

**ASSOCIATED STUDENTS, INC. OF  
CALIFORNIA STATE UNIVERSITY,  
EAST BAY**

**Financial Statements and  
Supplementary Information**

**June 30, 2013**

**(With Independent Auditor's Report Thereon)**

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**

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## Independent Auditor's Report

The Board of Directors  
Associated Students, Inc. of  
California State University, East Bay  
Hayward, California

### Report on the Financial Statements

We have audited the accompanying financial statements of Associated Students, Inc. of California State University, East Bay (Associated Students) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Associated Students basic financial statements as listed in the table of contents.

### 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 respective financial position of Associated Students, Inc. of California State University East Bay as of

June 30, 2013, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 3-6 and 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Associated Students basic financial statements. The information for the California State University Chancellor's Office is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2013, on our consideration of Associated Students internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students internal control over financial reporting and compliance.

*Macias Jini & O'Connell LLP*

Newport Beach, California  
September 20, 2013

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**  
**(UNAUDITED)**

This section of Associated Students, Inc. of California State University, East Bay (Associated Students) annual financial report includes some of management's insights and analyses of Associated Students' financial performance for the year ended June 30, 2013. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

**Financial Highlights**

- Total operating revenues decreased as the fee for service received in fiscal year 2013 decreased 15% to \$1.8 million. This decrease was partially offset by a 5% increase in student body fees collected.
- Operating expenses decreased 40% in fiscal year 2013 to \$2.3 million as supplies and services expenses were trimmed by 29%. However, the decrease is primarily related to the establishment of a post-retirement asset that was the result of a large contribution in fiscal year 2013.
- A \$1.1 million investment was established by Associated Students related to future post-retirement medical obligations.

**Overview of the Financial Statements**

The annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. This standard is applicable to Associated Students because it is a component unit of California State University, East Bay (University). Consistent with the University, Associated Students has adopted the business-type activity (BTA) reporting model to represent its activities.

The financial statements include: the statement of net position, the statement of revenues, expenses, and changes in net position and the statement of cash flows. These statements are supported in the annual report by the notes to the financial statements and this section. All sections should be considered together to obtain a complete understanding of the financial picture of Associated Students.

*Statement of net position:* The statements of net position include all assets and liabilities of Associated Students. It is prepared under the accrual basis of accounting, whereby revenues and receivables are recognized when the service is provided and expenses and liabilities are recognized when incurred, regardless of when cash is exchanged. It also identifies major categories of restrictions on the net position of the Associated Students.

*Statement of revenues, expenses, and changes in net position:* The statements of revenues, expenses, and changes in net position present the revenues earned and expenses incurred during the year on an accrual basis.

*Statement of cash flows:* The statement of cash flows present the inflows and outflows of cash, summarized by operating, noncapital financing, capital and related financing, and investing activities. The

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**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**  
**(UNAUDITED)**

statements are prepared using the direct method of cash flows, and therefore, presents gross rather than net amounts for the year's operating activities.

*Notes to financial statements:* The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the Associated Students' basic financial statements. The notes are included immediately following the basic financial statements within this report.

**Condensed Statement of Net Position**

A summary of key financial statement information is presented below:

	2013	2012
<b>Asset:</b>		
Current assets	\$ 3,632,411	\$ 2,517,092
Noncurrent assets	378,895	16,402
Total assets	4,011,306	2,533,494
<b>Liabilities</b>		
Current liabilities	488,983	464,523
Noncurrent liabilities	-	627,424
Total liabilities	488,983	1,091,947
<b>Net position:</b>		
Invested in capital assets, net of related debt	10,326	16,402
Unrestricted	3,511,997	1,425,145
Total net position	\$ 3,522,323	\$ 1,441,547

Current assets increased \$1.1 million, or 44%, primarily as the result of the establishment of an investment related to post-retirement healthcare obligations. The investment was funded in part by Associated Students funds and University Union funds however all future obligations will be funded solely by Associated Students as the Union fully funded its obligation in the 2013 fiscal year.

Total noncurrent assets increased by \$0.4 million primarily in connection to the larger than scheduled contribution to the post-retirement obligation made by Associated Students and University Union a post-retirement asset was created to reflect that the current obligation is a net prepayment which will be reduced over the next several years if only routine contributions are paid.

Total current liabilities increased by 5% or \$0.02 million. Accounts payable as well as accrued salaries and benefits payable increased by 49% and 178%, respectively, as Associated Students transitioned to a direct relationship with its payroll processor and retirement provider in the 2013 fiscal year that resulted in several new accruals. These increases were partially offset by decreases in accrued compensated absences of 22% that is primarily related to the overall decrease in employee headcount in the 2013

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**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**  
**(UNAUDITED)**

fiscal year and in deferred revenue of 53% that is primarily related to the recognition of revenue for the amount earned as of the statement for summer quarter 2013.

