

**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**

For the Years Ended June 30, 2013 and 2012

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
(A Component Unit of California State University, Los Angeles)
For the Years Ended June 30, 2013 and 2012**

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INDEPENDENT AUDITOR'S REPORT

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

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 as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 audit. 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 Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Associated Students of California State University, Los Angeles, Inc. as of June 30, 2013 and 2012, , and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules presented on pages 19-27 are 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.

Los Angeles, California
September 20, 2013

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FINANCIAL STATEMENTS

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**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012**

	2013	2012
Assets		
Cash	\$ 543,164	\$ 165,218
Investments	1,154,813	1,351,261
Accounts receivable from affiliates	18,439	14,127
Accounts receivable	653	1,649
Prepaid expenses and deposits	5,950	9,522
Capital assets, net	16,668	47,025
Total assets	1,739,687	1,588,802
Liabilities and net assets		
Accounts payable and other accrued liabilities	77,304	55,997
Accounts payable to affiliates	26,504	23,418
Note payable to affiliate	76,830	92,196
Deferred employee benefits	60,075	117,524
Total liabilities	240,713	289,135
Net assets		
Unrestricted	1,498,974	1,299,667
Total net assets	1,498,974	1,299,667
Total liabilities and net assets	\$ 1,739,687	\$ 1,588,802

See accompanying notes to financial statements.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Support and revenues		
Student activity fees	\$ 1,180,798	\$ 1,157,286
Donated use of facilities	45,247	55,786
Interest income	4,407	7,045
Other	12,497	8,618
Total support and revenues	<u>1,242,949</u>	<u>1,228,735</u>
Expenses		
Program services:		
Community services	141,863	132,924
Student government and elections	322,753	304,073
Clubs and organizations	53,423	35,211
Cultural events	5,139	4,592
Other student services	59,258	52,405
Total program services	<u>582,436</u>	<u>529,205</u>
Supporting services:		
University support	85,550	109,966
Administration	372,553	447,871
Total supporting services	<u>458,103</u>	<u>557,837</u>
Total expenses	<u>1,040,538</u>	<u>1,087,042</u>
Amortization of prior service cost	<u>3,104</u>	<u>3,104</u>
Change in net assets	199,307	138,589
Net assets		
Beginning of year	1,299,667	1,161,078
End of year	<u>\$ 1,498,974</u>	<u>\$ 1,299,667</u>

See accompanying notes to financial statements.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2013 and 2012**

	2013	2012
Cash flows from operating activities		
Change in net assets	\$ 199,307	\$ 138,589
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	32,869	34,037
Gain on sale of capital assets	-	(1,171)
Change in operating assets and liabilities:		
Accounts receivable from affiliates	(4,312)	(920)
Accounts receivable	996	-
Prepaid expenses and deposits	3,572	1,381
Accounts payable and other accrued liabilities	21,307	(19,084)
Accounts payable to affiliates	3,086	(28,156)
Deferred employee benefits	(57,449)	(21,007)
Net cash provided by operating activities	199,376	103,669
Cash flows from investing activities		
Proceeds from sale of investments	196,448	-
Net cash provided by investing activities	196,448	-
Cash flows from capital and related financing activities		
Acquisition of capital assets	(2,512)	(2,450)
Proceeds from sale of capital assets	-	2,486
Principal payments on note payable to affiliate	(15,366)	(15,366)
Net cash used in capital and related financing activities	(17,878)	(15,330)
Net increase in cash	377,946	88,339
Cash at beginning of year	165,218	76,879
Cash at end of year	\$ 543,164	\$ 165,218

See accompany notes to financial statements.

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**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

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 the California State University, Los Angeles. . The Organization serves as an auxiliary operating at the California State University, Los Angeles (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 the associated student fees, which are charged to substantially all enrolled students on a quarterly basis.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

Basis of Accounting

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

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 Generally Accepted Accounting Principles (GAAP) recognized by FASB to be applied to nongovernmental entities. On the effective date of Codification, 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 GAAP included in the FASB Codification are noted as Accounting Standards Codification (ASC).

Classification of Net Assets

The financial statements are presented in accordance ASC Topic 958 Subtopics 205, 210, 225 and 230. The Organization is required to classify net assets and revenues, expenses, gains and losses into three categories, based on the existence or absence of donor-imposed restrictions. The categories are 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.
- 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, 2013 and 2012.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

- 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 does not have permanently restricted net assets as of June 30, 2013 and 2012.

