

**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 Supplemental
Information**

For the Years Ended June 30, 2012 and 2011

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
(A Component Unit of California State University, Los Angeles)
For the Years Ended June 30, 2012 and 2011**

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of the Associated Students of California State University, Los Angeles, Inc. (Organization), a component unit of California State University, Los Angeles, as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. 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. The financial statements of the Organization were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated September 13, 2011.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental financial information as listed in the table of contents 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 basic financial statements as a whole.

Macias Jini & O'Connell LLP

Los Angeles, California
September 28, 2012

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**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
Assets		
Cash and cash equivalents	\$ 1,516,479	\$ 1,428,140
Accounts receivable from affiliates	14,127	13,006
Accounts receivable	1,649	1,850
Prepaid expenses and deposits	9,522	10,903
Capital assets, net	47,025	79,927
Total assets	<u>1,588,802</u>	<u>1,533,826</u>
 Liabilities and net assets		
Accounts payable and other accrued liabilities	55,997	75,081
Accounts payable to affiliates	23,418	51,574
Note payable to affiliate	92,196	107,562
Deferred employee benefits	117,524	138,531
Total liabilities	<u>289,135</u>	<u>372,748</u>
 Net assets		
Unrestricted	<u>1,299,667</u>	<u>1,161,078</u>
Total net assets	<u>1,299,667</u>	<u>1,161,078</u>
 Total liabilities and net assets	<u>\$ 1,588,802</u>	<u>\$ 1,533,826</u>

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
Support and revenues		
Student activity fees	\$ 1,157,286	\$ 1,091,251
Donated space	55,786	69,357
Interest income	7,045	5,841
Other	8,618	4,368
Total support and revenues	<u>1,228,735</u>	<u>1,170,817</u>
 Expenses		
Program services:		
Community services	132,924	122,405
Student government and elections	304,073	286,235
Clubs and organizations	35,211	28,589
Cultural events	4,592	3,446
Other student services	52,405	138,648
Total program services	<u>529,205</u>	<u>579,323</u>
Supporting services		
University support	109,966	85,349
Administration	447,871	492,134
Total supporting services	<u>557,837</u>	<u>577,483</u>
 Total expenses	<u>1,087,042</u>	<u>1,156,806</u>
 Amortization of prior service cost	<u>3,104</u>	<u>3,104</u>
 Change in net assets	138,589	10,907
 Net assets		
Beginning of year	1,161,078	1,150,171
End of year	<u>\$ 1,299,667</u>	<u>\$ 1,161,078</u>

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Change in net assets	\$ 138,589	\$ 10,907
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	34,037	39,164
Gain on sale of capital assets	(1,171)	-
Change in operating assets and liabilities:		
Accounts receivable and accounts receivable from affiliates	(920)	20,616
Prepaid expenses and deposits	1,381	15,056
Accounts payable and other accrued liabilities	(19,084)	27,138
Accounts payable to affiliates	(28,156)	16,353
Deferred employee benefits	(21,007)	14,768
Net cash provided by operating activities	<u>103,669</u>	<u>144,002</u>
 Cash flows from capital and related financing activities		
Principal payments on note payable to affiliate	<u>(15,366)</u>	<u>(15,366)</u>
Net cash used by capital and related financing activities	<u>(15,366)</u>	<u>(15,366)</u>
 Cash flows from investing activities		
Proceeds from sale of equipment	2,486	-
Purchases of equipment and furnishings	<u>(2,450)</u>	<u>(1,771)</u>
Net cash provided by (used in) investing activities	<u>36</u>	<u>(1,771)</u>
 Net increase in cash and cash equivalents	88,339	126,865
 Cash and cash equivalents at beginning of year	<u>1,428,140</u>	<u>1,301,275</u>
 Cash and cash equivalents at end of year	<u>\$ 1,516,479</u>	<u>\$ 1,428,140</u>

See accompanying notes to the financial statements.

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**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

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 CSU. 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 are those with no donor restrictions.
- 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, 2012 and 2011.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

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, 2012 and 2011.

