

**Associated Students of
California State University, Los Angeles, Inc.**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2019 and 2018

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

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Independent Auditor's Report

The Board of Directors
Associated Students of California State University, Los Angeles, Inc.
(A California State University Auxiliary Organization)

We have audited the accompanying financial statements of Associated Students of California State University, Los Angeles, Inc., which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students of California State University, Los Angeles, Inc. as of June 30, 2019, 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.

Prior Period Financial Statements

The financial statements of Associated Students of California State University, Los Angeles, Inc. as of June 30, 2018 and for the year then ended were audited by other auditors whose report dated September 27, 2018 expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2019 supplementary information is presented for purposes of additional analysis and is not a required part of the 2019 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 2019 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 financial statements or to the 2019 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 2019 financial statements as a whole.

Los Angeles, California
[Date]

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

Statements of Financial Position
June 30, 2019 and 2018

	<u>Assets</u>	
	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 913,513	\$ 418,817
Investments	1,019,595	1,239,227
Accounts receivable from affiliates	15,103	89,881
Accounts receivable	4,891	7,175
Prepaid expenses and deposits	41,199	39,386
Capital assets, net	<u>15,442</u>	<u>26,778</u>
Total assets	<u>\$ 2,009,743</u>	<u>\$ 1,821,264</u>
	<u>Liabilities and Net Assets</u>	
Liabilities		
Accounts payable to affiliates	\$ 27,263	\$ 60,085
Accounts payable and accrued liabilities	56,455	71,816
Net post-retirement benefit obligation	<u>52,147</u>	<u>263,344</u>
Total liabilities	<u>135,865</u>	<u>395,245</u>
Net assets		
Without donor restrictions	<u>1,873,878</u>	<u>1,426,019</u>
Total net assets	<u>1,873,878</u>	<u>1,426,019</u>
Total liabilities and net assets	<u>\$ 2,009,743</u>	<u>\$ 1,821,264</u>

See Notes to Financial Statements.

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

**Statements of Activities
Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Support and revenues		
Student activity fees	\$ 1,416,103	\$ 1,454,881
Donated use of facilities	72,122	68,380
Interest income	38,336	19,916
Other	<u>19,542</u>	<u>22,888</u>
Total support and revenues	<u>1,546,103</u>	<u>1,566,065</u>
Expenses		
Program services		
Community services	182,936	176,795
Student government and elections	492,681	731,628
Clubs and organizations	93,792	101,139
Cultural events	112,659	212,206
Other student services	<u>295,483</u>	<u>279,991</u>
Total program services	<u>1,177,551</u>	<u>1,501,759</u>
Supporting services		
Administration	<u>179,455</u>	<u>103,625</u>
Total supporting services	<u>179,455</u>	<u>103,625</u>
Total expenses	<u>1,357,006</u>	<u>1,605,384</u>
Pension related changes other than periodic pension costs (benefit)	<u>(258,762)</u>	<u>172,957</u>
Change in net assets	447,859	(212,276)
Net assets, beginning	<u>1,426,019</u>	<u>1,638,295</u>
Net assets, end	<u><u>\$ 1,873,878</u></u>	<u><u>\$ 1,426,019</u></u>

See Notes to Financial Statements.

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

**Statements of Functional Expenses
Years Ended June 30, 2019 and 2018**

	Program services					Supporting services		Total	2018
	Community services	Student government and elections	Clubs and organizations	Cultural events	Other student services	Total program services	Administration		
Salaries and wages	\$ 1,142	\$ 160,303	\$ -	\$ -	\$ 82,128	\$ 243,573	\$ 79,411	\$ 322,984	\$ 397,794
Employee benefits	550	77,208	-	-	39,556	117,314	38,247	155,561	152,655
General and administrative	-	-	-	-	-	-	1,899	1,899	30,003
Insurance	45	1,783	-	-	1,290	3,118	1,738	4,856	6,420
Scholarships	-	105,957	-	-	750	106,707	-	106,707	111,476
Equipment rental and maintenance	44	4,967	-	-	1,290	6,301	1,738	8,039	22,855
Advertising and marketing	-	14,540	-	-	49,672	64,212	-	64,212	70,164
Rent	206	8,244	-	-	5,968	14,418	8,035	22,453	22,453
Program	179,795	11,798	93,792	112,659	11,670	409,714	-	409,714	516,566
Depreciation and amortization	168	6,872	-	-	4,869	11,909	6,556	18,465	18,526
Travel	25	30,711	-	-	722	31,458	970	32,428	48,387
Professional services	948	36,554	-	-	22,633	60,135	35,615	95,750	99,018
Donated use of facilities	-	-	-	-	72,122	72,122	-	72,122	68,380
Other expenses	13	33,744	-	-	2,813	36,570	5,246	41,816	40,687
	<u>\$ 182,936</u>	<u>\$ 492,681</u>	<u>\$ 93,792</u>	<u>\$ 112,659</u>	<u>\$ 295,483</u>	<u>\$ 1,177,551</u>	<u>\$ 179,455</u>	<u>\$ 1,357,006</u>	<u>\$ 1,605,384</u>