Cash

The Organization maintains their 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 is no reserve for uncollectible accounts at June 30, 2013 and 2012 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 investments are generally based on quoted market prices. Investment income or loss (including realized and unrealized gains and losses on investments, interest, 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.

Capital Assets

Capital assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets, which range from three to five years.

Deferred Employee Benefits

The Organization adopted ASC Topic 715, Employers' Accounting for Defined Benefit Pension and Other Post-Retirement Plans in connection with the deferred employee 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.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

Student Activity Fees

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

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 has received tax-exempt status from the Internal Revenue Service and California Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code, and Section 23701d of the Revenue and Taxation Code, respectively. Accordingly, there is no provision for income taxes in the financial statements.

The Organization has implemented ASC topic 740-10-25 for uncertainty in tax positions and has determined there is no material impact on the financial statements. 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.

Donated Use of Facilities

The Organization has received non-cash contributions of donated use of facilities from an affiliated organization. The fair value of contributed use of facilities has been measured at fair value. For the years ended June 30, 2013 and 2012, the Organization recorded \$45,247 and \$55,786, respectively as donated use of facilities and expense.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 3 – CASH

Cash is composed of the following at June 30:

	<u>2013</u>	<u>2012</u>
Cash in bank	<u>\$ 534,164</u>	<u>\$ 165,218</u>

As of June 30, 2013 and 2012, the bank balance was \$618,892 and \$200,835 respectively. The Federal Deposit Insurance Corporation insures bank balances of up to \$250,000.

NOTE 4 – INVESTMENTS

Investments are composed of the following at June 30:

	<u>2013</u>	<u>2012</u>
Local Agency Investment Fund (LAIF)	<u>\$ 1,154,813</u>	<u>\$ 1,351,261</u>

NOTE 5 – 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). 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.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

The following presents assets that are measured at fair value on a recurring basis at June 30, 2013:

	<u>Significant Other Observable Inputs (Level 2)</u>
Assets:	
LAIF	<u>\$ 1,154,813</u>

The following presents assets that are measured at fair value on a recurring basis at June 30, 2012:

	<u>Significant Other Observable Inputs (Level 2)</u>
Assets:	
LAIF	<u>\$ 1,351,261</u>

NOTE 6 – CAPITAL ASSETS

Capital assets, net is comprised of the following at June 30:

	<u>2013</u>	<u>2012</u>
Computer equipment	\$ 17,369	\$ 18,931
Security equipment	4,980	4,980
Furniture	154,172	154,172
Total capital assets	<u>176,521</u>	<u>178,083</u>
Less accumulated depreciation	<u>(159,853)</u>	<u>(131,058)</u>
Total capital assets, net	<u>\$ 16,668</u>	<u>\$ 47,025</u>

Depreciation expense for the fiscal years ended June 30, 2013 and 2012 was \$32,869 and \$34,037, respectively.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 7 – 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 annual payments of \$15,000, beginning October 31, 2008. The note is noninterest bearing, but if interest was imputed, the present value discount would be calculated using the prime rate (5% in August 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 note is noninterest bearing, but if interest was imputed, the present value discount calculated using the prime rate (5% in August 2008) would be \$10,516 and \$14,492 at June 30, 2013 and 2012, respectively. The interest expense amortized for the years ended June 30, 2013 and 2012 would have been \$3,975 and \$4,530, respectively.

The note payable is scheduled to be paid as follows:

	June 30
2014	\$ 15,366
2015	15,366
2016	15,366
2017	15,366
2018	15,366
	\$ 76,830

NOTE 8 – DEFERRED EMPLOYEE BENEFITS

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.

The Organization intends to contribute the maximum monthly health premium administered by the CalPERS medical program. The Organization holds plan assets of \$23,764 and \$12,780 for the years ended June 30, 2013 and 2012, respectively.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8 – DEFERRED EMPLOYEE BENEFITS (Continued)

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 benefit obligation:

	<u>2013</u>	<u>2012</u>
Benefit obligation, at beginning of year	\$ 130,304	\$ 138,531
Service cost	14,184	17,044
Interest cost	5,668	8,312
Actuarial loss	<u>(66,317)</u>	<u>(33,583)</u>
Benefit obligation, at end of year	<u>83,839</u>	<u>130,304</u>
Funded status at end of year	<u>\$ 60,075</u>	<u>\$ 117,524</u>
Measurement date	June 30, 2013	June 30, 2012

Changes in Plan Net Assets:

	<u>2013</u>	<u>2012</u>
Fair value of plan assets at beginning of year	\$ 12,780	\$ -
Actual return on plan assets	984	(5,220)
Employer contributions	<u>10,000</u>	<u>18,000</u>
Fair value of assets, end of year	<u>\$ 23,764</u>	<u>\$ 12,780</u>

Amount recognized in changes in unrestricted net assets consists of:

	<u>2013</u>	<u>2012</u>
Prior service cost	<u>\$ 42,751</u>	<u>\$ 45,855</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8 – DEFERRED EMPLOYEE BENEFITS (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 year ended June 30 for the plan:

	<u>2013</u>	<u>2012</u>
Service cost	\$ 14,184	\$ 45,855
Interest cost	5,668	8,312
Amortization of prior service cost	3,104	3,104
Expected return on plan assets	(1,257)	-
Amortization of net (gain)	(190)	-
	<u>21,509</u>	<u>28,460</u>
Net periodic benefit cost	<u>\$ 21,509</u>	<u>\$ 28,460</u>

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

	<u>2013</u>	<u>2012</u>
Prior service cost	\$ 45,855	\$ 48,959
Amortization of prior service cost	(3,104)	(3,104)
	<u>42,751</u>	<u>45,855</u>
Net periodic benefit cost	<u>\$ 42,751</u>	<u>\$ 45,855</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 8 – DEFERRED EMPLOYEE BENEFITS (Continued)

Assumptions:

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

	<u>2013</u>	<u>2012</u>
Discount rate	5.00%	4.35%
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	6.70%	7.00%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.00%	5.50%
Year that the rate reaches the ultimate trend rate	2021	2020

Accumulated postretirement benefit obligation:

Healthcare cost trend rate assumed for next year	6.70%	7.00%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.00%	5.50%
Year that the rate reaches the ultimate trend rate	2021	2020

Estimated Future Benefit Payments

The Organization expects to make annual contributions of \$589 beginning in 2019 through 2024. No benefits have been paid out for the years ended June 30, 2013 and 2012.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 9 – 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 \$14,288 and \$9,001 for utilities and custodial fees for the years ended June 30, 2013 and 2012, respectively. The Union waived the normal square foot rate for the second floor and the Organization recorded \$45,247 and 55,786, respectively, as donated use of facilities expense on the Statements of Activities for the years ended June 30, 2013 and 2012.

The Organization reimburses the Union for certain events. For the years ended June 30, 2013 and 2012, these reimbursements were \$4,268 and \$3,792, 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 \$283,144 and \$308,751 for the years ended June 30, 2013 and 2012, respectively. Total administrative fees were \$4,375 and \$4,661 for the years ended June 30, 2013 and 2012, respectively.

During the years ended June 30, 2013 and 2012, 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, 2013 and 2012 were \$37,573 and \$43,208, respectively.

Accounting services for the Organization are provided under a contract for services agreement with the University, which expires in June 2014 and requires annual payments of \$57,560. Payments under the agreement were \$57,560 for the years ended June 30, 2013 and 2012. The future minimum payment required under the agreement is \$57,560 per year through June 30, 2014. Human resource management services for the Organization are provided under a contract for services agreement with the University. The agreement expires in June 2014 and requires total annual payments of \$5,000. Payments under the agreement totaled \$5,000 for the years ended June 30, 2013 and 2012. Future minimum payment required under the agreement is \$5,000 through June 30, 2014. 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, 2013 and 2012 were \$16,809 and \$13,107, 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 \$8,862 and \$8,679 for the years ended June 30, 2013 and 2012, respectively. The University owes the Organization \$15,896 and \$12,099 of student fees at June 30, 2013 and 2012, respectively. This is included in accounts receivable, on the statements of financial position.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 9 – RELATED-PARTY TRANSACTIONS (Continued)

The following table summarizes accounts receivable from affiliated organizations:

California State University, Los Angeles	\$ 18,432	\$ 14,147
University Auxiliary Services	<u>7</u>	<u>-</u>
Total	<u>\$ 18,439</u>	<u>\$ 14,147</u>

The following table summarizes accounts payable to affiliated organizations:

	<u>2013</u>	<u>2012</u>
University Student Union Board	\$ 24,897	\$ 21,287
University Auxiliary Services	1,572	1,192
California State University, Los Angeles	<u>35</u>	<u>939</u>
Total	<u>\$ 26,504</u>	<u>\$ 23,418</u>

NOTE 10 – 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, 2013 and 2012 was \$20,595 and \$24,958, respectively. The Organization's policy is to fund pension costs as incurred.