Total non-current liabilities decreased by 100% to zero as noted in the discussion of the post-retirement obligation asset.

Net assets increased \$2.0 million or 145%, primarily due to the reduction of operating expenses of 40% in the 2013 fiscal year. The decrease in expenses resulted from the establishment of a post-retirement asset due to a large contribution in fiscal year 2013 along with a 29% reduction of supplies and services expenses.

**Condensed Statement of Changes in Net Position**

	<u>2013</u>	<u>2012</u>
Revenues:		
Operating revenues	<u>\$ 3,828,174</u>	<u>\$ 4,008,354</u>
Expenses:		
Operating expenses	<u>2,307,887</u>	<u>3,832,462</u>
Operating income	1,520,287	175,892
Non-operating revenues	<u>560,489</u>	<u>561,810</u>
Change in net position	2,080,776	737,702
Net position, beginning of year	<u>1,441,547</u>	<u>703,845</u>
Net position, end of year	<u>\$ 3,522,323</u>	<u>\$ 1,441,547</u>

Operating revenues decreased by \$0.2 million, or 5%, primarily due to a 15% reduction in the fee for service agreement with the university to operate the University Union to \$1.8 million that was partially offset by a 5% increase in Associated Students fee revenue related to an increase in student headcount. The fee for service amount of \$1.8 million is unlikely to change over the next several years as it is directly tied to the University Union budget that contains costs for debt service as well as maintenance and repair that are unlikely to be adjusted.

Operating expenses decreased 40% in fiscal year 2013 to \$2.3 million as supplies and services were trimmed by 29%. However, the decrease is primarily related to the establishment of a post-retirement asset that was the result of a large contribution in fiscal year 2013.

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**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**  
**(UNAUDITED)**

**Capital Assets**

*Capital Assets*, net of accumulated depreciation, totaled \$0.01 million and \$0.02 million as of June 30, 2013 and 2012, respectively. The following table summarizes the changes in capital assets for the fiscal years ended 2013 and 2012:

	2013	2012
Capital Assets:		
Furniture and fixtures	\$ 14,696	\$ 14,696
Equipment	68,462	68,462
Total	83,158	83,158
Less accumulated depreciation	(72,832)	(66,756)
Net Capital Assets	\$ 10,326	\$ 16,402

Additional information on capital assets can be found in note 5 to the financial statements included in this report.

**Request for Information**

The financial report is designed to provide a general overview of the Associated Students' finances. For questions concerning any information in this report or for additional financial information, contact Sherry Pickering, Director Fiscal Services, California State University, East Bay, 25800 Carlos Bee Boulevard, Hayward, California 94542 or call (510) 885-7363.



**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

Assets:	
Current assets:	
Cash and cash equivalents	\$ -
Investments	3,617,179
Accounts receivable, net	5,900
Prepaid expenses	9,332
Total current assets	<u>3,632,411</u>
Noncurrent Assets:	
Capital assets, net	10,326
Post-retirement healthcare	368,569
Total noncurrent assets	<u>378,895</u>
Total assets	<u>4,011,306</u>
Liabilities:	
Current liabilities:	
Accounts payable	137,471
Accrued salaries and benefits payable	177,349
Deferred revenue	99,973
Accrued compensated absences	74,190
Total current liabilities	<u>488,983</u>
Total liabilities	<u>488,983</u>
Net position	
Invested in capital assets, net of related debt	10,326
Unrestricted	3,511,997
Total net position	<u>\$ 3,522,323</u>

See accompanying notes to financial statements.

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2013**

Revenues:		
Operating revenues:		
Student fees	\$	3,696,927
Sales and services of auxiliary enterprises		131,247
Total operating revenues		<u>3,828,174</u>
Expenses:		
Operating expenses:		
Auxiliary enterprise expenses		2,142,131
Student grants and scholarships		159,680
Depreciation		6,076
Total operating expenses		<u>2,307,887</u>
Operating income		1,520,287
Nonoperating revenues:		
Investment income, net		8,749
Other nonoperating revenues		551,740
Total nonoperating revenues		<u>560,489</u>
Increase in net position		2,080,776
Net position, beginning of year		<u>1,441,547</u>
Net position end of year	\$	<u><u>3,522,323</u></u>

See accompanying notes to financial statements.

