

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY,
LOS ANGELES, INC.
(a Component Unit of
California State University, Los Angeles)**

Independent Auditor's Report,
Financial Statements and Supplementary Information

June 30, 2017 and 2016

DRAFT

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
(a Component Unit of California State University, Los Angeles)**

Table of Contents

	<i>Page(s)</i>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	5
Statements of Activities.....	6
Statements of Cash Flows	7
Notes to Financial Statements	9
Supplementary Information:	
Schedule of Net Position	21
Schedule of Revenues, Expenses, and Changes in Net Position	22
Other Information.....	23
Note to Supplementary Information.....	30

DRAFT

Independent Auditor's Report

To the Board of Directors
Associated Students of
California State University, Los Angeles, Inc.
Los Angeles, California

We have audited the accompanying financial statements of the Associated Students of California State University, Los Angeles, Inc. (the Organization), a component unit of California State University, Los Angeles, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

DRAFT

FINANCIAL STATEMENTS

DRAFT

This page left blank intentionally.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Statements of Financial Position

June 30, 2017 and 2016

	2017	2016
Assets		
Cash	\$ 569,178	\$ 252,841
Investments	1,222,773	1,465,599
Accounts receivable from affiliates	18,683	-
Accounts receivable	1,386	2,977
Prepaid expenses and deposits	57,166	18,854
Capital assets, net	30,982	43,416
Total assets	\$ 1,900,168	\$ 1,783,687
Liabilities and net assets		
Accounts payable to affiliates	\$ 110,555	\$ 18,799
Accounts payable and other accrued liabilities	68,368	60,001
Note payable to affiliate	-	15,366
Post-retirement benefit obligation	82,950	107,105
Total liabilities	261,873	201,271
Net assets		
Unrestricted	1,638,295	1,582,416
Total net assets	1,638,295	1,582,416
Total liabilities and net assets	\$ 1,900,168	\$ 1,783,687

See accompanying notes to financial statements.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Statements of Activities
Years Ended June 30, 2017 and 2016

	2017	2016
Support and revenues		
Student activity fees	\$ 1,453,671	\$ 1,386,955
Donated use of facilities	65,318	63,617
Interest income	13,033	9,604
Other	21,028	22,079
Total support and revenues	1,553,050	1,482,255
Expenses		
Program services:		
Community services	159,145	141,991
Student government and elections	595,298	483,174
Clubs and organizations	103,360	102,309
Cultural events	225,284	132,836
Other student services	209,889	287,412
Total program services	1,292,976	1,147,722
Supporting services:		
Administration	201,091	216,477
Total supporting services	201,091	216,477
Total expenses	1,494,067	1,364,199
Amortization of prior service cost	3,104	3,104
Change in net assets	55,879	114,952
Net assets		
Beginning of year	1,582,416	1,467,464
End of year	\$ 1,638,295	\$ 1,582,416

See accompanying notes to financial statements.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 55,879	\$ 114,952
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,463	1,478
Loss on disposal of capital assets	4,489	-
Change in operating assets and liabilities:		
Accounts receivable from affiliates	(18,683)	41,936
Accounts receivable	1,591	(1,041)
Prepaid expenses and deposits	(38,312)	17,246
Accounts payable to affiliates	91,756	(33,466)
Accounts payable and other accrued liabilities	8,367	(48,044)
Post-retirement benefit obligation	(24,155)	37,027
Net cash provided by operating activities	94,395	130,088
Cash flows from investing activities		
Sale (purchase) of investments	242,826	(304,988)
Purchase of capital assets	(5,518)	(44,685)
Net cash provided by (used in) investing activities	237,308	(349,673)
Cash flows from capital and related financing activities		
Principal payments on note payable to affiliate	(15,366)	(15,366)
Net cash used in capital and related financing activities	(15,366)	(15,366)
Net increase (decrease) in cash	316,337	(234,951)
Cash at beginning of year	252,841	487,792
Cash at end of year	\$ 569,178	\$ 252,841

See accompanying notes to financial statements.

