

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

Independent Auditor's Report,  
Financial Statements and Supplementary Information

June 30, 2016 and 2015



Certified  
Public  
Accountants



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

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## Independent Auditor's Report

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

We have audited the accompanying financial statements of the Associated Students of California State University, Los Angeles, Inc. (the Organization), a component unit of California State University, Los Angeles, which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 the Associates Students of California State University, Los Angeles, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying supplementary information on pages 17 to 25 is presented for purposes of additional analysis in accordance with an Administrative Directive dated June 23, 2003, *Financial Reporting Requirements for Auxiliary Organization*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Macias Gini & O'Connell LLP

Los Angeles, California  
September 26, 2016

## **FINANCIAL STATEMENTS**

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

Statements of Financial Position

June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Cash	\$ 252,841	\$ 487,792
Investments	1,465,599	1,160,611
Accounts receivable from affiliates	-	41,936
Accounts receivable	2,977	1,936
Prepaid expenses and deposits	18,854	36,100
Capital assets, net	43,416	209
<b>Total assets</b>	<b>1,783,687</b>	<b>1,728,584</b>
 <b>Liabilities and net assets</b>		
Accounts payable to affiliates	18,799	52,265
Accounts payable and other accrued liabilities	60,001	108,045
Note payable to affiliate	15,366	30,732
Post-retirement benefit obligation	107,105	70,078
<b>Total liabilities</b>	<b>201,271</b>	<b>261,120</b>
 <b>Net assets</b>		
Unrestricted	1,582,416	1,467,464
<b>Total net assets</b>	<b>1,582,416</b>	<b>1,467,464</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,783,687</b>	<b>\$ 1,728,584</b>

See accompanying notes to financial statements.

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

Statements of Activities  
Years Ended June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>Support and revenues</b>		
Student activity fees	\$ 1,386,955	\$ 1,283,495
Donated use of facilities	63,617	58,855
Interest income	9,604	4,193
Other	22,079	26,433
	<b>1,482,255</b>	<b>1,372,976</b>
<b>Expenses</b>		
Program services:		
Community services	141,991	137,763
Student government and elections	483,174	456,696
Clubs and organizations	102,309	93,539
Cultural events	132,836	262,990
Other student services	287,412	275,659
Total program services	1,147,722	1,226,647
Supporting services:		
Administration	216,477	188,499
Total supporting services	216,477	188,499
<b>Total expenses</b>	<b>1,364,199</b>	<b>1,415,146</b>
Amortization of prior service cost	3,104	3,104
Change in net assets	114,952	(45,274)
<b>Net assets</b>		
Beginning of year	1,467,464	1,512,738
End of year	\$ 1,582,416	\$ 1,467,464

See accompanying notes to financial statements.

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

Statements of Cash Flows  
Years Ended June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 114,952	\$ (45,274)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,478	1,246
Change in operating assets and liabilities:		
Accounts receivable from affiliates	41,936	16,454
Accounts receivable	(1,041)	586
Prepaid expenses and deposits	17,246	(9,523)
Accounts payable to affiliates	(33,466)	(68,983)
Accounts payable and other accrued liabilities	(48,044)	31,370
Post-retirement benefit obligation	37,027	5,641
Net cash provided by (used in) operating activities	130,088	(68,483)
<b>Cash flows from investing activities</b>		
Purchase of investments	(304,988)	(3,011)
Purchase of capital assets	(44,685)	-
Net cash used in investing activities	(349,673)	(3,011)
<b>Cash flows from capital and related financing activities</b>		
Principal payments on note payable to affiliate	(15,366)	(15,366)
Net cash used in capital and related financing activities	(15,366)	(15,366)
<b>Net decrease in cash</b>	(234,951)	(86,860)
Cash at beginning of year	487,792	574,652
Cash at end of year	\$ 252,841	\$ 487,792

See accompanying notes to financial statements.