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2013**

Cash flows from operating activities:	
Student fees	\$ 3,674,830
Sales and services of auxiliary enterprises	131,247
Payments to suppliers	(892,177)
Payments to employees	(2,117,464)
Payments to students	(159,680)
	<hr/>
Net cash provided by operating activities	636,756
Cash flows from nonoperating activities:	
Contributions from University	551,740
	<hr/>
Cash flows from by investing activities:	
Purchase of investments	(3,110,553)
Sales of investments	1,913,308
Investment income	8,749
	<hr/>
Net cash used in investing activities:	(1,188,496)
	<hr/>
Net change in cash	-
Cash and cash equivalents, beginning of year	-
	<hr/>
Cash and cash equivalents, end of year	\$ -
	<hr/> <hr/>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,520,287
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	6,076
Changes in operating assets and liabilities:	
Accounts receivable, net	91,258
Prepaid expenses	(9,332)
Accounts payable	(38,063)
Accrued salaries and benefits payable	197,089
Deferred revenue	(113,355)
Accrued compensated absences	(21,211)
Post-retirement healthcare	(995,993)
	<hr/>
Net cash provided by operating activities	\$ 636,756
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See accompanying notes to financial statements.

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**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Associated Students, Inc. of California State University, East Bay (Associated Students) is a nonprofit, tax exempt, California State University auxiliary organization located on the campus of California State University, East Bay (University). The University is one of 23 campuses in the California State University System (System). Associated Students was established to advance and promote the common interest of its students. Associated Students has four significant operations:

1) Associated Students operations

Associated Students is the student government component of the campus and provides a means for responsible and effective participation in the governance of the campus; provides an official voice through which student opinion may be expressed; fosters awareness of this opinion in the campus, local, state, national and international communities; assists in the protection of the rights and interests of the individual student and the student body; and stimulates the educational, social, physical and cultural well-being of the University community.

Associated Students makes funds and resources available for events that broaden educational, social, political, and cultural awareness on campus while enhancing the experiences of students at the University. Associated Students arranges for public speakers, music, bands, and other cultural and recreational events for the students' enjoyment. Associated Students also provides miscellaneous services to students such as fax transmittals, copy services, sales of movie tickets, program tickets and scantrons.

2) Maintenance of buildings

Associated Students staff manages two buildings on behalf of the System and University campus. The buildings contain a food court operated under contract with an outside vendor, a game room for student use, administrative offices used by Associated Students, an art gallery which displays student artwork and a room to be used by student organizations as well as the Associated Students' Board Room. A variety of conference rooms are available in each of the buildings for use by the campus and community organizations for a fee.

3) Recreation and Wellness Center

Associated Students operates the facilities, programs, and services provided by the Recreation and Wellness Center (RAWC), a 54,000 square-foot building that houses a fitness center, multi-court gymnasium, studio/activity rooms, juice/coffee bar, wellness center, and locker rooms. The RAWC offers programs and services such as intramural sports, fitness classes, tournaments, workshops, special events, nutrition and fitness assessments, sleep and stress management education, and other non-clinical health and wellness services. Current University students paying the recreation student fee have free membership for each relevant quarter. University faculty, staff, alumni, emeritus, and retirees are eligible for membership with payment of a quarterly fee.

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**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

The basic financial statements include the accounts of Associated Students. Associated Students is a government organization under accounting principles generally accepted in the United States of America (GAAP) and is also a component unit of the University, a public university under the California State University system. Associated Students has chosen to use the reporting model for special-purpose governments engaged only in business-type activities.

**Basis of Presentation**

The basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Voluntary non-exchange transactions are recognized as revenue as soon as all eligibility requirements have been met.

**Use of Estimates**

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

**Investments**

Investments are reflected at fair value using quoted market prices. Gains and losses are included in the statement of revenues, expenses, and changes in net position as investment income.

**Accounts Receivable**

The accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts.

**Capital Assets**

Acquisitions of capital assets of \$5,000 or more are capitalized. Capital assets are stated at cost or, if donated, at the approximate fair market value at the date of donation. Expenditures for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of 5 to 20 years. In accordance with instructions from the System, depreciation expense is shown separately in the statement of revenues, expenses, and changes in net position, rather than being allocated among other categories of operating expenses.

**Other Post-Employment Benefits Other than Pensions (OPEB)**

GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions establishes the standards for the actuarial measurement, recognition, presentation, disclosure, and required supplemental information of postemployment benefits and related liabilities.

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**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Net Position**

Associated Students' net assets are classified into the following categories:

- *Invested in capital assets, net of related debt:* Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- *Unrestricted:* All other categories of net assets, including those net assets designated by the Board or management.