See Notes to Financial Statements.

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

**Statements of Cash Flows
Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 447,859	\$ (212,276)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	18,465	18,526
Post-retirement benefits	(258,762)	172,957
Change in operating assets and liabilities		
Accounts receivable from affiliates	74,778	(71,198)
Accounts receivable	2,284	(5,789)
Prepaid expenses and deposits	(1,813)	17,780
Accounts payable to affiliates	(32,822)	(50,470)
Accounts payable and accrued liabilities	(15,361)	3,448
Net post-retirement benefit obligation	<u>47,565</u>	<u>7,437</u>
Net cash provided by (used in) operating activities	<u>282,193</u>	<u>(119,585)</u>
Cash flows from investing activities		
Purchase of investments	(30,368)	(18,716)
Proceeds from sale of investments	250,000	-
Purchase of capital assets	<u>(7,129)</u>	<u>(12,060)</u>
Net cash provided by (used in) investing activities	<u>212,503</u>	<u>(30,776)</u>
Net change in cash	494,696	(150,361)
Cash, beginning	<u>418,817</u>	<u>569,178</u>
Cash, end	<u>\$ 913,513</u>	<u>\$ 418,817</u>

See Notes to Financial Statements.

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

**Notes to Financial Statements
June 30, 2019 and 2018**

Note 1 - Business activity and summary of significant accounting policies

Business activity

Associated Students of California State University, Los Angeles, Inc. ("Associated Students") (a California State University Auxiliary Organization) is a nonprofit auxiliary organization related to California State University, Los Angeles (the "University"). Associated Students 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. Associated Students major source of income is derived from student activity fees, which are charged to all enrolled students on a semester basis.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Financial statement presentation

Associated Students reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. They are described as follows:

Net Assets Without Donor Restrictions – Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets may be designated for specific purposes by action of the Board.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At June 30, 2019 and 2018, Associated Students does not have any net assets with donor restrictions.

Accounts receivable

Accounts receivable are stated at unpaid balance less an allowance for doubtful accounts. Associated Students provides for losses on the receivables using the allowance method which is based on experience and other circumstances. Associated Students considers all accounts receivable to be fully collectible and, as such, an allowance for doubtful accounts is not considered necessary.

Investments

Investments are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the statements of activities as investment income (loss). At June 30, 2019 and 2018, investments consist of pooled investment funds with the State of California in the amount of \$1,019,595 and \$1,239,227, respectively.

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

Notes to Financial Statements June 30, 2019 and 2018

Fair value measurements

Associated Students values certain of its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted priced (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Capital assets

Capital assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Repairs and maintenance are charged to expense as incurred.

Revenue recognition

Student activity fees are collected from student tuition and recognized as revenue in accordance with the academic year. Deferred revenue consists of amounts received which have not been earned. These amounts are transferred to revenue when earned.

Income taxes

Associated Students is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue Taxation Code of California. Accordingly, no provision for income taxes is included in the accompanying financial statements.

Associated Students has no unrecognized tax benefits at June 30, 2019 and 2018. Associated Students' federal and state income tax returns prior to 2016 and 2015, respectively, are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If applicable, Associated Students recognizes interest and penalties associated with tax matters as part of income tax expense and includes accrued interest and penalties with accounts payable and accrued expenses in the statements of financial position.

Functional allocation expenses

The costs of providing programs and activities have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on personnel time and space utilized for activities.

