

**ASSOCIATED STUDENTS, INC. OF
CALIFORNIA STATE UNIVERSITY, EAST BAY
(a Component Unit of California State University, East Bay)**

Basic Financial Statements and
Supplementary Information

Year Ended June 30, 2018
(With Independent Auditor's Report Thereon)

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

Table of Contents

	<i>Page</i>
Independent Auditors' Report.....	1
Management's Discussion and Analysis (Unaudited)	3
Basic Financial Statements:	
Statement of Net Position.....	7
Statement of Revenues, Expenses and Changes in Net Position.....	8
Statement of Cash Flows	9
Notes to Financial Statements	10
Required Supplementary Information (Unaudited):	
Schedules of Required Supplementary Information - Pension	29
Schedule of Changes in the Net Other Postemployment Benefits Liability and Related Ratios.....	30
Other Supplementary Information for California State University Office of the Chancellor:	
Schedule of Net Position	31
Schedule of Revenues, Expenses, and Changes in Net Position	32
Other Information.....	33
Note to Supplementary Information	40

INDEPENDENT AUDITORS' REPORT

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 the business-type activities of the Associated Students, Inc. of California State University, East Bay, a component unit of California State University, East Bay, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the entity's 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.

Auditors' 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 auditors' 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 business-type activities of the Associated Students, Inc. of California State University, East Bay as of June 30, 2018, and the 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.

Emphasis of Matter

During fiscal year ended June 30, 2018, Associated Students, Inc. of California State University, East Bay adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of this standard, Associated Students, Inc. of California State University, East Bay reported a restatement for the change in accounting principle (see Note 10). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

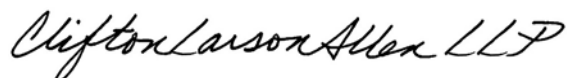
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress of other postemployment benefits, schedule of proportionate share of the net pension liability, and the schedule of contributions as listed in the table of contents 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 opinions on the financial statements that collectively comprise the Associated Students, Inc. of California State University, East Bay's basic financial statements. The schedule of net position, the schedule of revenues, expenses, and changes in net position, and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates 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 schedules of the Associated Students, Inc. of California State University, East Bay, referred to above, are 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 11, 2018, on our consideration of the Associated Students, Inc. of California State University, East Bay's 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Associated Students, Inc. of California State University, East Bay's 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, Inc. of California State University, East Bay's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 11, 2018

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

Management's Discussion and Analysis

Year Ended June 30, 2018

(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, 2018. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes, which follows this section.

Financial Highlights

- Operating expenses decreased by \$0.25 million, or 11% primarily due to the \$0.27 million or 68% decrease in the contribution made to the University. The decrease was also the result of 74% decrease in the cost recovery related to University services attributable to the change in campus base calculation as payroll and HR services were performed in-house; 45% decrease in expenses related to travel and catering services. The decrease is offset mostly by \$0.09 million or 26% increase in salaries and benefits due to 5% salary increase and additional staff hired in fiscal year 2018; and \$0.2 million increase in pension expense due to pension adjustment related to *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*.
- The Associated Students implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other than Pensions*. The statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. It establishes standards for purposes of measuring the net other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and expenses. The implementation of the statement required the Associated Students to adjust the beginning net OPEB liability and record the deferred inflow of resources due to change in assumptions as of July 1, 2017. As a result, the net position was restated by approximately \$0.59 million.

Overview of the Financial Statements

The annual report consists of a series of financial statements, prepared in accordance with the GASB, Governmental Accounting Standards Board, 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 statement of net position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year on an accrual basis.

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

A summary of key financial statement information is presented below:

Statement of Net Position

	2018	2017
Asset		
Current assets	\$ 4,648,438	\$ 4,793,029
Noncurrent assets	326,132	-
Total assets	4,974,570	4,793,029
Deferred outflows of resources	333,874	334,122
Liabilities		
Current liabilities	189,259	144,495
Noncurrent liabilities	2,895,964	2,559,033
Total liabilities	3,085,223	2,703,528
Deferred inflows of resources	124,567	245,559
Net Position		
Net investment in capital assets	326,132	-
Unrestricted	1,772,522	2,178,064
Total net position	\$ 2,098,654	\$ 2,178,064

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2018
(Unaudited)

Current assets decreased \$0.14 million, or 3%, primarily the result of the purchase of capital assets offset by the overall decrease in operating expenses incurred in fiscal year 2018.

Noncurrent assets increased \$0.33 million, or 100%, mainly due to the acquisition of new iMAC computers, furniture, and outdoor electronic digital sign. There was no capital asset addition in the prior year.

Total current liabilities increased \$0.04 million, or 31%, mostly due to \$0.07 million increase in unearned revenue in connection to the additional collection of student body fees related to next fiscal year as the University (California State University, East Bay) changed from quarter system to semester starting academic year 2018. This increase was offset by \$0.04 million decrease in account payable due to less activities and event held in fiscal year 2018. Accrued salaries & benefits and compensated absences increased more than 20% due to 5% salary increase and additional staff hired.