**Classification of Revenues and Expenses**

Associated Students considers operating revenues and expenses in the Statements of Revenues, Expenses, and Changes in Net Assets to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly with Associated Students' primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as non-operating revenues and expenses in accordance with GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These non-operating activities include Associated Students' net investment income.

**Student Fees**

Each matriculated student of the University is required to pay quarterly student body fees. Student body fees are received by Associated Students directly and used for daily operations.

**Income Taxes**

Associated Students is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. In addition, Associated Students qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). However, Associated Students 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.

Associated Students recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions.

Associated Students files informational and income tax returns in various state and local jurisdictions in the United States. The Associated Students' Federal income tax and informational returns are subject to examination by the Internal Revenue Service generally for 3 years after the returns were filed. State and local jurisdictions have statutes of limitation that generally range from 3 to 5 years.

**Deferred Revenue**

Associated Students bills annual student dues in advance. The unearned income is recorded as deferred revenue within the statement of net position.

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**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Functional Allocation of Expenses**

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Associated Students includes all cash accounts that are not subject to withdrawal restrictions or penalties, and considers highly liquid investments with a maturity of three months or less to be cash and cash equivalents. Each account is managed by the University and is held by the Office of the Chancellor.

**NOTE 3 – INVESTMENTS**

Investments are made on a short-term basis (less than one year). Associated Students' investment policy is to earn a rate of return consistent with a safety objective of 100% preservation of capital. Associated Students can invest in the following: Repurchase agreements using U.S. Government or any of its agencies, U.S. Treasury and Federal agency securities with maturities of one year or less, banker's acceptances eligible for purchase by the Federal Reserve, certificates of deposit (not to exceed \$100,000 per institution), notes and bonds due in one year or less (not rated less than D-1 or A-1 by Moody's or Standard & Poor's) money market accounts, mutual funds, Local Agency Investment Fund (LAIF), and all other investments managed by the University.

As of June 30, 2013 investments consist of the following:

Money market - short term investments	\$	761,016
Equity securities		242,342
U.S. government securities		1,464,561
Mutual funds		98,043
Corporate bonds		955,872
Mortgage securities		39,611
Mutual securities		3,554
Commercial paper		25,008
Repurchase agreements		22,508
Commodities		4,664
		\$ 3,617,179

As of June 30, 2013, investment income, net, consists of the following:

Interests and dividends	\$	19,198
Unrealized gains (losses)		(10,449)
		\$ 8,749

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**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Credit Risk**

This is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. This is measured by the assignment of ratings by nationally recognized statistical rating organizations. Associated Student's investment policy generally prohibits investments in the following vehicles: private placements, venture capital investments, real estate properties, futures contracts, options, short sales, or margin sales. Investments in cash equivalents, fixed income securities, equity securities and mutual funds are done in a diversified manner that is risk averse with an objective to minimize risk while obtaining a reasonable return.

	Moody's Credit Rating	MATURITY			Total
		Less than 3 months (90 days)	3 to 12 months (90-360 days)	Over 1 year (360+ days)	
Corporate Bonds	from A1 to A3, Aa1, and Baa1 to Baa2	\$ -	\$ -	\$ 94,717	\$ 94,717
Government Securities	not rated		10,240	128,066	138,306
Repurchase Agreements	A	22,508	-	-	22,508
Commercial Paper	A	25,008	-	-	25,008
Mortgage Securities	not rated	-	-	39,611	39,611

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that the Associated Students will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code and Education Code do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the provision that a financial institution must secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The risk is mitigated in that the Associated Students' deposits are maintained at financial institutions that are fully insured or collateralized as required by state law

**Interest Rate Risk**

This is the risk of loss due to the fair value of an investment falling due to rising interest rates. As a means of limiting its exposure to fair value losses from rising interest rates, short-term investments are limited to relatively liquid instruments such as certificates of deposit, savings accounts, Federally guaranteed notes and bills, money market mutual funds. Interest rate risk is mitigated by ensuring sufficient liquidity to meet cash flow needs and only then investing in longer-term securities. There is no interest rate risk for money market mutual funds as they are available on demand.

**Concentration of Credit Risk**

This is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. In order to maximize the rate of return in Associated Student's long-term investment portfolio while preserving capital and limiting concentration of credit risk, Associated Students investment policy dictates a diverse asset allocation as follows: domestic equities (core) (25-50%), domestic equities (satellite-high alpha) (15-30%), international equities (20- 40%), and fixed income (15-60%).