DRAFT

This page left blank intentionally.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Notes to Financial Statements
June 30, 2017 and 2016

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The Associated Students of California State University, Los Angeles, Inc. (the Organization) (a California State University Auxiliary Organization) is a recognized nonprofit auxiliary organization within the California State University System (CSU) and is a component unit of California State University, Los Angeles (the University). The Organization serves as an auxiliary operating at the University and exists to serve the CSU and the University. The Organization is a nonprofit public benefit corporation organized under the Nonprofit Public Benefit Corporation Law. The Organization was incorporated on March 3, 1980 with the purpose of encouraging effective student participation in campus activities, as well as stimulating the educational, social, physical and cultural activities at the University. The Organization's major source of income is derived from student activity fees, which are charged to all enrolled students on a quarterly basis.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Financial Statement Presentation

The Financial Accounting Standards Board (FASB) implemented the FASB Accounting Standards Codification (Codification) effective July 1, 2009. The codification has become the source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by FASB to be applied to nongovernmental entities. On the effective date, the Codification superseded all then existing accounting and reporting standards. All other non-grand-fathered accounting literature not included in the Codification has become non-authoritative. References to U.S. GAAP included in the FASB Codification are noted as Accounting Standards Codification (ASC).

Basis of Presentation

The Statements of Financial Position and the Statements of Activities present comparative financial information of the Organization. The Statements of Financial Position compare assets to liabilities, for each year presented. The excess of assets over liabilities is reported as net assets. The Statements of Activities compare student activity fees and all other support and revenues earned by the Organization during the year, to costs associated with providing various services to the student body and administration costs of the Organization during the year, for each year presented. The difference is reported as the change in net assets.

The Organization reports information regarding its financial position and activities according to the three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

- Unrestricted net assets is generated by receiving unrestricted contributions, receiving student activity fees charged to all University students, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Temporarily restricted net assets include gifts, pledges, trusts, remainder interests, and income and gains which can be expended, but for which restrictions have not yet been met. Such restrictions include donor imposed restrictions that have specified the purpose for which the net assets are spent, or time restrictions imposed by donors or implied by the nature of the gift. The Organization has no temporarily restricted net assets as of June 30, 2017 and 2016.
- Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. The Organization has no permanently restricted net assets as of June 30, 2017 and 2016.

Cash

The Organization maintains its cash in a checking account.

Accounts Receivable

Accounts receivable, including accounts receivable from affiliates, are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt and a credit to an allowance account based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. There are no reserves for uncollectible accounts at June 30, 2017 and 2016 as management has determined that all accounts receivable are collectible.

Investments

The Organization has an investment with the State of California - Local Agency Investment Fund (LAIF) and reports the balance at fair value. The fair value of the investment may differ from the deposits with the difference representing the unrealized gain or losses. Investment income or loss (including realized and unrealized gains and losses on investments, interests, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. For the years ended June 30, 2017 and 2016, the Organization recorded interest income in the amount of \$13,033 and \$9,604, respectively.

Capital Assets

Capital assets are recorded at cost or estimated fair value at the date of gift if donated, net of accumulated depreciation. The Organization capitalizes capital expenses in excess of \$1,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to five years.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Post-Retirement Benefit Plan

The Organization implemented ASC Topic 715, *Employers' Accounting for Defined Benefit Pension and Other Post-Retirement Plans* in connection with the post-retirement benefit plan. This requires the Organization to recognize the funded status of a benefit plan, measured as the difference between plan assets at fair value and the benefit obligation, in the statement of financial position, with an offsetting charge or credit to net assets. Gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net period benefit cost will be recognized each year as a separate charge or credit to net assets.

Student Activity Fees

Student activity fees represent mandatory fees charged to substantially all University students on a quarterly basis. The fees are collected by the University and remitted to the Organization.