Cash and Cash Equivalents

The Organization maintains their cash in a checking account and invests its excess cash with the State of California-Local Agency Investment Fund (LAIF) and reports the balance at fair value. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis, which is different from the fair value of the Organization's position in the LAIF pool. The Organization considers its investment in LAIF and all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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, 2012 and 2011 as management has determined that all accounts receivable are collectible.

Capital Assets

Capital assets are stated at cost. It is the policy of the Organization to capitalize all equipment and furnishings costing \$1,000 or more. Depreciation is provided on 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.

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.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)

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 23701(d) of the Revenue and Taxation Code, respectively. Accordingly, there is no provision for income taxes in the financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation." 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.

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.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents are composed of the following:

	<u>2012</u>	<u>2011</u>
Cash in bank	\$ 165,218	\$ 382,084
Local Agency Investment Fund	<u>1,351,261</u>	<u>1,046,056</u>
Total cash and cash equivalents	<u>\$ 1,516,479</u>	<u>\$ 1,428,140</u>

As of June 30, 2012 and 2011, the book balance for cash in bank was \$165,218 and \$382,084, respectively and the bank balance was \$200,835 and \$423,524, respectively. The bank balance for 2012 is entirely insured by the Federal Deposit Insurance Corporation and amounts in excess of \$250,000 are not insured for 2011.

The Organization also invests in the State of California Local Agency Investment Fund (LAIF), which is considered a cash equivalent for financial statement purposes. The Organization had \$1,351,261 and \$1,046,056 invested in LAIF at June 30, 2012 and 2011, respectively. The investment market values at June 30, 2012 and 2011 approximate cost. This account is not federally insured.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

NOTE 4 – FAIR VALUE MEASUREMENTS

The Organization follows ASC Topic 820, *Fair Value Measurement and Disclosures*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

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

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

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

The following presents assets that are measured at fair value on a recurring basis at June 30, 2011:

	Significant Other Observable <u>Inputs (Level 2)</u>
Assets:	
LAIF	<u>\$ 1,046,056</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

NOTE 5 – CAPITAL ASSETS

Capital assets consist of the following:

	<u>2012</u>	<u>2011</u>
Computer equipment	\$ 18,931	\$ 16,481
Security equipment	4,980	6,901
Furniture	<u>154,172</u>	<u>158,326</u>
Total capital assets	178,083	181,708
Less accumulated depreciation	<u>(131,058)</u>	<u>(101,781)</u>
Total capital assets, net	<u>\$ 47,025</u>	<u>\$ 79,927</u>

Depreciation expense for the fiscal years ended June 30, 2012 and 2011 was \$34,037 and \$39,164 respectively.

NOTE 6 – NOTE PAYABLE

On August 1, 2008, the Organization entered into an agreement with the University-Student Union Board, California State University, Los Angeles (the Union), an affiliate, 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 \$14,492 and \$19,022 at June 30, 2012 and 2011, respectively. The interest expense amortized for the years ended June 30, 2012 and 2011 would have been \$4,530 and \$5,057, respectively.

The note payable is scheduled to be paid as follows:

	<u>June 30,</u>
2013	\$ 15,366
2014	15,366
2015	15,366
2016	15,366
2017	15,366
2018	<u>15,366</u>
	<u>\$ 92,196</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

NOTE 7 – 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 \$12,780 and \$0 for the years ended June 30, 2012 and 2011, respectively.

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

Changes in benefit obligation:

	<u>2012</u>	<u>2011</u>
Benefit obligation, at beginning of year	\$ 138,531	\$ 123,763
Service cost	17,044	17,380
Interest cost	8,312	7,116
Actuarial loss	<u>(33,583)</u>	<u>(9,728)</u>
Benefit obligation, at end of year	<u>130,304</u>	<u>138,531</u>
Funded status, at end of year	<u>\$ 117,524</u>	<u>\$ 138,531</u>
Measurement date	June 30, 2012	June 30, 2011

Changes in Plan Net Assets:

	<u>2012</u>	<u>2011</u>
Fair value of plan assets		
at beginning of year	\$ -	\$ -
Actual return on plan assets	(5,220)	-
Employer contribution	<u>18,000</u>	<u>-</u>
Fair value of plan assets, end of year	<u>\$ 12,780</u>	<u>\$ -</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