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

Notes to Financial Statements

June 30, 2016 and 2015

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

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

**Financial Statement Presentation**

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

**Basis of Presentation**

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

- Unrestricted net assets is generated by receiving unrestricted contributions, receiving student activity fees charged to all University students, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.
- 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, 2016 and 2015.

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

Notes to Financial Statements (Continued)

June 30, 2016 and 2015

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING 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 has no permanently restricted net assets as of June 30, 2016 and 2015.

**Cash**

The Organization maintains its cash in a checking account.

**Accounts Receivable**

Accounts receivable, including accounts receivable from affiliates, are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt and a credit to an allowance account based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. There are no reserves for uncollectible accounts at June 30, 2016 and 2015 as management has determined that all accounts receivable are collectible.

**Investments**

The Organization has an investment with the State of California - Local Agency Investment Fund (LAIF) and reports the balance at fair value. The fair value of the investment may differ from the deposits with the difference representing the unrealized gain or losses. Investment income or loss (including realized and unrealized gains and losses on investments, interests, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. For the years ended June 30, 2016 and 2015, the Organization recorded interest income in the amount of \$9,604 and \$4,193, respectively.

**Capital Assets**

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

**Post-Retirement Benefit Plan**

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

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

Notes to Financial Statements (Continued)

June 30, 2016 and 2015

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Student Activity Fees**

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

**Donated Use of Facilities**

The Organization receives non-cash contributions of donated use of facilities from an affiliated organization. The donated use of facilities is measured at fair value. For the years ended June 30, 2016 and 2015, the Organization recorded \$63,617 and \$58,855, respectively, as donated use of facilities and expense.

**Functional Allocation of Expenses**

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

**Tax Status**

The Organization is exempt from income taxes under 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

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

**Use of Estimates**

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

**NOTE 3 – CASH**

	<u>2016</u>	<u>2015</u>
Cash in bank	<u>\$ 252,841</u>	<u>\$ 487,792</u>

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

Notes to Financial Statements (Continued)

June 30, 2016 and 2015

**NOTE 3 – CASH (Continued)**

The Federal Deposit Insurance Corporation (FDIC) insures bank balances of up to \$250,000. The Organization's bank balance was \$321,173 at June 30, 2016, which exceeded the FDIC insurance limit by \$71,173. The Organization has not experienced any losses on these accounts and does not believe it is exposed to any significant risk.

**NOTE 4 – FAIR VALUE MEASUREMENTS**

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

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

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

The following presents investments that are measured at fair value on a recurring basis at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Local Agency Investment Fund (LAIF)	<u>\$ 1,465,599</u>	<u>\$ 1,160,611</u>



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

Notes to Financial Statements (Continued)

June 30, 2016 and 2015

**NOTE 5 – CAPITAL ASSETS**

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

	2016	2015
Computer equipment	\$ 62,054	\$ 17,369
Security equipment	4,980	4,980
Furniture	154,172	154,172
Total capital assets	221,206	176,521
Less: accumulated depreciation	(177,790)	(176,312)
Total capital assets, net	<u>\$ 43,416</u>	<u>\$ 209</u>

Depreciation expense for the years ended June 30, 2016 and 2015 were \$1,478 and \$1,246, respectively.

**NOTE 6 – NOTE PAYABLE**

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

**NOTE 7 – EMPLOYEE RETIREMENT PLAN**

The Organization provides pension benefits through the Teachers Insurance and Annuity Association - College Retirement Equities Fund (the Pension Plan), a defined contribution plan, to all eligible employees (as defined by the Pension Plan agreement). The Pension Plan consists of two parts. Part one consists of contributions made by the Organization of 7% of the employee's compensation and part two includes contributions from both the employer and employee under the provisions of Section 403(b) of the Internal Revenue Code. Contributions from the Organization for the 7% contribution become vested on a five-year graded scale, with 100% vesting occurring after five years. Under part two of the Pension Plan, the Organization will match contributions up to a maximum of 5% of an employee's compensation. Contributions from employees and the Organization's matching contributions are fully vested. The Organization's total pension expense for the years ending June 30, 2016 and 2015 was \$28,562 and \$23,062, respectively. The Organization's policy is to fund pension costs as incurred.