Donated Use of Facilities

The Organization receives non-cash contributions of donated use of facilities from an affiliated organization. The donated use of facilities is measured at fair value. For the years ended June 30, 2017 and 2016, the Organization recorded \$65,318 and \$63,617, respectively, as donated use of facilities and expense.

Functional Allocation of Expenses

The costs of providing various programs and other activities of the Organization have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and services benefited.

Tax Status

The Organization is exempt from income taxes under 501(c)(3) of the Internal Revenue Code and Section 23701d 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.

Management has considered its tax positions and believes that all of the positions taken by the Organization in their federal and state exempt organization tax returns are more likely than not to be sustained upon examinations. The Organization's returns are subject to examination by federal and state taxing authorities generally for three and four years, respectively, after they are filed.

Use of Estimates

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

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

NOTE 3 – CASH

Cash is composed of the following at June 30:

	2017	2016
Cash in bank	\$ 569,178	\$ 252,841

The Federal Deposit Insurance Corporation (FDIC) insures bank balances of up to \$250,000. The Organization's bank balance was \$617,037 at June 30, 2017, which exceeded the FDIC insurance limit by \$367,037. The Organization has not experienced any losses on these accounts and does not believe it is exposed to any significant risk.

NOTE 4 – FAIR VALUE MEASUREMENTS

The Organization follows ASC Topic 820, *Fair Value Measurement and Disclosures*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). Investments in an external government investment pool are not subject to reporting within the level hierarchy.

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The following presents investments that are measured at fair value on a recurring basis at June 30, 2017 and 2016:

	2017	2016
Local Agency Investment Fund (LAIF)	\$ 1,222,773	\$ 1,465,599

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

NOTE 5 – CAPITAL ASSETS

Capital assets, net consist of the following at June 30:

	2017	2016
Computer equipment	\$ 52,793	\$ 62,054
Security equipment	4,980	4,980
Furniture	154,172	154,172
Total capital assets	211,945	221,206
Less: accumulated depreciation	(180,963)	(177,790)
Total capital assets, net	<u>\$ 30,982</u>	<u>\$ 43,416</u>

Depreciation expense for the years ended June 30, 2017 and 2016 were \$13,463 and \$1,478, respectively.

NOTE 6 – NOTE PAYABLE

On August 1, 2008, the Organization entered into an agreement with the University-Student Union Board at California State University, Los Angeles (the Union), an affiliated organization, in which the Union would purchase office furniture on behalf of the Organization. The Organization agreed to pay the Union \$150,000 for the purchase of the office furniture through non-interest bearing annual payments of \$15,000, beginning October 31, 2008. On August 20, 2009, the Union amended the terms of the agreement with the Organization. The Organization agreed to pay annual payments of \$15,366 through 2018. The Organization made an additional payment of \$15,366 in fiscal year ended 2014 and the final annual payment of \$15,366 was made in fiscal year ended 2017.

NOTE 7 – EMPLOYEE RETIREMENT PLAN

The Organization provides pension benefits through the Teachers Insurance and Annuity Association - College Retirement Equities Fund (the Pension Plan), a defined contribution plan, to all eligible employees (as defined by the Pension Plan agreement). The Pension Plan consists of two parts. Part one consists of contributions made by the Organization of 7% of the employee's compensation and part two includes contributions from both the employer and employee under the provisions of Section 403(b) of the Internal Revenue Code. Contributions from the Organization for the 7% contribution become vested on a five-year graded scale, with 100% vesting occurring after five years. Under part two of the Pension Plan, the Organization will match contributions up to a maximum of 5% of an employee's compensation. Contributions from employees and the Organization's matching contributions are fully vested. The Organization's total pension expense for the years ending June 30, 2017 and 2016 was \$32,268 and \$28,562, respectively. The Organization's policy is to fund pension costs as incurred.