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**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 4 - ACCOUNTS RECEIVABLE**

As of June 30, 2013, accounts receivable consist of the following:

Student Fees	\$ 8,243
Interest	2,067
Rentals	1,055
Other	420
	<u>11,785</u>
Less: allowance for doubtful accounts	(5,885)
Accounts receivable, net	<u><u>\$ 5,900</u></u>

**NOTE 5 - CAPITAL ASSETS**

Capital assets' activity for the year ended June 30, 2013 consisted of the following:

Description	Balance June 30, 2012	Additions	Retirements/ Transfers	Balance June 30, 2013
Cost:				
Furniture and fixtures	\$ 14,696	\$ -	\$ -	\$ 14,696
Equipment	<u>68,462</u>	-	-	<u>68,462</u>
Total costs	83,158	-	-	83,158
Less accumulated depreciation				
Furniture and fixtures	(7,126)	(1,049)	-	(8,175)
Equipment	<u>(59,630)</u>	<u>(5,027)</u>	-	<u>(64,657)</u>
Total accumulated depreciation	<u>(66,756)</u>	<u>(6,076)</u>	-	<u>(72,832)</u>
Capital assets, net	<u><u>\$ 16,402</u></u>	<u><u>\$ (6,076)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,326</u></u>

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 6 - PENSION**

**Plan description**

All full-time employees of Associated Students are members of the California Public Employees' Retirement System (CalPERS) which is an agent multiple-employer defined benefit pension plan. The actuarial information and information needed to comply with the GASB Statement No. 27 relating to pensions is not available for Associated Students, since no separate information is available for Associated Students' employees. Associated Students recognizes annual pension expense equal to its contractually required contributions to the plan. Pension liabilities and assets result from the difference between contributions required and contributions made.

CalPERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplemental information. Copies of the CalPERS annual financial report may be obtained from the California Public Employees' Retirement System Executive Office, 400 P Street, Sacramento, California 95814.

**Funding policy**

Covered employees are required to contribute 5% of their monthly earnings in excess of \$513 per month. The employer (Associated Students through California State University, East Bay Foundation, Inc. (Foundation)) is required to contribute at an actuarially determined rate. Contributions for the year ended June 30, 2013, was \$131,455.

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Plan Description**

The Associated Students sponsors a single-employer post-retirement healthcare plan, which covers substantially all full-time, central staff employees of the Associated Students. This plan provides lifetime medical benefits to retirees who have attained age 50 with five years of service. Spouses and dependents of eligible retirees are also eligible for life. During the year ended June 30, 2009, the plan was amended to provide lifetime medical benefits to retirees who have attained the age of 50 with ten years of service. The Governing Board of the Associated Students has the authority to establish and amend benefit provisions of the Plan.

**Funding Policy**

For the year ended June 30, 2013, the Associated Students' share of the monthly medical premiums was limited to \$622 (single), \$1,183 (two parties) and \$1,515 (three or more parties). Retirees are responsible for premiums in excess of the Associated Students' share. In addition, the Associated Students' share of dental premiums was limited to \$52 (single), \$108 (two parties) and \$133 (three or more parties). The Associated Students contributes annually based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits. The Associated Students contributed \$1,075,336 toward the actuarially accrued liability and \$69,973 for retirees for the year ended June 30, 2013.

(Continued)

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Annual OPEB Cost and Net OPEB Obligation**

The Associated Students' annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Associated Students has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over the remaining period of 19 years. The following table shows the components of the Associated Students' annual OPEB cost for the year, the amount actually contributed to the plan, and changes in its net OPEB obligation (asset) to the Retiree Health Plan:

	<b>2013</b>
Annual required contribution	\$ 152,991
Interest on prior year net OPEB obligation	43,919
Adjustments to annual required contribution	(47,595)
Annual OPEB cost (expense)	149,315
Contributions made	1,145,311
Increase in net OPEB obligation	(995,996)
Net OPEB obligation - beginning of year	627,427
Net OPEB obligation - end of year	\$ (368,569)

The Associated Students and University Union's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) for the most recent three fiscal years is as follows:

Year Ended	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation/(Asset)
6/30/2013	149,315	1,145,309	767%	\$ (368,569)
6/30/2012	158,927	76,642	48%	\$ 627,424
6/30/2011	360,523	78,614	22%	\$ 545,145

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Examples

(Continued)

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

include assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term prospective of the calculations. The following simplifying assumptions were made:

*Retirement age for active employees* – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.

*Mortality* – Life expectancies at the calculation date are based on the most recent mortality tables published by the National Center for Health Statistics website ([www.cdc.gov](http://www.cdc.gov)). The calculation of OPEB liability for each year is based on the assumption that all participants will live until their expected age as displayed in the mortality tables.

*Turnover* – The probability that an employee will remain employed until the assumed retirement age was determined using non-group-specific age-based turnover data provided in Table 1 in paragraph 35 of GASB Statement No. 45. In addition the expected future working lifetimes of employees were determined using Table 2 in paragraph 35c of GASB Statement No. 45.