**NOTE 8 – POST-RETIREMENT BENEFIT PLAN**

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

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

Notes to Financial Statements (Continued)

June 30, 2016 and 2015

**NOTE 8 – POST-RETIREMENT BENEFIT PLAN (Continued)**

The Organization intends to contribute the maximum monthly health premium administered by the CalPERS medical program. The Organization holds plan assets of \$68,712 and \$58,379 for the years ended June 30, 2016 and 2015, 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>2016</u>	<u>2015</u>
Benefit obligation at beginning of year	\$ 128,457	\$ 112,314
Service cost	14,416	13,054
Interest cost	6,037	5,054
Actuarial loss/(gain)	<u>26,907</u>	<u>(1,965)</u>
Benefit obligation at end of year	<u>175,817</u>	<u>128,457</u>
Funded status at end of year	<u>\$ 107,105</u>	<u>\$ 70,078</u>
Measurement date	June 30, 2016	June 30, 2015

Changes in plan assets:

	<u>2016</u>	<u>2015</u>
Fair value of plan assets at beginning of year	\$ 58,379	\$ 47,877
Actual return on plan assets	(167)	502
Employer contributions	<u>10,500</u>	<u>10,000</u>
Fair value of plan assets at end of year	<u>\$ 68,712</u>	<u>\$ 58,379</u>

Amount recognized in changes in unrestricted net assets consists of:

	<u>2016</u>	<u>2015</u>
Prior service cost	<u>\$ 33,439</u>	<u>\$ 36,543</u>

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

Notes to Financial Statements (Continued)

June 30, 2016 and 2015

**NOTE 8 – POST-RETIREMENT BENEFIT PLAN (Continued)**

Components of Net Periodic Benefit Cost and Other Amounts:

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

	<u>2016</u>	<u>2015</u>
Service cost	\$ 14,416	\$ 13,054
Interest cost	6,037	5,054
Amortization of prior service cost	3,104	3,104
Expected return on plan assets	(3,899)	(3,168)
Amortization of net (gain)	<u>(2,444)</u>	<u>(2,670)</u>
Net periodic benefit cost	<u>\$ 17,214</u>	<u>\$ 15,374</u>

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

	<u>2016</u>	<u>2015</u>
Prior service cost	\$ 36,543	\$ 39,647
Amortization of prior service cost	<u>(3,104)</u>	<u>(3,104)</u>
Unamortized prior service cost	<u>\$ 33,439</u>	<u>\$ 36,543</u>

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

Notes to Financial Statements (Continued)

June 30, 2016 and 2015

**NOTE 8 – POST-RETIREMENT BENEFIT PLAN (Continued)**

Assumptions:

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

	<u>2016</u>	<u>2015</u>
Discount rate	3.87%	4.70%
Long-term rate of return on plan assets	6.00%	6.00%

Assumed health care cost trend at June 30:

Net periodic benefit cost:

Health care cost trend rate assumed for next year	5.80%	6.10%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	4.50%	5.00%
Year that the rate reaches the ultimate trend rate	2022	2021

Accumulated post-retirement benefit obligation:

Healthcare cost trend rate assumed for next year	5.80%	6.10%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	4.50%	5.00%
Year that the rate reaches the ultimate trend rate	2021	2021

Estimated Future Benefit Payments

The Organization expects to make annual contributions of \$4,740 beginning in 2022 through 2026. No benefits have been paid out for the years ended June 30, 2016 and 2015.