NOTE 8 – POST-RETIREMENT BENEFIT PLAN

The Organization sponsors a defined benefit postretirement plan (the DB Plan) that provides lifetime postretirement medical and dental coverage to employees who retire at age 55 or older with at least 10 years of service.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

NOTE 8 – POST-RETIREMENT BENEFIT PLAN (Continued)

The Organization intends to contribute the maximum monthly health premium administered by the CalPERS medical program. The Organization holds plan assets of \$86,539 and \$68,712 for the years ended June 30, 2017 and 2016, respectively.

The following tables provide a reconciliation of the plan's benefit obligations and a statement of the funding status as of June 30:

Changes in plan assets:

	<u>2017</u>	<u>2016</u>
Fair value of plan assets at beginning of year	\$ 68,712	\$ 58,379
Actual return on plan assets	7,827	(167)
Employer contributions	10,000	10,500
Fair value of plan assets at end of year	<u>\$ 86,539</u>	<u>\$ 68,712</u>

Changes in benefit obligation:

	<u>2017</u>	<u>2016</u>
Benefit obligation at beginning of year	\$ 175,817	\$ 128,457
Service cost	15,697	14,416
Interest cost	6,804	6,037
Actuarial (loss)/gain	(28,828)	26,907
Benefit obligation at end of year	<u>169,489</u>	<u>175,817</u>
Funded status at end of year	<u>\$ (82,950)</u>	<u>\$ (107,105)</u>
Measurement date	June 30, 2017	June 30, 2016

Amount recognized in changes in unrestricted net assets consists of:

	<u>2017</u>	<u>2016</u>
Prior service cost	<u>\$ 30,335</u>	<u>\$ 33,439</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

NOTE 8 – POST-RETIREMENT BENEFIT PLAN (Continued)

Components of Net Periodic Benefit Cost and Other Amounts:

The following table provides the components of the net periodic benefit cost and other amounts for the years ended June 30 for the plan:

	<u>2017</u>	<u>2016</u>
Service cost	\$ 15,697	\$ 14,416
Interest cost	6,804	6,037
Amortization of prior service cost	3,104	3,104
Expected return on plan assets	(4,519)	(3,899)
Amortization of net (gain)	(867)	(2,444)
Net periodic benefit cost	<u>\$ 20,219</u>	<u>\$ 17,214</u>

Other Changes in Plan Assets and Benefit Obligations Recognized in Changes in Net Assets:

	<u>2017</u>	<u>2016</u>
Prior service cost	\$ 33,439	\$ 36,543
Amortization of prior service cost	(3,104)	(3,104)
Unamortized prior service cost	<u>\$ 30,335</u>	<u>\$ 33,439</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

NOTE 8 – POST-RETIREMENT BENEFIT PLAN (Continued)

Assumptions:

Weighted-average assumptions used to determine benefit obligations and net periodic benefit cost at June 30:

	<u>2017</u>	<u>2016</u>
Discount rate	4.01%	3.87%
Long-term rate of return on plan assets	6.00%	6.00%

Assumed health care cost trend at June 30:

Net periodic benefit cost:

Health care cost trend rate assumed for next year	5.50%	5.80%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	4.50%	4.50%
Year that the rate reaches the ultimate trend rate	2021	2022

Accumulated post-retirement benefit obligation:

Healthcare cost trend rate assumed for next year	5.50%	5.80%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	4.50%	4.50%
Year that the rate reaches the ultimate trend rate	2021	2021

Estimated Future Benefit Payments

The Organization expects to make annual contributions of \$7,714 beginning in 2023 through 2027. No benefits have been paid out for the years ended June 30, 2017 and 2016.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

NOTE 9 – PROGRAM SERVICES

The Organization allocated the following funds under Student and University Support, to enhance the college experience and provide students with specific services, programs, and support through co-curricular collaborations, as of June 30:

	<u>2017</u>	<u>2016</u>
Child Care Center	\$ 140,000	\$ 125,211
Dreamers Resource Center	9,647	-
Educational Opportunity Program	3,500	5,742
Educational Participation in the Communities	6,744	16,233
Golden Eagle Radio	5,000	5,000
Veterans Resource Center	2,063	-
Student Government and Elections	595,298	483,174
Clubs and Organizations	103,360	102,309
Cultural Events	225,284	132,836
Others	202,080	277,217
	<u>\$ 1,292,976</u>	<u>\$ 1,147,722</u>

NOTE 10 – RELATED-PARTY TRANSACTIONS

The Organization subleases space from the Union under an agreement which expires in June 2018. The subleased space consists of 2,835 square feet at the southeast corner of the second floor of the University Student Union Building. Payment is based on the calculation of \$0.24 per square foot for utility services and \$0.42 per square foot for custodial services. Under this agreement, the Organization paid \$8,165 for utilities and \$14,288 custodial fees for each of the years ended June 30, 2017 and 2016. The Union waived the normal square foot rate for the second floor and the Organization recorded \$65,318 and \$63,617, respectively, as donated use of facilities revenue and expense in the accompanying Statements of Activities for the years ended June 30, 2017 and 2016.

The Organization reimburses the Union for certain events. For the years ended June 30, 2017 and 2016, these reimbursements were \$10,099 and \$6,558, respectively.

The Union is responsible for employing personnel to perform administrative duties for the Organization. In return, the Organization reimburses the Union for wages and benefits paid, along with an administrative fee. Total reimbursed wages and benefits were \$407,831 and \$369,452 for the years ended June 30, 2017 and 2016, respectively. Total administrative fees were \$6,159 and \$4,485 for the years ended June 30, 2017 and 2016, respectively.

During the years ended June 30, 2017 and 2016, the Organization reimbursed University Auxiliary Services, Inc. (UAS) for food services provided for miscellaneous events held by the Organization. Total reimbursements for the years ended June 30, 2017 and 2016 were \$65,823 and \$41,579, respectively.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Notes to Financial Statements (Continued)

June 30, 2017 and 2016

NOTE 10 – RELATED-PARTY TRANSACTIONS (Continued)

Accounting services for the Organization are provided under a contract for services agreement with the University requires annual payments of \$57,560. Payments under the agreement were \$57,560 for each of the years ended June 30, 2017 and 2016. Human resource management services for the Organization are provided under a contract for services agreement with the University. The agreement requires total annual payments of \$5,000. Payments under the agreement totaled \$5,000 for the years ended June 30, 2017 and 2016. Additionally, the University charges the Organization for miscellaneous expenses throughout the year for telephone and other administrative expenses. Total reimbursements for the years ended June 30, 2017 and 2016 were \$105,641 and \$64,754 respectively.

Under a contractual agreement, the University collects student fees on behalf of the Organization. The Organization reimburses the University a monthly administrative fee equal to three-quarters of one percent (0.75%) of the associated student fees collected during the month. Total fees charged to the Organization were \$10,796 and \$10,518 for the years ended June 30, 2017 and 2016, respectively.

The following table summarizes accounts receivable from affiliated organizations at June 30:

	2017	2016
The University	\$ 18,683	\$ -
Total	\$ 18,683	\$ -

The following table summarizes accounts payable to affiliated organizations:

	2017	2016
The Union	\$ 39,302	\$ 14,453
UAS	1,104	3,676
The University	70,148	670
Total	\$ 110,555	\$ 18,799

NOTE 11 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure through , 2017, which is the date the financial statements were issued.