*Healthcare cost trend rate* – Healthcare cost trend rates were selected based on a combination of national and state trend surveys as well as professional judgment. The ultimate trend rate was 5.0%.

*Health insurance premiums* – The 2012 health insurance premiums for retirees were used as a basis for calculation of the present value of total benefits to be paid. An employee is assumed to continue with the same medical plan upon retirement. If an employee waived medical coverage, then such waiver is assumed to continue into retirement.

*Medicare Coordination* – Medicare was assumed as the primary payer for current and future retirees at age 65.

*Payroll increase* – Changes in the payroll for current employees are expected to increase at a rate of approximately 2.0% annually.

*Discount rate* – The calculation uses an annual discount rate of 7.0%. This is based on the assumed long-term return on plan assets or employer assets.

(Continued)

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Actuarial cost method* – The entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2013 was eighteen years.

**Plan for Funding**

On an ongoing basis, the Associated Students will be reviewing its assumptions, comparing them against actual experience and recalculating the needed funding with the goal of paying for postemployment benefits out of interest earned on designated funds.

**Note 8 – BOARD DESIGNATED NET ASSETS**

Unrestricted net assets were designated by the Board for the following purposes:

Current operations and working capital	\$ 1,053,300
Other post-employment benefits reserve	702,200
Capital replacement reserve	1,053,300
Undesignated	<u>703,197</u>
Total board designated net assets	<u><u>\$ 3,511,997</u></u>

**NOTE 9 - TRANSACTIONS WITH AFFILIATES**

Associated Students enters into transactions with the University and other auxiliaries: The Foundation and Cal State East Bay Educational Foundation, Inc. (Educational Foundation). Associated Students pays the University for accounting services, indirect cost allocations, and reimbursements for professional fees, utilities, special events and students' activities through an internal cost recovery process. Associated Students reimbursed the Foundation for benefits administration and coordination.

Payments made during the year ended June 30, 2013, was as follows:

California State University, East Bay	\$ 125,272
California State University, East Bay Foundation, Inc.	<u>537,404</u>
	<u><u>\$ 662,676</u></u>

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Payments received during the year ended June 30, 2013, were as follows:

California State University, East Bay	\$ 2,317,845
California State University, East Bay Foundation, Inc.	75,294
Cal State East Bay Educational Foundation, Inc.	<u>90</u>
	<u><u>\$ 2,393,229</u></u>

Amounts receivable (payable) at June 30, 2013, are as follows:

California State University, East Bay Foundation, Inc.	\$ 117
Cal State East Bay Educational Foundation, Inc.	<u>(16,986)</u>
	<u><u>\$ (16,869)</u></u>

**NOTE 10 – OTHER NON-OPERATING REVENUES**

During the year ended June 30, 2013, Associated Students recorded a receipt from the University Union to fund a portion of the post-retirement investment established in fiscal year 2013. This one-time inflow from University Union fully funded its obligation towards the post-retirement liability. All future obligations will be funded solely by Associated Students.

**NOTE 11 – SUBSEQUENT EVENTS**

Associated Students has evaluated subsequent events and transactions for potential recognition or disclosure through September 20, 2013, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**



**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**SCHEDULE OF FUNDING PROGRESS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age (a)	Actuarial Value of Assets (b)	Unfunded AAL (UAAL) (a – b)	Funded Status (b / a)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((a – b) / c)
July 1, 2012	\$1,267,535	\$ -	\$1,267,535	0%	\$ 991,961	127.80%
July 1, 2011	\$1,240,585	\$ -	\$1,240,585	0%	\$1,867,392	66.43%

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**SCHEDULE OF NET POSITION**  
**JUNE 30, 2013**  
**(for inclusion in the California State University)**

Assets:	
Current assets:	
Cash and cash equivalents	\$ -
Short-term investments	3,617,179
Accounts receivable, net	5,900
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	9,332
Total current assets	3,632,411
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	10,326
Other assets	368,569
Total noncurrent assets	378,895
Total assets	4,011,306
Deferred outflows of resources:	
Unamortized loss on refunding(s)	-
Total deferred outflows of resources	-
Liabilities:	
Current liabilities:	
Accounts payable	137,471
Accrued salaries and benefits payable	177,349
Accrued compensated absences- current portion	74,190
Unearned revenue	99,973
Capitalized lease obligations - current portion	-
Long-term debt obligations - current portion	-
Self-insurance claims liability - current portion	-
Depository accounts	-
Other liabilities	-
Total current liabilities	488,983
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Self-insurance claims liabilities, net of current portion	-
Depository accounts	-
Other postemployment benefits obligation	-
Other liabilities	-
Total noncurrent liabilities	-
Total liabilities	488,983
Deferred inflows of resources:	
Deferred inflows from SCAs, grants, and others	-
Total deferred inflows of resources	-
Net Position:	
Net investment in capital assets	10,326
Restricted for:	
Nonexpendable - endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	3,511,997
Total net position	\$ 3,522,323

See accompanying note to supplementary information.