**NOTE 9 – RELATED-PARTY TRANSACTIONS**

The Organization subleases space from the Union under an agreement which expires in June 2018. The subleased space consists of 2,835 square feet at the southeast corner of the second floor of the University Student Union Building. Payment is based on the calculation of \$0.24 per square foot for utility services and \$0.42 per square foot for custodial services. Under this agreement, the Organization paid \$8,165 and \$14,288 for utilities and custodial fees for the years ended June 30, 2016 and 2015, respectively. The Union waived the normal square foot rate for the second floor and the Organization recorded \$63,617 and \$58,855, respectively, as donated use of facilities expense on the accompanying statements of activities for the years ended June 30, 2016 and 2015.

The Organization reimburses the Union for certain events. For the years ended June 30, 2016 and 2015, these reimbursements were \$6,558 and \$5,285, respectively.

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

Notes to Financial Statements (Continued)

June 30, 2016 and 2015

**NOTE 9 – RELATED-PARTY TRANSACTIONS (Continued)**

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 \$369,452 and \$348,495 for the years ended June 30, 2016 and 2015, respectively. Total administrative fees were \$4,485 and \$2,172 for the years ended June 30, 2016 and 2015, respectively.

During the years ended June 30, 2016 and 2015, 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, 2016 and 2015 were \$41,579 and \$55,060, respectively.

Accounting services for the Organization are provided under a contract for services agreement with the University, which expires in June 2017 and requires annual payments of \$57,560. Payments under the agreement were \$57,560 for the years ended June 30, 2016 and 2015. The future minimum payment required under the agreement is \$57,560 per year through June 30, 2017. Human resource management services for the Organization are provided under a contract for services agreement with the University. The agreement expires in June 2017 and requires total annual payments of \$5,000. Payments under the agreement totaled \$5,000 for the years ended June 30, 2016 and 2015. Future minimum payment required under the agreement is \$5,000 through June 30, 2017. 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, 2016 and 2015 were \$64,754 and \$69,684 respectively.

Under a contractual agreement, the University collects student fees on behalf of the Organization. The Organization reimburses the University a monthly administrative fee equal to three-quarters of one percent (0.75%) of the associated student fees collected during the month. Total fees charged to the Organization were \$10,518 and \$9,608 for the years ended June 30, 2016 and 2015, respectively.

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

	<b>2016</b>	<b>2015</b>
The University	\$ -	\$ 41,936
Total	\$ -	\$ 41,936

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

Notes to Financial Statements (Continued)

June 30, 2016 and 2015

**NOTE 9 – RELATED-PARTY TRANSACTIONS (Continued)**

The following table summarizes accounts payable to affiliated organizations:

	<u>2016</u>	<u>2015</u>
The Union	\$ 14,453	\$ 37,222
UAS	3,676	800
California State University, Los Angeles, Foundation	-	1,500
The University	<u>670</u>	<u>12,743</u>
Total	<u>\$ 18,799</u>	<u>\$ 52,265</u>

**NOTE 10 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure through September 20, 2016, which is the date the financial statements were issued.

**SUPPLEMENTARY INFORMATION**

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

Schedule of Net Position

June 30, 2016

(For the inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 252,841
Short-term investments	1,465,599
Accounts receivable, net	2,977
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	18,854
Total current assets	<u>1,740,271</u>
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Leases receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	43,416
Other assets	-
Total noncurrent assets	<u>43,416</u>
Total assets	<u>1,783,687</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Others	-
Total deferred outflows of resources	<u>-</u>
Liabilities:	
Current liabilities:	
Accounts payable	42,063
Accrued salaries and benefits	5,168
Accrued compensated absences, current portion	13,939
Unearned revenue	-
Capitalized lease obligations, current portion	-
Long-term debt obligations, current portion	15,366
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	3,866
Total current liabilities	<u>\$ 80,402</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	13,764
Unearned revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Other postemployment benefits obligations	107,105
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	<u>120,869</u>
Total liabilities	<u>201,271</u>
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	<u>-</u>
Net Position:	
Net investment in capital assets	28,050
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	1,554,366
Total net position	<u>\$ 1,582,416</u>

See accompanying note to supplementary information.