NOTE 7 – DEFERRED EMPLOYEE BENEFITS (Continued)

Amount recognized in the statement of financial position consists of:

	<u>2012</u>	<u>2011</u>
Liabilities	<u>\$ 117,524</u>	<u>\$ 138,531</u>

Amount recognized in changes in unrestricted net assets consists of:

	<u>2012</u>	<u>2011</u>
Prior service cost	<u>\$ 45,855</u>	<u>\$ 48,959</u>

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>2012</u>	<u>2011</u>
Service cost	\$ 17,044	\$ 17,380
Interest cost	8,312	7,116
Amortization of prior service cost	3,104	3,104
Amortization of net (gain) loss	-	396
Net periodic benefit cost	<u>\$ 28,460</u>	<u>\$ 27,996</u>

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

	<u>2012</u>	<u>2011</u>
Prior service cost	\$ 48,959	\$ 52,063
Amortization of prior service cost	<u>(3,104)</u>	<u>(3,104)</u>
Total recognized in net assets	<u>\$ 45,855</u>	<u>\$ 48,959</u>

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

NOTE 7 – DEFERRED EMPLOYEE BENEFITS (Continued)

Assumptions:

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

	<u>2012</u>	<u>2011</u>
Discount rate	4.35%	6.00%
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	7.00%	7.30%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.50%	5.50%
Year that the rate reaches the ultimate trend rate	2020	2020

Accumulated postretirement benefit obligation:

Health care cost trend rate assumed for next year	7.00%	7.30%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.50%	5.50%
Year that the rate reaches the ultimate trend rate	2020	2020

Estimated Future Benefit Payments

The Organization expects to make annual contributions of \$7,073 beginning in 2018 through 2023. No benefits have been paid out for the years ended June 30, 2012 and 2011.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

NOTE 8 – RELATED-PARTY TRANSACTIONS

The Organization subleases space from the Union under an agreement which expires in June 2013. 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 \$0.42 per square foot for custodial services and \$0.24 per square foot for utility services. Total payments under the agreement were \$9,001 and \$10,670 for the years ended June 30, 2012 and 2011, respectively. Future minimum payments required under the sublease agreement are \$22,453 for the year ended June 30, 2013. The Union waived the normal square foot rate for the second floor and the Organization recorded \$55,786 and 69,357, respectively, as donated space and administrative expense on the Statements of Activities for the years ended June 30, 2012 and 2011.

The Organization reimburses the Union for certain events. For the years ended June 30, 2012 and 2011, these reimbursements were \$3,792 and \$4,218, 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 \$308,751 and \$454,700 for the years ended June 30, 2012 and 2011, respectively. Total administrative fees were \$4,661 and \$5,954 for the years ended June 30, 2012 and 2011, respectively.

During the years ended June 30, 2012 and 2011, 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, 2012 and 2011 were \$43,208 and \$16,501, 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, 2012 and 2011. 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, 2012 and 2011. 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, 2012 and 2011 were \$13,107 and \$23,965, 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 \$8,679 and \$8,209 for the years ended June 30, 2012 and 2011, respectively. The University owes the Organization \$12,099 and \$8,812 of student fees at June 30, 2012 and 2011, respectively. This is included in accounts receivable, on the statements of financial position.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

NOTE 8 – RELATED-PARTY TRANSACTIONS (Continued)

The following table summarizes accounts payable to affiliated organizations:

	<u>2012</u>	<u>2011</u>
Student Union	\$ 21,287	\$ 44,745
UAS	1,192	4,165
University	<u>939</u>	<u>2,664</u>
	<u>\$ 23,418</u>	<u>\$ 51,574</u>

The following table summarizes accounts receivable from affiliated organizations:

	<u>2012</u>	<u>2011</u>
University	<u>\$ 14,127</u>	<u>\$ 13,006</u>

NOTE 9 – 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, 2012 and 2011 was \$24,598 and \$31,904, respectively. The Organization's policy is to fund pension costs as incurred.

NOTE 10 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the statement of financial position date through September 18, 2012, which is the date the financial statements were issued.