NOTE 11 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 20, 2013, which is the date the financial statements were issued.

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SUPPLEMENTARY FINANCIAL INFORMATION

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

Schedule of Net Position

June 30, 2013

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 543,164
Short-term investments	1,154,813
Accounts receivable, net	19,092
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	5,950
Total current assets	<u>1,723,019</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	16,668
Other assets	-
Total noncurrent assets	<u>16,668</u>
Total assets	<u>1,739,687</u>
Deferred outflows of resources:	
Unamortized loss on refunding(s)	-
Total deferred outflows of resources	<u>-</u>
Liabilities:	
Current liabilities:	
Accounts payable	38,380
Accrued salaries and benefits payable	23,384
Accrued compensated absences— current portion	9,619
Unearned revenue	-
Capitalized lease obligations – current portion	-
Long-term debt obligations – current portion	15,366
Self-insurance claims liability - current portion	-
Depository accounts	-
Other liabilities	12,855
Total current liabilities	<u>99,604</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	19,570
Unearned revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	61,464
Self-insurance claims liabilities, net of current portion	-
Depository accounts	-
Other postemployment benefits obligation	60,075
Other liabilities	-
Total noncurrent liabilities	<u>141,109</u>
Total liabilities	<u>240,713</u>
Deferred inflows of resources:	
Deferred inflow from SCAs, grants and others	-
Total deferred inflows of resources	<u>-</u>
Net position:	
Invested in capital assets, net of related debt	(60,162)
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	<u>1,559,136</u>
Total net position	<u>\$ 1,498,974</u>

See accompanying note to supplementary schedules.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2013
(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$ <u>0</u>)	\$	1,180,798
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		12,497
		1,193,295
Total operating revenues		1,193,295

Expenses:

Operating expenses:

Instruction		-
Research		-
Public service		-
Academic support		-
Student services		667,984
Institutional support		342,789
Operation and maintenance of plant		-
Student grants and scholarships		-
Auxiliary enterprise expenses		-
Depreciation and amortization		32,869
		1,043,642
Total operating expenses		1,043,642
Operating income (loss)		149,653

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		45,247
Investment income (loss), net		4,407
Endowment income (loss), net		-
Interest expenses		-
Other nonoperating revenues (expenses)		-
		49,654
Net nonoperating revenues (expenses)		49,654
Income (loss) before other additions		199,307

State appropriations, capital

Grants and gifts, capital

Additions (reductions) to permanent endowments

		-
		-
		-
Increase in net positions		199,307

Net position:

Net position at beginning of year, as previously reported		1,299,667
Restatements		-
		1,299,667
Net position at beginning of year, as restated		1,299,667
Net position at end of year	\$	1,498,974

See accompanying note to supplementary schedules.

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

Other Information

Year Ended June 30, 2013

(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2013:

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, 2013:

	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 Agency Investment Fund (LAIF)	1,154,813	-	1,154,813	-	-	-	1,154,813
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF)	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:							
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Partnership interests (includes private pass-through)	-	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Other major investments:							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	1,154,813	-	1,154,813	-	-	-	1,154,813
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	1,154,813	-	1,154,813	-	-	-	1,154,813

2.2 Investments held by the University under contractual agreements at June 30, 2013:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2013:	-	-	-	-	-	-	-
--	---	---	---	---	---	---	---

2.3 Restricted current investments at June 30, 2013 related to:

	Amount
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Total restricted current investments at June 30, 2013	\$ -

See accompanying note to supplementary schedules.

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

Other Information

Year Ended June 30, 2013

(for inclusion in the California State University)

2.4 Restricted noncurrent investments at June 30, 2013 related to:

	<u>Amount</u>
Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2013	\$ —

3.1 Composition of capital assets at June 30, 2013:

	<u>Balance June 30, 2012</u>	<u>Prior period Adjustments</u>	<u>Reclassifications</u>	<u>June 30, 2012 (restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed CWIP</u>	<u>Balance June 30, 2013</u>
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:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
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	178,083	-	-	178,083	2,512	(4,074)	-	176,521
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	178,083	-	-	178,083	2,512	(4,074)	-	176,521
Total capital assets	178,083	-	-	178,083	2,512	(4,074)	-	176,521
Less accumulated depreciation/amortization:								
Buildings and building improvements:								
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(131,058)	-	-	(131,058)	(32,869)	4,074	-	(159,853)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(131,058)	-	-	(131,058)	(32,869)	4,074	-	(159,853)
Total capital assets, net	\$ 47,025	-	-	47,025	(30,357)	-	-	16,668

See accompanying note to supplementary schedules.