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

Notes to Financial Statements
June 30, 2019 and 2018

Use of estimates

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

Donated use of facilities

Associated Students records donated use of facilities from an affiliated organization. The donated use of facilities is measured at fair value. For the years ended June 30, 2019 and 2018, Associated Students recorded \$72,122 and \$68,380, respectively, as donated use of facilities and expense.

Adoption of new accounting pronouncement

For the year ended June 30, 2019, Associated Students has adopted the Financial Accounting Standards Board's Accounting Standards Update ("ASU") No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addressed the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Reclassifications

Certain 2018 amounts have been reclassified to conform to the 2019 presentation.

Subsequent events

Associated Students has evaluated subsequent events through [Date], which is the date these financial statements were available to be issued.

Note 2 - Liquidity and availability

Associated Students regularly monitors liquidity required to meet its operating needs and other contractual commitments. Associated Students has various sources of liquidity at its disposal, including cash, receivables, and investments.

At June 30, 2019, Associated Students had the following financial assets and liquidity resources available over the next 12 months:

Cash	\$	913,513
Receivables		19,994
Investments		<u>1,019,595</u>
	\$	<u><u>1,953,102</u></u>

Note 3 - Concentrations

Financial instruments which potentially subject Associated Students to concentrations of credit risk consist primarily of cash. Associated Students maintains its cash with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits.

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

Notes to Financial Statements
June 30, 2019 and 2018

Note 4 - Fair value measurements

At June 30, 2019 and 2018, investments are carried at fair value and are classified in one of the three categories as described in Note 1. The pooled investment funds are not traded on an active market and are therefore classified as Level 2 and are valued using quoted prices for similar assets in active exchange markets.

Note 5 - Capital assets

At June 30, 2019 and 2018, capital assets consist of the following:

	2019	2018
Computer equipment	\$ 70,521	\$ 63,538
Digital camera	1,314	1,314
Security equipment	4,980	4,980
Furniture	154,172	154,172
	230,987	224,004
Less accumulated depreciation	(215,545)	(197,226)
Total	\$ 15,442	\$ 26,778

Depreciation expense for the years ended June 30, 2019 and 2018 was \$18,319 and \$16,264, respectively.

Note 6 - Retirement plan

Associated Students 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 Associated Students 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 Associated Students 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, Associated Students will match contributions up to a maximum of 5% of an employee’s compensation. Contributions from employees and Associated Students’ matching contributions are fully vested. Associated Students’ total pension expense for the years ended June 30, 2019 and 2018 was \$28,877 and \$34,896, respectively. Associated Students’ policy is to fund pension costs as incurred.

Note 7 - Postretirement benefits

Associated Students 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
June 30, 2019 and 2018**

Associated Students intends to contribute the maximum monthly health premium administered by the CalPERS medical program. At June 30, 2019 and 2018, Associated Students' plan assets are valued at \$128,762 and \$102,693, respectively.

The following tables provide further information about Associated Students' DB Plan:

	<u>2019</u>	<u>2018</u>
Benefit obligation at beginning of year	\$ 366,037	\$ 169,489
Service cost	48,783	16,023
Interest cost	15,264	6,797
Gain (losses)	<u>(249,175)</u>	<u>173,728</u>
Benefit obligation at end of year	<u>\$ 180,909</u>	<u>\$ 366,037</u>
Fair value of plan assets at beginning of year	\$ 102,693	\$ 86,539
Actual return of plan assets	6,069	6,154
Employer contributions	<u>20,000</u>	<u>10,000</u>
Fair value of plan assets at end of year	<u>128,762</u>	<u>102,693</u>
Net unfunded status	<u>\$ (52,147)</u>	<u>\$ (263,344)</u>

Amounts recognized in the statements of financial position consist of the following:

	<u>2019</u>	<u>2018</u>
Noncurrent liabilities	<u>\$ (52,147)</u>	<u>\$ (263,344)</u>

Amounts included in net assets without donor restrictions for amounts not yet recognized consist of the following:

	<u>2019</u>	<u>2018</u>
Unrecognized prior service cost	\$ 24,127	\$ 27,231
Net actuarial (gain) loss	<u>(144,054)</u>	<u>111,604</u>
Total not yet recognized in net assets without donor restrictions	<u>\$ (119,927)</u>	<u>\$ 138,835</u>

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

**Notes to Financial Statements
June 30, 2019 and 2018**

Amounts recognized in the statements of activities consist of the following:

	<u>2019</u>	<u>2018</u>
Service cost	\$ 48,783	\$ 16,023
Interest cost	15,264	6,797
Expected return on plan assets	(6,462)	(5,692)
Amortization of prior service cost	3,104	3,104
Amortization of net (gain) loss	<u>6,876</u>	<u>(2,795)</u>
Net postretirement benefit cost ("NPBC")	<u>\$ 67,565</u>	<u>\$ 17,437</u>

Other changes recognized in changes in net assets without donor restrictions are as follows:

	<u>2019</u>	<u>2018</u>
Net (gain) loss for the period	\$ (248,782)	\$ 173,266
Amortization of (gain) loss	(6,876)	2,795
Amortization of prior service cost	<u>(3,104)</u>	<u>(3,104)</u>
Total changes in net assets without donor restrictions	<u>\$ (258,762)</u>	<u>\$ 172,957</u>
Total changes recognized in NPBC and net assets without donor restrictions	<u>\$ (191,197)</u>	<u>\$ 190,394</u>

Assumptions

Weighted-average assumptions used in accounting for Associated Students' postretirement benefit plan are as follows at June 30:

	<u>2019</u>	<u>2018</u>
Benefit obligations		
Discount rate	3.65%	4.17%
Rate of return on plan assets	6.00%	6.00%
Rate of Compensation increase	N/A	N/A
Medical trend		
Initial	7.45%	7.70%
Ultimate	4.50%	4.50%
Number of years to ultimate	13 years	13 years

Associated Students' overall investment strategy is to diversify investments among equities, fixed income and other securities.

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

**Notes to Financial Statements
June 30, 2019 and 2018**

The fair values of Associated Students' postretirement benefit plan assets at June 30, 2019 and 2018 by asset class are as follows:

	<u>2019</u>	<u>2018</u>
Equities	\$ 64,040	\$ 56,833
Fixed income	57,203	40,066
Real estate	<u>7,519</u>	<u>5,794</u>
	<u>\$ 128,762</u>	<u>\$ 102,693</u>

The plan assets are classified as Level 1 in the fair value hierarchy and are valued using real-time quotes for transactions in active exchange markets involving identical assets.

Cash flows

The following benefit payment, subsequent to June 30, are expected to be paid as follows:

Years ending June 30,	
2020	\$ -
2021	-
2022	-
2023	-
2024	-
2025-2029	<u>10,732</u>
	<u>\$ 10,732</u>

Note 8 - Program services

Associated Students 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, for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Child Care Center	\$ 139,812	\$ 125,021
Dreamers Resource Center	12,858	15,966
Educational Participation in the Communities	10,404	11,913
Food Pantry and Insecurities	9,999	-
Veterans Resource Center	9,375	9,626
Student government and elections	492,681	731,628
Clubs and organizations	93,792	101,139
Cultutral events	112,659	212,206
Educational Opportunity Program	-	4,269
Golden Eagle Radio	488	10,000
Other student services	<u>295,483</u>	<u>279,991</u>
	<u>\$ 1,177,551</u>	<u>\$ 1,501,759</u>

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

**Notes to Financial Statements
June 30, 2019 and 2018**

Note 9 - Related party transactions

Associated Students subleases space from the University Student Union at California State University, Los Angeles (the "Union") under an agreement which expires in June 2023. 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, Associated Students paid \$8,165 for utilities and \$14,288 custodial fees for each of the years ended June 30, 2019 and 2018. The Union waived the normal square foot rate for the second floor and Associated Students recorded \$72,122 and \$68,380, as donated use of facilities revenue and expense in the accompanying statements of activities for the years ended June 30, 2019 and 2018, respectively.

Associated Students reimburses the Union for certain events. For the years ended June 30, 2019 and 2018, these reimbursements were \$12,964 and \$10,091, respectively.

The Union is responsible for employing personnel to perform administrative duties for Associated Students. In return, Associated Students reimburses the Union for wages and benefits paid, along with an administrative fee. Total reimbursed wages and benefits were \$365,754 and \$452,341 for the years ended June 30, 2019 and 2018, respectively. Total administrative fees were \$5,330 and \$5,200 for the years ended June 30, 2019 and 2018, respectively.