DRAFT

SUPPLEMENTARY INFORMATION

DRAFT

This page left blank intentionally.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Schedule of Net Position

June 30, 2017

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$	569,178
Short-term investments		1,222,773
Accounts receivable, net		20,069
Leases receivable, current portion		—
Notes receivable, current portion		—
Pledges receivable, net		—
Prepaid expenses and other current assets		57,166
Total current assets		<u>1,869,186</u>

Noncurrent assets:

Restricted cash and cash equivalents		—
Accounts receivable, net		—
Leases 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		30,982
Other assets		—
Total noncurrent assets		<u>30,982</u>
Total assets		<u>1,900,168</u>

Deferred outflows of resources:

Unamortized loss on debt refunding		—
Net pension liability		—
Others		—
Total deferred outflows of resources		<u>—</u>

Liabilities:

Current liabilities:

Accounts payable		126,783
Accrued salaries and benefits		8,883
Accrued compensated absences, current portion		10,725
Unearned revenue		—
Capitalized lease obligations, current portion		—
Long-term debt obligations, current portion		—
Claims liability for losses and loss adjustment expenses, current portion		—
Depository accounts		—
Other liabilities		11,230
Total current liabilities		<u>157,621</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion		21,302
Unearned revenue		—
Grants refundable		—
Capitalized 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		—
Other postemployment benefits obligations		82,950
Net pension liability		—
Other liabilities		—
Total noncurrent liabilities		<u>104,252</u>
Total liabilities		<u>261,873</u>

Deferred inflows of resources:

Service concession arrangements		—
Net pension liability		—
Unamortized gain on debt refunding		—
Nonexchange transactions		—
Others		—
Total deferred inflows of resources		<u>—</u>

Net Position:

Net investment in capital assets		30,982
Restricted for:		
Nonexpendable – endowments		—
Expendable:		
Scholarships and fellowships		—
Research		—
Loans		—
Capital projects		—
Debt service		—
Others		—
Unrestricted		1,607,313
Total net position	\$	<u>1,638,295</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**
Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2017
for inclusion in the California State University

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$_____)	\$	1,453,671
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)		—
Other operating revenues		21,028
Total operating revenues		1,474,699

Expenses:

Operating expenses:

Instruction		—
Research		—
Public service		—
Academic support		—
Student services		1,292,976
Institutional support		188,492
Operation and maintenance of plant		—
Student grants and scholarships		—
Auxiliary enterprise expenses		—
Depreciation and amortization		15,703
Total operating expenses		1,497,171
Operating income (loss)		(22,472)

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		65,318
Investment income (loss), net		13,033
Endowment income (loss), net		—
Interest expense		—
Other nonoperating revenues (expenses)		—
Net nonoperating revenues (expenses)		78,351
Income (loss) before other revenues (expenses)		55,879

State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		55,879

Net position:

Net position at beginning of year, as previously reported		1,582,416
Restatements		—
Net position at beginning of year, as restated		1,582,416
Net position at end of year	\$	1,638,295

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Other Information

June 30, 2017

(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2017:

Portion of restricted cash and cash equivalents related to endowments	\$ —
All other restricted cash and cash equivalents	—
Total restricted cash and cash equivalents	\$ —

2.1 Composition of investments at June 30, 2017:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—	—	—
State of California Local Agen17 Investment Fund (LAIF)	1,222,773	—	1,222,773	—	—	—	1,222,773
Corporate bonds	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—
Mutual funds	—	—	—	—	—	—	—
Money Market funds	—	—	—	—	—	—	—
Repurchase agreements	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—
Asset backed securities	—	—	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—	—	—
Municipal bonds	—	—	—	—	—	—	—
U.S. agen17 securities	—	—	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—	—	—
Equity securities	—	—	—	—	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—	—	—
Alternative investments:	—	—	—	—	—	—	—
Private equity (including limited partnerships)	—	—	—	—	—	—	—
Hedge funds	—	—	—	—	—	—	—
Managed futures	—	—	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—	—	—
Commodities	—	—	—	—	—	—	—
Derivatives	—	—	—	—	—	—	—
Other alternative investment types	—	—	—	—	—	—	—
Other external investment pools (excluding SWIFT)	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Other major investments:	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Total investments	1,222,773	—	1,222,773	—	—	—	1,222,773
Less endowment investments (enter as negative number)	—	—	—	—	—	—	—
Total investments	1,222,773	—	1,222,773	—	—	—	1,222,773