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

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2016

(For the inclusion in the California State University)

Revenues:

Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$_____)	\$ 1,386,955
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)	-
Other operating revenues	22,079
Total operating revenues	<u>1,409,034</u>

Expenses:

Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	1,147,722
Institutional support	218,103
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	-
Depreciation and amortization	1,478
Total operating expenses	<u>1,367,303</u>
Operating income (loss)	<u>41,731</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	63,617
Investment income (loss), net	9,604
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	-
Net nonoperating revenues (expenses)	<u>73,221</u>
Income (loss) before other revenues (expenses)	114,952

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	<u>114,952</u>

Net position:

Net position at beginning of year, as previously reported	1,467,464
Restatements	-
Net position at beginning of year, as restated	<u>1,467,464</u>
Net position at end of year	<u>\$ 1,582,416</u>

See accompanying note to supplementary information.

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

Other Information

June 30, 2016

(For the inclusion in the California State University)

**1 Restricted cash and cash equivalents at June 30, 2016:**

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 Composition of investments at June 30, 2016:**

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	1,465,599	-	1,465,599	-	-	-	1,465,599
Corporate bonds	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Repurchase agreements	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-
Asset backed securities	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-
Municipal bonds	-	-	-	-	-	-	-
U.S. agency securities	-	-	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Exchange traded funds (ETFs)	-	-	-	-	-	-	-
Alternative investments:							
Private equity (including limited partnerships)	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Managed futures	-	-	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
Other alternative investment types	-	-	-	-	-	-	-
Other external investment pools (excluding SWIFT)							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Other major investments:							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	<u>1,465,599</u>	<u>-</u>	<u>1,465,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,465,599</u>
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	<u>1,465,599</u>	<u>-</u>	<u>1,465,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,465,599</u>

**2 Investments held by the University under contractual agreements at June 30, 2016:**

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2016 :	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---

**2 Restricted current investments at June 30, 2016 related to:**

<b>Amount</b>	
Add description	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
<b>Total restricted current investments at June 30, 2016</b>	<u>\$ -</u>

**2 Restricted noncurrent investments at June 30, 2016 related to:**

<b>Amount</b>	
Endowment investment	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-

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

Other Information

June 30, 2016

(For the inclusion in the California State University)

Total restricted noncurrent investments at June 30, 2016

\$ -

3 Fair value hierarchy in investments at June 30, 2016:

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	1,465,599	-	-	-	-
Corporate bonds	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Mutual funds	-	-	-	-	-
Money Market funds	-	-	-	-	-
Repurchase agreements	-	-	-	-	-
Commercial paper	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Equity securities	-	-	-	-	-
Exchange traded funds (ETFs)	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools (excluding SWIFT)					
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Other major investments:					
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Total investments	1,465,599	-	-	-	-



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

Other Information

June 30, 2016

(For the inclusion in the California State University)

Total capital assets, net	\$	209	-	-	209	43,207	-	-	43,416
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3 Detail of depreciation and amortization expense for the year ended June 30, 2016:

Depreciation and amortization expense related to capital assets	\$	1,478
Amortization expense related to other assets		-
Total depreciation and amortization	\$	1,478

4 Long-term liabilities activity schedule:

	Balance June 30, 2015	Prior period adjustments	Reclassifications	Balance June 30, 2015 (restated)	Additions	Reductions	Balance June 30, 2016	Current portion	Long-term portion
Accrued compensated absences	\$ 26,808	-	-	26,808	14,834	(13,939)	27,703	13,939	13,764
Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-	-
Capitalized lease obligations:									
Gross balance	-	-	-	-	-	-	-	-	-
Unamortized premium / (discount) on capitalized lease obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-	-
Long-term debt obligations:									
Auxiliary revenue bonds	-	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-
Notes payable related to SRB	-	-	-	-	-	-	-	-	-
Others: (list by type)									
Notes payable to affiliates	30,732	-	-	30,732	-	(15,366)	15,366	15,366	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	30,732	-	-	30,732	-	(15,366)	15,366	15,366	-
Unamortized bond premium / (discount)	-	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	30,732	-	-	30,732	-	(15,366)	15,366	15,366	-
Total long-term liabilities	\$ 57,540	-	-	57,540	14,834	(29,305)	43,069	29,305	13,764