During the years ended June 30, 2019 and 2018, Associated Students reimbursed University Auxiliary Services, Inc. ("UAS") for food services provided for miscellaneous events held by Associated Students. Total reimbursements for the years ended June 30, 2019 and 2018 were \$59,411 and \$50,163, respectively.

Accounting services for Associated Students are provided under a contract for services agreement with the University which requires annual payments of \$57,560. Payments under the agreement were \$57,560 for each of the years ended June 30, 2019 and 2018. Human resource management services for Associated Students 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 each of the years ended June 30, 2019 and 2018. Additionally, the University charges Associated Students for miscellaneous expenses throughout the year for telephone and other administrative expenses. Total reimbursements for the years ended June 30, 2019 and 2018 were \$25,243 and \$45,080, respectively.

Under a contractual agreement, the University collects student fees on behalf of Associated Students. Associated Students 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 Associated Students were \$10,634 and \$10,920 for the years ended June 30, 2019 and 2018, respectively. During the years ended June 30, 2019 and 2018, \$1,416,103 and \$1,454,881, respectively, was earned under this agreement.

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

**Notes to Financial Statements
June 30, 2019 and 2018**

The following table summarizes accounts receivable and accounts payable with affiliated organizations at June 30:

	<u>2019</u>	<u>2018</u>
Receivables		
University	<u>\$ 15,103</u>	<u>\$ 89,881</u>
Payables		
Union	\$ 23,983	\$ 56,104
UAS	3,243	418
University	<u>37</u>	<u>3,563</u>
	<u>\$ 27,263</u>	<u>\$ 60,085</u>

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Supplementary Information

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

**Schedule of Net Position
June 30, 2019
(for Inclusion in the California State University)**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 913,513
Short-term investments	1,019,595
Accounts receivable, net	19,993
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	41,200
Total current assets	<u>1,994,301</u>
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	15,442
Other assets	-
Total noncurrent assets	<u>15,442</u>
Total assets	<u>2,009,743</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
Total deferred outflows of resources	<u>-</u>
Liabilities:	
Current liabilities:	
Accounts payable	49,238
Accrued salaries and benefits	5,588
Accrued compensated absences, current portion	22,414
Unearned revenues	-
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	373
Total current liabilities	<u>77,613</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	6,105
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	52,147
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	<u>58,252</u>
Total liabilities	<u>135,865</u>
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	<u>-</u>
Net Position:	
Net investment in capital assets	15,442
Restricted for:	-
Nonexpendable – endowments	-
Expendable:	-
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	1,858,436
Total net position	<u>\$ 1,873,878</u>

See Independent Auditor's Report.

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

**Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2019
(for Inclusion in the California State University)**

Revenues:	
Operating revenues:	
Student tuition and fees, gross	\$ 1,416,103
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	19,542
Scholarship allowances (enter as negative)	-
Other operating revenues	-
Total operating revenues	<u>1,435,645</u>
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	887,780
Institutional support	85,292
Operation and maintenance of plant	-
Student grants and scholarships	106,707
Auxiliary enterprise expenses	-
Depreciation and amortization	18,465
Total operating expenses	<u>1,098,244</u>
Operating income (loss)	<u>337,401</u>
Nonoperating revenues (expenses):	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	72,122
Investment income (loss), net	38,336
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	-
Other nonoperating revenues (expenses) - interagency transfers	-
Net nonoperating revenues (expenses)	<u>110,458</u>
Income (loss) before other revenues (expenses)	447,859
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	447,859
Net position:	
Net position at beginning of year, as previously reported	1,426,019
Restatements	
Net position at beginning of year, as restated	1,426,019
Net position at end of year	<u>\$ 1,873,878</u>

See Independent Auditor's Report.

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

**Other Information
June 30, 2019
(for Inclusion in the California State University)**

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		-
Noncurrent restricted cash and cash equivalents		-
Current cash and cash equivalents		913,513
Total	\$	913,513