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2013**  
**(for inclusion in the California State University)**

Revenues:

Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$_____)	\$	3,696,927
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 \$_____)		131,247
Other operating revenues		-
		<hr/>
Total operating revenues		3,828,174

Expenses:

Operating expenses:		
Instruction		-
Research		-
Public service		-
Academic support		-
Student services		-
Institutional support		-
Operation and maintenance of plant		-
Student grants and scholarships		159,680
Auxiliary enterprise expenses		2,142,131
Depreciation and amortization		6,076
		<hr/>
Total operating expenses		2,307,887
		<hr/>
Operating income (loss)		1,520,287

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		-
Investment income (loss), net		8,749
Endowment income (loss), net		-
Interest Expenses		-
Other nonoperating revenues (expenses)		551,740
		<hr/>
Net nonoperating revenues (expenses)		560,489
		<hr/>
Income (loss) before other additions		2,080,776

State appropriations, capital		-
Grants and gifts, capital		-
Additions (reductions) to permanent endowments		-
		<hr/>
Increase (decrease) in net position		2,080,776

Net position:

Net position at beginning of year, as previously reported		1,441,547
Restatements		-
Net position at beginning of year, as restated		<hr/> 1,441,547
Net position at end of year	\$	<hr/> <hr/> 3,522,323

See accompanying note to supplementary information.

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**OTHER INFORMATION**  
**JUNE 30, 2013**  
**(for inclusion in the California State University)**

<b>1</b>	<b>Restricted cash and cash equivalents at June 30, 2013:</b>	
	Portion of restricted cash and cash equivalents related to endowments	\$ -
	All other restricted cash and cash equivalent:	<u>-</u>
	Total restricted cash and cash equivalents	<u>\$ -</u>

**2.1 Composition of investments at June 30, 2013:**

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-	-	-
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF)	2,554,402	-	2,554,402	-	-	-	2,554,402
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	242,342	-	242,342	-	-	-	242,342
Fixed income securities (Treasury notes, GNMA's)	138,306	-	138,306	-	-	-	138,306
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	98,043	-	98,043	-	-	-	98,043
Money Market funds:	484,705	-	484,705	-	-	-	484,705
Collateralized mortgage obligations	-	-	-	-	-	-	-
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Partnership interests (includes private pass-through)	-	-	-	-	-	-	-
Alternative investment:	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Other major investments	-	-	-	-	-	-	-
Corporate Bonds	94,717	-	94,717	-	-	-	94,717
Commodities	4,664	-	4,664	-	-	-	4,664
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	<u>3,617,179</u>	<u>-</u>	<u>3,617,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,617,179</u>
Less endowment investments (enter as negative number)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u><u>3,617,179</u></u>	<u><u>-</u></u>	<u><u>3,617,179</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,617,179</u></u>

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

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2013:	2,554,402	-	2,554,402	-	-	-	2,554,402
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**2.3 Restricted current investments at June 30, 2013 related to:**

	<u>Amount</u>
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
<b>Total restricted current investments at June 30, 2013</b>	<u><u>—</u></u>

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

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

See accompanying note to supplementary information.

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**OTHER INFORMATION**  
**JUNE 30, 2013**  
**(for inclusion in the California State University)**

**3.1 Composition of capital assets at June 30, 2013:**

	Balance June 30, 2012	Prior period Adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2013
Nondepreciable/nonamortizable capital assets:								
Land and land improvement	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademark:	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total nondepreciable/nonamortizable capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciable/amortizable capital assets:								
Buildings and building improvement	-	-	-	-	-	-	-	-
Improvements, other than building	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvement:								
Personal property:								
Equipment	83,158	-	-	83,158	-	-	-	83,158
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademark:	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total depreciable/amortizable capital assets</b>	<b>83,158</b>	<b>-</b>	<b>-</b>	<b>83,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,158</b>
<b>Total capital assets</b>	<b>83,158</b>	<b>-</b>	<b>-</b>	<b>83,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,158</b>
Less accumulated depreciation/amortization:								
Buildings and building improvement	-	-	-	-	-	-	-	-
Improvements, other than building	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvement:								
Personal property:								
Equipment	(66,756)	-	-	(66,756)	(6,076)	-	-	(72,832)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademark:	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total accumulated depreciation/amortization</b>	<b>(66,756)</b>	<b>-</b>	<b>-</b>	<b>(66,756)</b>	<b>(6,076)</b>	<b>-</b>	<b>-</b>	<b>(72,832)</b>
<b>Total capital assets, net</b>	<b>\$ 16,402</b>	<b>-</b>	<b>-</b>	<b>16,402</b>	<b>(6,076)</b>	<b>-</b>	<b>-</b>	<b>10,326</b>

See accompanying note to supplementary information.