2.2 Investments held by the University under contractual agreements at June 30, 2017:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2017 :	—	—	—	—	—	—	—
---	---	---	---	---	---	---	---

2.3 Restricted current investments at June 30, 2017 related to:

Amount	\$
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2017	\$ —

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Other Information

June 30, 2017

(for inclusion in the California State University)

2.4 Restricted noncurrent investments at June 30, 2017 related to:

Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2017	\$ —

2.5 Fair value hierarchy in investments at June 30, 2017:

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
\$	\$ —	—	—	—	—
State of California Surplus Money Investment Fund (SMIF)	1,222,773	—	1,222,773	—	—
State of California Local Agen17 Investment Fund (LAIF)	—	—	—	—	—
Corporate bonds	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Mutual funds	—	—	—	—	—
Money Market funds	—	—	—	—	—
Repurchase agreements	—	—	—	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—
Municipal bonds	—	—	—	—	—
U.S. agen17 securities	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—
Equity securities	—	—	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—
Alternative investments:	—	—	—	—	—
Private equity (including limited partnerships)	—	—	—	—	—
Hedge funds	—	—	—	—	—
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—
Commodities	—	—	—	—	—
Derivatives	—	—	—	—	—
Other alternative investment types	—	—	—	—	—
Other external investment pools (excluding SWIFT)	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Other major investments:	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Total investments	1,222,773	—	1,222,773	—	—

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Other Information

June 30, 2017

(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2017:

	Balance June 30, 2016	Prior period Adjustments	Reclassifications	Balance June 30, 2016 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2017
Nondepreciable/nonamortizable 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	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	—	—	—	—	—	—	—	—
Depreciable/amortizable capital assets:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	221,206	—	—	221,206	5,518	(14,779)	—	211,945
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	221,206	—	—	221,206	5,518	(14,779)	—	211,945
Total capital assets	221,206	—	—	221,206	5,518	(14,779)	—	211,945
Less accumulated depreciation/amortization:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	(177,790)	—	—	(177,790)	(13,463)	10,290	—	(180,963)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(177,790)	—	—	(177,790)	(13,463)	10,290	—	(180,963)
Total capital assets, net	\$ 43,416	—	—	43,416	(7,945)	(4,489)	—	30,982

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Other Information

June 30, 2017

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2017:

Depreciation and amortization expense related to capital assets	\$ 13,463
Amortization expense related to other assets	2,250
Total depreciation and amortization	\$ 15,713

4 Long-term liabilities activity schedule:

	Balance June 30, 2016	Prior period adjustments	Reclassifications	Balance June 30, 2016 (restated)	Additions	Reductions	Balance June 30, 2017	Current portion	Long-term portion
Accrued compensated absences	\$ 27,703	—	—	27,703	15,049	(10,725)	32,027	10,725	21,302
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	—	—	—	—	—	—	—	—	—
Others: (list by type)									
Notes payable to affiliates	15,366	—	—	15,366	—	(15,366)	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	15,366	—	—	15,366	—	(15,366)	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	15,366	—	—	15,366	—	(15,366)	—	—	—
Total long-term liabilities	\$ 43,069	—	—	43,069	15,049	(26,091)	32,027	10,725	21,302