2.1 Composition of investments:

	Current		Noncurrent		Total
Money market funds	\$	-	\$	-	\$
Repurchase agreements		-		-	-
Certificates of deposit		-		-	-
U.S. agency securities		-		-	-
U.S. treasury securities		-		-	-
Municipal bonds		-		-	-
Corporate bonds		-		-	-
Asset backed securities		-		-	-
Mortgage backed securities		-		-	-
Commercial paper		-		-	-
Mutual funds		-		-	-
Exchange traded funds		-		-	-
Equity securities		-		-	-
Alternative investments:					
Private equity (including limited partnerships)		-		-	-
Hedge funds		-		-	-
Managed futures		-		-	-
Real estate investments (including REITs)		-		-	-
Commodities		-		-	-
Derivatives		-		-	-
Other alternative investment types		-		-	-
Other external investment pools (excluding SWIFT)		-		-	-
Other investments		-		-	-
State of California Local Agency Investment Fund (LAIF)		1,019,595		-	1,019,595
State of California Surplus Money Investment Fund (SMIF)		-		-	-
Total investments		1,019,595		-	1,019,595
Less endowment investments (enter as negative number)		-		-	-
Total investments, net of endowments	\$	1,019,595	\$	-	\$ 1,019,595

See Independent Auditor's Report.

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

**Other Information
June 30, 2019
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2.2 Fair value hierarchy in investments:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -	\$ -	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	-	-	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools (excluding SWIFT)	-	-	-	-	-
Other investments	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	1,019,595	-	1,019,595	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Total investments	\$ 1,019,595	\$ -	\$ 1,019,595	\$ -	\$ -

2.3 Investments held by the University under contractual agreements:

Instruction: Amounts should agree with University's investments held on behalf of Discretely Presented Component Units.

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

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Other Information
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3.1 Composition of capital assets:

	Balance June 30, 2018	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2018 (Restated)	Additions	Retirements	Transfer of completed CWIP	Balance June 30, 2019
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	224,004	-	-	-	224,004	6,983	-	-	230,987
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	224,004	-	-	-	224,004	6,983	-	-	230,987
Total capital assets	224,004	-	-	-	224,004	6,983	-	-	230,987
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(197,226)	-	-	-	(197,226)	(18,319)	-	-	(215,545)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(197,226)	-	-	-	(197,226)	(18,319)	-	-	(215,545)
Total capital assets, net	\$ 26,778	\$ -	\$ -	\$ -	\$ 26,778	\$ (11,336)	\$ -	\$ -	\$ 15,442

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

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3.2 Detail of depreciation and amortization expense:
Depreciation and amortization expense related to capital assets
Amortization expense related to other assets
Total depreciation and amortization

\$	18,319
	146
<u>\$</u>	<u>18,465</u>

4 Long-term liabilities:

	Balance June 30, 2018	Prior Period Adjustments/Reclassi- fications	Balance June 30, 2018 (Restated)	Additions	Reductions	Balance June 30, 2019	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 35,373	\$ -	\$ 35,373	\$ 15,560	\$ (22,414)	\$ 28,519	\$ (22,414)	\$ 50,933
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:								
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 35,373	\$ -	\$ 35,373	\$ 15,560	\$ (22,414)	\$ 28,519	\$ (22,414)	\$ 50,933

5 Capital lease obligations schedule:

Year ending June 30:	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	-	-	-	-	-	-	-	-	-
Less: amounts representing interest									
Present value of future minimum lease payments									
Unamortized net premium/(discount)									
Total capital lease obligations									
Less: current portion									
Capital lease obligations, net of current portion									\$ -

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**Other Information
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6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			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:									
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
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 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ -
Payments to University for other than salaries of University personnel	101,799
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)	(37)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	15,103
Other amounts receivable from University (enter as positive number)	-

8 Restatements/Prior period adjustments:

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement/PPA:

Debit/(Credit)

Transaction #1 Enter transaction description

Transaction #2 Enter transaction description

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

Other Information
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9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	243,573	(62,438)	8,598	-	-	698,047	-	887,780
Institutional support	79,411	(69,640)	20,279	-	-	55,242	-	85,292
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	106,707	-	-	106,707
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	18,465	18,465
Total operating expenses	\$ 322,984	\$ (132,078)	\$ 28,877	\$ -	\$ 106,707	\$ 753,289	\$ 18,465	\$ 1,098,244

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	\$ -
Deferred outflows - net pension liability	-
Deferred outflows - net OPEB liability	-
Deferred outflows - others:	-
Total deferred outflows - others	-
Total deferred outflows of resources	\$ -

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	\$ -
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	-
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	-
Deferred inflows - others:	-
Total deferred inflows - others	-
Total deferred inflows of resources	\$ -

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