SUPPLEMENTAL FINANCIAL INFORMATION

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ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
Schedule of Net Assets
June 30, 2012
(for inclusion in the California State University)

Assets:

Current assets:	
Cash and cash equivalents	\$ 165,218
Short-term investments	1,351,261
Accounts receivable, net	15,776
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	9,522
	<hr/>
Total current assets	1,541,777
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	47,025
Other assets	-
	<hr/>
Total noncurrent assets	47,025
	<hr/>
Total assets	1,588,802

Liabilities:

Current liabilities:	
Accounts payable	27,246
Accrued salaries and benefits payable	21,287
Accrued compensated absences- current portion	12,105
Deferred revenue	-
Capitalized lease obligations – current portion	-
Long-term debt obligations – current portion	15,366
Self-insurance claims liability - current portion	-
Depository accounts	-
Other liabilities	6,864
	<hr/>
Total current liabilities	82,868
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	11,913
Deferred revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	76,830
Self-insurance claims liabilities, net of current portion	-
Depository accounts	-
Other postemployment benefits obligation	117,524
Other liabilities	-
	<hr/>
Total noncurrent liabilities	206,267
	<hr/>
Total liabilities	289,135

Net assets:

Invested in capital assets, net of related debt	(45,171)
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	1,344,838
	<hr/>
Total net assets	\$ 1,299,667

See accompanying note to the supplemental schedules.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
Schedule of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2012
(for inclusion in the California State University)

Revenues:

Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$ <u>0</u>)	\$ 1,157,286
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 \$ <u> </u>)	-
Other operating revenues	8,618
Total operating revenues	1,165,904

Expenses:

Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	639,173
Institutional support	416,936
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	-
Depreciation and amortization	34,037
Total operating expenses	1,090,146
Operating income	75,758

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	55,786
Investment income, net	7,045
Endowment income (loss), net	-
Interest Expenses	-
Other nonoperating revenues (expenses)	-
Net nonoperating revenues (expenses)	62,831

Income before other additions	138,589
-------------------------------	---------

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase in net assets	138,589

Net assets:

Net assets at beginning of year, as previously reported	1,161,078
Restatements	-
Net assets at beginning of year, as restated	1,161,078
Net assets at end of year	\$ 1,299,667

See accompanying note to the supplemental schedules.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
Other Information
Year Ended June 30, 2012
(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2012:

Portion of restricted cash and cash equivalents related to endowments	\$ -
All other restricted cash and cash equivalents	-
Total restricted cash and cash equivalents	<u>\$ -</u>

2.1 Composition of investments at June 30, 2012:

	<u>Current Unrestricted</u>	<u>Current Restricted</u>	<u>Total Current</u>	<u>Noncurrent Unrestricted</u>	<u>Noncurrent Restricted</u>	<u>Total Noncurrent</u>	<u>Total</u>
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	1,351,261	-	1,351,261	-	-	-	1,351,261
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
US Bank SWIFT pool	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
Private pass-through	-	-	-	-	-	-	-
Other major investments:							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	<u>1,351,261</u>	<u>-</u>	<u>1,351,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,351,261</u>
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	<u>1,351,261</u>	<u>-</u>	<u>1,351,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,351,261</u>

2.2 Investments held by the University under contractual agreements at June 30, 2012:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2012 :	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---

2.3 Restricted current investments at June 30, 2012 related to:

	<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 restricted current investments at June 30, 2012	<u>\$ -</u>

See accompanying note to the supplemental schedules.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
Other Information
Year Ended June 30, 2012
(for inclusion in the California State University)

2.4 Restricted noncurrent investments at June 30, 2012 related to:

	<u>Amount</u>
Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2012	\$ —

3.1 Composition of capital assets at June 30, 2012:

	<u>Balance June 30, 2011</u>	<u>Prior period Adjustments</u>	<u>Reclassifications</u>	<u>June 30, 2011 (restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed CWIP</u>	<u>Balance June 30, 2012</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	181,708	-	-	181,708	2,450	(6,075)	-	178,083
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	181,708	-	-	181,708	2,450	(6,075)	-	178,083
Total capital assets	181,708	-	-	181,708	2,450	(6,075)	-	178,083
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(101,781)	-	-	(101,781)	(34,037)	4,760	-	(131,058)
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	(101,781)	-	-	(101,781)	(34,037)	4,760	-	(131,058)
Total capital assets, net	\$ 79,927	-	-	79,927	(31,587)	(1,315)	-	47,025

