



Board of Directors  
Santos Manuel Student Union of CSUSB  
San Bernardino, California

We have audited the financial statements of Santos Manuel Student Union of CSUSB as of and for the year ended June 30, 2023, and have issued our report thereon dated December 6, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in planning communication dated July 27, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Santos Manuel Student Union of CSUSB are described in Note 1 to the financial statements.

As described in Note 1, the entity changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 96 – *Subscription-Based Information Technology Arrangement* (SBITA). Analysis of various provisions of this standard resulted in no significant changes in the way the Santos Manuel Student Union of CSUSB recognizes its SBITA activities; therefore, no changes to the audited financial statements were required.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the net pension liability and pension related deferred outflows and inflows are determined using an actuarial based analysis of the benefits provided and the CalPERS allocations of employer's portions. We evaluated the key factors and assumptions used to develop the employer's CalPERS allocations in determining that it the allocations are reasonable in relation to the financial statements taken as a whole.

Accounting estimates (continued)

- Management's estimate of the other postretirement liability is based on an actuarial analysis of the plan and VEBA trust. We evaluated the key factors and assumptions used to develop the estimate of the other postretirement liability in determining that is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the useful lives of its capital assets and the related period of depreciation which is based on historic knowledge of the assets and the frequency with which capital assets must be replaced.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was: Related party transactions with California State University, San Bernardino and other auxiliaries and ancillaries of California State University, San Bernardino.

The financial statement disclosures are neutral, consistent, and clear.

**Difficulties encountered in performing the audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**Corrected misstatements**

Management did not identify, and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

**Uncorrected misstatements**

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

**Disagreements with management**

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

**Management representations**

We have requested certain representations from management that are included in the management representation letter dated December 6, 2023.

### ***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Required supplementary information**

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

### **Supplementary information in relation to the financial statements as a whole**

With respect to the schedules of operating expenses by function, the schedule of net position, and the schedule of revenues, expenses and changes in net position (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 6, 2023.

### **Other information included in annual reports**

Other information (financial or nonfinancial information other than the financial statements and our auditors’ report thereon) is being included in your annual report and is comprised of the organizational data. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors’ report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors’ report on the financial statements includes a separate section, “Other Information,” which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

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This communication is intended solely for the information and use of the board of directors and management of Santos Manuel Student Union of CSUSB and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Glendora, California  
December 6, 2023