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**OTHER INFORMATION**  
**JUNE 30, 2013**  
**(for inclusion in the California State University)**

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

Depreciation and amortization expense related to capital assets	\$ 6,076
Amortization expense related to other asset	—
Total depreciation and amortization	<u>\$ 6,076</u>

**4 Long-term liabilities activity schedule:**

	Balance June 30, 2012	Prior period adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Balance June 30, 2013	Current portion	Long-term portion
Accrued compensated absences	\$ 95,401	—	—	95,401	-	(21,211)	74,190	74,190	—
Capitalized lease obligations									
Gross balance	—	—	—	—	-	-	—	—	—
Unamortized premium / (discount) on capitalized lease obligation	—	—	—	—	-	-	—	—	—
Total capitalized lease obligations	—	—	—	—	-	-	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	-	-	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	-	-	—	—	—
Commercial Paper	—	—	—	—	-	-	—	—	—
Note Payable related to SRB	—	—	—	—	-	-	—	—	—
Other:									
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Total long-term debt obligations	—	—	—	—	-	-	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	-	-	—	—	—
Unamortized loss on refunding	—	—	—	—	-	-	—	—	—
Total long-term debt obligations, net	—	—	—	—	-	-	—	—	—
Total long-term liabilities	<u>\$ 95,401</u>	<u>—</u>	<u>—</u>	<u>95,401</u>	<u>—</u>	<u>(21,211)</u>	<u>74,190</u>	<u>74,190</u>	<u>—</u>

**5 Future minimum lease payments - capital lease obligations:**

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

See accompanying note to supplementary information.

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**OTHER INFORMATION**  
**JUNE 30, 2013**  
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6 Long-term debt obligation schedule

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

OK

7 Calculation of net position

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
7.1 Calculation of net position - Net investment in capital assets			
Capital assets, net of accumulated depreciation	\$ 10,326	—	10,326
Capitalized lease obligations - current portion	—	—	—
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations - current portion	—	—	—
Long-term debt obligations, net of current portion	—	—	—
Portion of outstanding debt that is unspent at year-end	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net position - net investment in capital asset	\$ 10,326	—	10,326

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	\$ —	—	—

See accompanying note to supplementary information.

**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
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**8 Transactions with Related Entities**

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other program	\$ —
Payments to University for other than salaries of University personnel	125,272
Payments received from University for services, space, and program	2,317,845
Gifts-in-kind to the University from Auxiliary Organization	—
Gifts (cash or assets) to the University from recognized Auxiliary Organization	59,762
Accounts (payable to) University (enter as negative number)	—
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)	\$ 149,315	
Contributions during the year	(1,145,311)	
	(995,996)	
Increase (decrease) in net OPEB obligation (NOO)		(995,996)
NOO - beginning of year		627,427
NOO - end of year	\$ (368,569)	(368,569)

Amount must be greater than the noncurrent portion in SNP

**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	—
Add description	—
Add description	—
Add description	—
Total pollution remediation liabilities	\$ —
Less: current portion	—
Pollution remediation liabilities, net of current portion	—

See accompanying note to supplementary information.



**ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY**  
**OTHER INFORMATION**  
**JUNE 30, 2013**  
**(for inclusion in the California State University)**

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

	Net Position	Amount
	Class	Dr. (Cr.)
Net position as of June 30, 2012, as previously reported		\$ 1,441,547
Prior period adjustments		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net position as of June 30, 2012, as restated		<u>\$ 1,441,547</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	—	—

See accompanying note to supplementary information.

**CALIFORNIA STATE UNIVERSITY, EAST BAY ASSOCIATED STUDENTS, INC.**  
**NOTE TO SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**1. Basis of Presentation**

These schedules are prepared in accordance with the instructions listed in an Administrative Directive, dated June 24, 2003, *Financial Reporting Requirements for Auxiliary Organizations*, from the California State University Office of the Chancellor and as a result, do not purport to represent financial statements prepared in accordance with generally accepted accounting standards applicable to governmental not-for-profit organizations.