See accompanying note to the supplemental schedules.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
Other Information
Year Ended June 30, 2012
(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2012:

Depreciation and amortization expense related to capital assets	\$ 34,037
Amortization expense related to other assets	<u>—</u>
Total depreciation and amortization	<u>\$ 34,037</u>

4 Long-term liabilities activity schedule:

	Balance June 30, 2011	Prior period adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Balance June 30, 2012	Current portion	Long-term portion
Accrued compensated absences	\$ 21,257	—	—	21,257	14,866	(12,105)	24,018	12,105	11,913
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	—	—	—	—	-	-	—	—	—
Other:									
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Other	107,562	—	—	107,562	-	(15,366)	92,196	15,366	76,830
Total long-term debt obligations	107,562	—	—	107,562	-	(15,366)	92,196	15,366	76,830
Unamortized bond premium / (discount)	—	—	—	—	-	-	—	—	—
Unamortized loss on refunding	—	—	—	—	-	-	—	—	—
Total long-term debt obligations, net	107,562	—	—	107,562	—	(15,366)	92,196	15,366	76,830
Total long-term liabilities	\$ 128,819	—	—	128,819	14,866	(27,471)	116,214	27,471	88,743

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2013	-	-	—
2014	-	-	—
2015	-	-	—
2016	-	-	—
2017	-	-	—
2018 - 2022	-	-	—
2023 - 2027	-	-	—
2028 - 2032	-	-	—
2033 - 2037	-	-	—
2038 - 2042	-	-	—
2043 - 2047	-	-	—
2048 - 2052	-	-	—
2053 - 2057	-	-	—
2058 - 2062	-	-	—
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 the supplemental schedules.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
Other Information
Year Ended June 30, 2012
(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:									
2013	\$ -	-	-	15,366	-	15,366	15,366	-	15,366
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 - 2022	-	-	-	15,366	-	15,366	15,366	-	15,366
2023 - 2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-	-	-	-
2058 - 2062	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	92,196	-	92,196	92,196	-	92,196

7 Calculation of net assets

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries

7.1 Calculation of net assets - Invested in capital assets, net of related debt

Capital assets, net of accumulated depreciation	\$	—	47,025	47,025
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		—	(76,830)	(76,830)
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 assets - invested in capital assets, net of related debt	\$	—	(45,171)	(45,171)

7.2 Calculation of net assets - 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 assets - Restricted for nonexpendable - endowments per SNA	\$	—	—	—

See accompanying note to the supplemental schedules.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
Other Information
Year Ended June 30, 2012
(for inclusion in the California State University)

8 Transactions with Related Entities

	Amount
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	91,519
Payments received from University for services, space, and programs	22,122
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)	(939)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	14,127
Other amounts receivable from University	—

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$ (39,007)
Contributions during the year	<u>18,000</u>
Increase (decrease) in net OPEB obligation (NOO)	(21,007)
NOO - beginning of year	138,531
NOO - end of year	<u>\$ 117,524</u>

10 Pollution remediation liabilities under GASB Statement No. 49:

Description	Amount
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	<u>—</u>
Pollution remediation liabilities, net of current portion	<u>—</u>

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

	Net Asset	Amount
	Class	Dr. (Cr.)
Net assets as of June 30, 2011, as previously reported		\$ 1,161,078
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 assets as of June 30, 2011, as restated		<u>\$ 1,161,078</u>

See accompanying note to the supplemental schedules.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
Other Information
Year Ended June 30, 2012
(for inclusion in the California State University)

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

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

See accompanying note to the supplemental schedules.

**ASSOCIATED STUDENTS OF
CALIFORNIA STATE UNIVERSITY, LOS ANGELES, INC.
NOTE TO SUPPLEMENTAL SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2012**

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 May 23, 2012. 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).