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

Other Information

Year Ended June 30, 2013

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2013:

Depreciation and amortization expense related to capital assets	\$ 32,869
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 32,869

4 Long-term liabilities activity schedule:

	Balance June 30, 2012	Prior period adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Balance June 30, 2013	Current portion	Long-term portion
Accrued compensated absences	\$ 24,018	—	—	24,018	14,790	(9,619)	29,189	9,619	19,570
Capitalized lease obligations:									
Gross balance	—	—	—	—	-	-	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	-	-	—	—	—
Total capitalized lease obligations	—	—	—	—	-	-	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	-	-	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	-	-	—	—	—
Commercial Paper	—	—	—	—	-	-	—	—	—
Note payable related to SRB	—	—	—	—	-	-	—	—	—
Other:									
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Other	92,196	—	—	92,196	-	(15,366)	76,830	15,366	61,464
Total long-term debt obligations	92,196	—	—	92,196	-	(15,366)	76,830	15,366	61,464
Unamortized bond premium / (discount)	—	—	—	—	-	-	—	—	—
Unamortized loss on refunding	—	—	—	—	-	-	—	—	—
Total long-term debt obligations, net	92,196	—	—	92,196	—	(15,366)	76,830	15,366	61,464
Total long-term liabilities	\$ 116,214	—	—	116,214	14,790	(24,985)	106,019	24,985	81,034

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2014	\$ -	-	—
2015	-	-	—
2016	-	-	—
2017	-	-	—
2018	-	-	—
2019 - 2023	-	-	—
2024 - 2028	-	-	—
2029 - 2033	-	-	—
2034 - 2038	-	-	—
2039 - 2043	-	-	—
2044 - 2048	-	-	—
2049 - 2053	-	-	—
2054 - 2058	-	-	—
2059 - 2063	-	-	—
Total minimum lease payments	—	—	—
Less amounts representing interest		—	—
Present value of future minimum lease payments			—
Less: current portion			—
Capitalized lease obligation, net of current portion			\$ —

See accompanying note to supplementary schedules.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
Other Information
Year Ended June 30, 2013
(for inclusion in the California State University)

6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2014	\$ -	-	-	15,366	-	15,366	15,366	-	15,366
2015	-	-	-	15,366	-	15,366	15,366	-	15,366
2016	-	-	-	15,366	-	15,366	15,366	-	15,366
2017	-	-	-	15,366	-	15,366	15,366	-	15,366
2018	-	-	-	15,366	-	15,366	15,366	-	15,366
2019 - 2023	-	-	-	-	-	-	-	-	-
2024 - 2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	76,830	-	76,830	76,830	-	76,830

7 Calculation of net position

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
7.1 Calculation of net position - Invested in capital assets, net of related debt			
Capital assets, net of accumulated depreciation	\$ -	16,668	16,668
Capitalized lease obligations - current portion	-	-	-
Capitalized lease obligations, net of current portion	-	-	-
Long-term debt obligations - current portion	-	(15,366)	(15,366)
Long-term debt obligations, net of current portion	-	(61,464)	(61,464)
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 positions - invested in capital assets, net of related debt	\$ -	(60,162)	(60,162)
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 SNA	\$ -	-	-

See accompanying note to supplementary schedules.

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

Other Information

Year Ended June 30, 2013

(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	93,057
Payments received from University for services, space, and programs	3,700
Gifts-in-kind to the University from Auxiliary Organizations	—
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	—
Accounts (payable to) University (enter as negative number)	(35)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	18,432
Other amounts receivable from University	—

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$ (67,449)
Contributions during the year	10,000
Increase (decrease) in net OPEB obligation (NOO)	<u>(57,449)</u>
NOO - beginning of year	117,524
NOO - end of year	\$ <u>60,075</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>

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

	<u>Net Position</u>	<u>Amount</u>
	<u>Class</u>	<u>Dr. (Cr.)</u>
Net position as of June 30, 2012, as previously reported		\$ 1,299,667
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, 2012, as restated		\$ <u>1,299,667</u>

See accompanying note to supplementary schedules.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
Other Information
Year Ended June 30, 2013
(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:

	Debit	Credit
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)	—	—

FINAL DRAFT

See accompanying note to supplementary schedules.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTE TO SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2013**

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 August 9, 2013. As a result, these schedules do not represent financial statements prepared in accordance with generally accepted accounting principles issued by the Financial Accounting Standards Board (FASB).

FINAL DRAFT