5 Future minimum lease payments - capitalized lease obligations:

	Capitalized lease obligations related to SRB			All other capitalized lease obligations			Total capitalized lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023 - 2027	—	—	—	—	—	—	—	—	—
2028 - 2032	—	—	—	—	—	—	—	—	—
2033 - 2037	—	—	—	—	—	—	—	—	—
2038 - 2042	—	—	—	—	—	—	—	—	—
2043 - 2047	—	—	—	—	—	—	—	—	—
2048 - 2052	—	—	—	—	—	—	—	—	—
2053 - 2057	—	—	—	—	—	—	—	—	—
2058 - 2062	—	—	—	—	—	—	—	—	—
2063 - 2067	—	—	—	—	—	—	—	—	—
Total minimum lease payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum lease payments									—
Unamortized net premium (discount)									—
Total capitalized lease obligations									—
Less: current portion									—
Capitalized lease obligation, net of current portion									\$ —

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Other Information

June 30, 2017

(for inclusion in the California State University)

6 Long-term debt obligation schedule

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2018	\$ —	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023 - 2027	—	—	—	—	—	—	—	—	—
2028 - 2032	—	—	—	—	—	—	—	—	—
2033 - 2037	—	—	—	—	—	—	—	—	—
2038 - 2042	—	—	—	—	—	—	—	—	—
2043 - 2047	—	—	—	—	—	—	—	—	—
2048 - 2052	—	—	—	—	—	—	—	—	—
2053 - 2057	—	—	—	—	—	—	—	—	—
2058 - 2062	—	—	—	—	—	—	—	—	—
2063 - 2067	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum payments									—
Unamortized net premium (discount)									—
Total long-term debt obligations									—
Less: current portion									—
Long-term debt obligations, net of current portion									\$ —

7 Calculation of net position

7.1 Calculation of net position - net investment in capital assets

Capital assets, net of accumulated depreciation	\$ 30,982
Capitalized lease obligations, current portion	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, current portion	—
Long-term debt obligations, net of current portion	—
Portion of outstanding debt that is unspent at year-end	—
Other adjustments: (please list)	
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Net position - net investment in capital asset	\$ 30,982

7.2 Calculation of net position - restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	\$ —
Endowment investments	—
Other adjustments: (please list)	
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Net position - Restricted for nonexpendable - endowments per SNP	\$ —

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Other Information

June 30, 2017

(for inclusion in the California State University)

8 Transactions with related entities

	<u>Amount</u>
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	110,308
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 (enter as negative number)	(70,148)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	18,682
Other amounts receivable from University	—

9 Other postemployment benefits obligation (OPEB)

Annual required contribution (ARC)	\$ (14,155)
Contributions during the year	<u>(10,000)</u>
Increase (decrease) in net OPEB obligation (NOO)	(24,155)
Other adjustments	—
NOO - beginning of year	107,105
NOO - end of year	<u><u>\$ 82,950</u></u>

10 Pollution remediation liabilities under GASB Statement No. 49:

<u>Description</u>	<u>Amount</u>
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total pollution remediation liabilities	\$ —
Less: current portion	—
Pollution remediation liabilities, net of current portion	<u><u>—</u></u>

11 The nature and amount of the prior period adjustment(s) recorded to beginning net position

	<u>Net Position</u>	<u>Amount</u>
	Class	Dr. (Cr.)
Net position as of June 30, 2016, as previously reported		\$ 1,582,416
Prior period adjustments:		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net position as of June 30, 2013, as restated		<u><u>\$ 1,582,416</u></u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Other Information

June 30, 2017

(for inclusion in the California State University)

Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjustment:

	<u>Debit</u>	<u>Credit</u>
Net position class: _____ 1 (breakdown of adjusting journal entry)	\$ —	—
Net position class: _____ 2 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 3 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 4 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 5 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 6 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 7 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 8 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 9 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 10 (breakdown of adjusting journal entry)	—	—

DRAFT

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.**

Note to Supplementary Information

June 30, 2017

1. Basis of Presentation

These schedules are prepared in accordance with the instructions listed in an Administrative Directive, dated June 24, 2003, *Financial Reporting Requirements for Auxiliary Organizations*, from the California State University Office of the Chancellor, and revision dated June 9, 2017. As a result, these schedules do not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

DRAFT