes the line items in the statement of activities which include the components of lease expense for the years ended June 30:

	2025	2024
Finance lease:		
Amortization of lease assets, included in operating expenses	$ 1,683	$ 1,683
Interest on lease liabilities, included in interest expense	127	206
Total lease cost	$ 1,810	$ 1,889

Note 9 - Leasing Arrangements, continued

Supplemental statement of financial position information related to the lease as of June 30 was as follows:

	2025	2024
Weighted average remaining lease term - Finance lease	1.5	2.5
Weighted average discount rate - Finance lease	3.69%	3.69%

Note 10 - Contingencies

From time to time, the Organization is subject to litigation as a result of its ongoing activities. Management believes that the outcomes of such litigation will not have a material adverse effect on the Organization's financial position, results of operations, or liquidity.

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Schedule of Net Position

June 30, 2025

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	$ 387,486
Short-term investments	-
Accounts receivable, net	3,045,006
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
Total current assets	**3,432,492**
Noncurrent assets:	
Restricted cash and cash equivalents	427,503
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	53,563
Other assets	-
Total noncurrent assets	**481,066**
Total assets	**3,913,558**
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-
Total deferred outflows of resources	-
Liabilities:	
Current liabilities:	
Accounts payable	702,233
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenue	-
Lease liabilities, current portion	1,754
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	-
Total current liabilities	**703,987**
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenue	-
Grants refundable	-
Lease liabilities, net of current portion	902
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims Liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	**902**
Total liabilities	**704,889**
Deferred inflows of resources:	
P3 service concessions arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-
Total deferred inflows of resources	-
Net Position:	
Net investment in capital assets	51,040
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	3,157,629
Total net position	$ **3,208,669**

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2025

(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees, gross	$ -
Scholarship allowances	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances	-
Other operating revenues	2,359,827
Total operating revenues	**2,359,827**
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	1,973,305
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	446,540
Depreciation and amortization	17,554
Total operating expenses	**2,437,399**
Operating income (loss)	**(77,572)**
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	101,538
Endowment income (loss), net	-
Interest expenses	(127)
Other nonoperating revenues (expenses)	-
Net nonoperating revenues (expenses)	**101,411**
Income (loss) before other revenues (expenses)	**23,839**
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	**23,839**
Net position:	
Net position at beginning of year, as previously reported	3,184,830
Restatements	-
Net position at beginning of year, as restated	**3,184,830**
Net position at end of year	$ **3,208,669**

See independent auditor's report.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Other Information

June 30, 2025

(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		427,503
Noncurrent restricted cash and cash equivalents		427,503
Current cash and cash equivalents		387,486
Total	$	**814,989**

2.1 Composition of investments: Not Applicable

2.2 Fair value hierarchy in investments: Not Applicable

2.3 Investments held by the University under contractual agreements: Not Applicable

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
Non-depreciable/Non-amortizable capital assets:									
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	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	78,065	-	-	-	78,065	15,475	-	-	93,540
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	**78,065**	-	-	-	**78,065**	**15,475**	**-**	-	**93,540**
Total capital assets	**78,065**	-	-	-	**78,065**	**15,475**	**-**	-	**93,540**
Less accumulated depreciation/amortization:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(26,629)	-	-	-	(26,629)	(15,871)	-	-	(42,500)
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	**(26,629)**	-	-	-	**(26,629)**	**(15,871)**	**-**	-	(42,500)
Total capital assets, net excluding ROU assets	$ **51,436**	$ -	$ -	$ -	$ **51,436**	$ **(396)**	$ **-**	$ -	$ **51,040**

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2024	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024	Additions	Remeasurements	Reductions	Balance June 30, 2025
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	7,572	-	-	-	7,572	-	-	-	**7,572**
Total depreciable/amortizable lease assets	**7,572**	-	-	-	7,572	-	-	-	**7,572**
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	(3,366)	-	-	-	(3,366)	(1,683)	-	-	**(5,049)**
Total accumulated depreciation/amortization	**(3,366)**	-	-	-	(3,366)	**(1,683)**	-	-	**(5,049)**
Total capital assets - lease ROU, net	$ **4,206**	$ -	$ -	$ -	$ 4,206	$ **(1,683)**	$ -	$ -	$ **2,523**

Composition of capital assets - SBITA ROU, net	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Depreciable/Amortizable SBITA assets:									
Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Composition of capital assets - P3 ROU, net:	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements					-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total capital assets, net including ROU assets	**$ 55,642**								**$ 53,563**

3.2	**Detail of depreciation and amortization expense:**	
	Depreciation and amortization expense related to capital assets	$ 15,871
	Amortization expense - Lease ROU	1,683
	Amortization expense - SBITA ROU	-
	Amortization expense - P3 ROU	-
	Depreciation and Amortization expense - Others	-
	Total depreciation and amortization	$ 17,554

4 Long-term liabilities:

	Balance June 30, 2024	Prior Period Adjustments/ Reclassifications	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
1. Accrued compensated absences	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre ASC 842):								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

5. Lease, SBITA, P3 liabilities:	Balance June 30, 2024	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
Lease liabilities	$ 4,347	$ -	$ -	$ -	$ (1,691)	$ 2,656	$ 1,754	$ 902
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	$ 4,347	$ -	$ -	$ -	$ (1,691)	$ 2,656	$ 1,754	$ 902
Total long-term liabilities						**$ 2,656**	**$ 1,754**	**$ 902**

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

	Lease Liabilities			SBITA Liabilities			Public-Private or Public-Public Partnerships			Total capital lease obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:												
2026	$ 1,754	$ 69	$ 1,823	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,754	$ 69	$ 1,823
2027	902	9	911	-	-	-	-	-	-	902	9	911
Total minimum payments	**$ 2,656**	**$ 78**	**$ 2,734**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,656**	**$ 78**	**$ 2,734**
Less: amounts representing interest												(78)
Present value of future minimum payments												2,656
Total Leases, SBITA, P3 liabilities												2,656
Less: current portion												(1,754)
Leases, SBITA, P3 liabilities, net of current portion												**$ 902**

6 Future minimum payments schedule - Long-term debt obligations: Not Applicable

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	361,293
Payments received from University for services, space, and programs	2,220,265
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	106,658
Accounts (payable to) University	(427,626)
Other amounts (payable to) University	-
Accounts receivable from University	2,637
Other amounts receivable from University	3,024,539

8 Restatements: Not Applicable

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	-	-	-	-	-	1,973,305	-	1,973,305
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	446,540	-	446,540
Depreciation and amortization	-	-	-	-	-	-	17,554	17,554
Total operating expenses	$ -	$ -	$ -	$ -	$ -	$ 2,419,845	$ 17,554	$ 2,437,399

10 Deferred outflows/inflows of resources: Not Applicable

11 Other nonoperating revenues (expenses): Not Applicable

Aldrich CPAs + Advisors LLP
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San Diego, CA 92108

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Associated Students, Inc. of California State University San Marcos

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Associated Students, Inc. of California State University San Marcos (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Associated Students, Inc. of California State University San Marcos'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 Associated Students, Inc. of California State University San Marcos's internal control. Accordingly, we do not express an opinion on the effectiveness of the Associated Students, Inc. of California State University San Marcos'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Associated Students, Inc. of California State University San Marcos'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*.

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*, CONTINUED

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 Associated Students, Inc. of California State University San Marcos's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students, Inc. of California State University San Marcos's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 23, 2025