5 Future minimum lease payments - capitalized lease obligations:

	Capitalized lease obligations related to SRB			All other capitalized lease obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022 - 2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-
2057 - 2061	-	-	-	-	-	-	-	-	-
2062 - 2066	-	-	-	-	-	-	-	-	-
Total minimum lease payments									-
Less amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium (discount)									-
Total capitalized lease obligations									-
Less: current portion									-
Capitalized lease obligation, net of current portion									\$ -

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

Other Information

June 30, 2016

(For the inclusion in the California State University)

6 Long-term debt obligation schedule

	Auxiliary 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:									
2017	\$ -	-	-	15,366	-	15,366	15,366	-	15,366
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022 - 2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-
2057 - 2061	-	-	-	-	-	-	-	-	-
2062 - 2066	-	-	-	-	-	-	-	-	-
Total minimum payments							15,366		15,366
Less amounts representing interest									-
Present value of future minimum payments									15,366
Unamortized net premium (discount)									-
Total long-term debt obligations									15,366
Less: current portion									(15,366)
<b>Long-term debt obligations, net of current portion</b>									<b>\$ -</b>

7 Calculation of net position

7.1 Calculation of net position - net investment in capital assets

Capital assets, net of accumulated depreciation	\$ 43,416
Capitalized lease obligations, current portion	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, current portion	(15,366)
Long-term debt obligations, net of current portion	-
Portion of outstanding debt that is unspent at year-end	-
Other adjustments: (please list)	
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Net position - net investment in capital asset	<b>\$ 28,050</b>

7.2 Calculation of net position - restricted for nonexpendable - endowments

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

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

Other Information

June 30, 2016

(For the inclusion in the California State University)

**8 Transactions with related entities**

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ -
Payments to University for other than salaries of University personnel	151,549
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)	(670)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University	-
Other amounts receivable from University	-

**9 Other postemployment benefits obligation (OPEB)**

Annual required contribution (ARC)	\$ 47,527
Contributions during the year	<u>(10,500)</u>
Increase (decrease) in net OPEB obligation (NOO)	37,027
Other adjustments	-
NOO - beginning of year	<u>70,078</u>
NOO - end of year	<u><u>\$ 107,105</u></u>

**## Pollution remediation liabilities under GASB Statement No. 49:**

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



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

Other Information

June 30, 2016

(For the inclusion in the California State University)

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

	Net Position Class	Amount	
		Dr.	(Cr.)
Net position as of June 30, 20PY, as previously reported		\$	1,467,464
Prior period adjustments:			
1 (list description of each adjustment)			-
2 (list description of each adjustment)			-
3 (list description of each adjustment)			-
4 (list description of each adjustment)			-
5 (list description of each adjustment)			-
6 (list description of each adjustment)			-
7 (list description of each adjustment)			-
8 (list description of each adjustment)			-
9 (list description of each adjustment)			-
10 (list description of each adjustment)			-
Net position as of June 30, 2013, as restated		\$	<u>1,467,464</u>

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

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

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

Note to Supplementary Information

June 30, 2016

**1. Basis of Presentation**

These schedules are prepared in accordance with the instructions listed in an Administrative Directive, dated June 24, 2003, *Financial Reporting Requirements for Auxiliary Organizations*, from the California State University Office of the Chancellor, and revision dated August 15, 2016. As a result, these schedules do not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States of America.