The noncurrent liabilities increased by \$0.34 million, or 13%, primarily due to \$0.26 million increase in net pension liability and an additional \$0.08 million in net other postemployment benefits (OPEB) recorded in fiscal year 2018. Since Associated Students OPEB plan is not covered by plan assets the discount rate used in the OPEB liability calculation was 3.58% for fiscal year 2018 as opposed to 7% for fiscal year 2017 as a result of the new GASB 75 implementation. The pension discount rate used by CalPERS for fiscal year 2017 was 7.65% as compared to 7.15% for fiscal year 2018. The lower the discount rate used in the calculation the higher the calculated liability.

Net position decreased \$0.08 million or 4%, primarily due to the decrease in net operating and nonoperating income of 0.08 million.

Statement of Revenues, Expenses, and Changes in Net Position

	<u>2018</u>	<u>2017</u>
Revenues		
Operating revenues	\$ 1,869,627	\$ 1,932,359
Expenses		
Operating expenses	<u>2,089,624</u>	<u>2,335,234</u>
Operating loss	(219,997)	(402,875)
Nonoperating revenues	<u>140,587</u>	<u>180,983</u>
	(79,410)	(221,892)
Net position at beginning of year	2,178,064	2,987,986
Restatement	-	(588,030)
Net position at beginning of year, as restated	<u>2,178,064</u>	<u>2,399,956</u>
Net position at end of year	<u><u>\$ 2,098,654</u></u>	<u><u>\$ 2,178,064</u></u>

Operating revenues decreased by \$0.06 million, or 3%, mainly due to the slight overall decrease in student headcount that resulted in a decrease in student body fees earned in fiscal year 2018.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2018
(Unaudited)

Operating expenses decreased by \$0.25 million, or 11%. Auxiliary enterprise expenses decreased \$0.29 million or 13%, primarily due to the \$0.27 million or 68% decrease in the contribution made to the University. The decrease was also the result of 74% decrease in the cost recovery related to University services attributable to the change in campus base calculation as payroll and HR services were performed in-house in fiscal year 2018; 45% decrease in expenses related to travel and catering services. The decrease is offset by the following: \$0.09 million or 26% increase in salaries and benefits due to 5% salary increase and additional staff hired in fiscal year 2018; pension expense increased \$0.2 million due to a pension adjustment related to *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*; student grants and scholarships increased \$0.04 million or 22%, mostly attributable to the increase in board senators headcount and additional 3% stipend rate in fiscal year 2018.

Nonoperating revenues decreased \$0.04 million, or 22%, mostly due to the 0.05 million change in net unrealized loss in investment with \$0.01 million increase in investment earnings in fiscal year 2018.

Capital Assets

Capital Assets, net of accumulated depreciation, totaled \$0.33 million. The following table summarizes the changes in capital assets for the fiscal years ended June 30:

	2018	2017
Furniture and fixtures	\$ 109,858	\$ 14,696
Equipment	239,712	43,740
Total	349,570	58,436
Less accumulated depreciation	(23,438)	(58,436)
Net capital assets	\$ 326,132	\$ -

The increase of equipment during the year ended June 30, 2018 is related to the purchase of new iMAC computers, furniture, and outdoor electronic digital sign. 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 Kim Napoli, University Controller, 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, 2018

Assets:

Current assets:

Cash and cash equivalents	\$ -
Short-term investments	4,631,234
Accounts receivable, net	16,067
Prepaid expenses and other current assets	1,137
Total current assets	<u>4,648,438</u>

Noncurrent assets:

Capital assets, net	<u>326,132</u>
Total noncurrent assets	<u>326,132</u>
Total assets	<u>4,974,570</u>

Deferred outflows of resources:

Net pension liability	<u>333,874</u>
Total deferred outflows of resources	<u>333,874</u>

Liabilities:

Current liabilities:

Accounts payable	42,002
Accrued salaries and benefits payable	24,891
Accrued compensated absences, current portion	38,742
Unearned revenue	83,228
Other liabilities	396
Total current liabilities	<u>189,259</u>

Non-current liabilities:

Net other postemployment benefits liability	1,478,147
Net pension liability	1,417,817
Total noncurrent liabilities	<u>2,895,964</u>
Total liabilities	<u>3,085,223</u>

Deferred inflows of resources:

Net pension liability	35,749
Net OPEB liability	88,818
Total deferred inflows of resources	<u>124,567</u>

Net position:

Net investment in capital assets	326,132
Unrestricted	1,772,522
Total net position	<u>\$ 2,098,654</u>

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY
Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2018

Revenues:

Operating revenues:	
Student tuition and fees, net	\$ 1,869,376
Sales and services of auxiliary enterprise	<u>251</u>
Total operating revenues	<u><u>1,869,627</u></u>

Expenses:

Operating expenses:	
Auxiliary enterprise expenses	1,863,230
Student grants and scholarships	219,146
Depreciation and amortization	<u>7,248</u>
Total operating expenses	<u><u>2,089,624</u></u>
Operating loss	<u><u>(219,997)</u></u>

Nonoperating Revenues (Expenses):

Investment income (loss), net	<u>140,587</u>
Net nonoperating revenues (expenses)	<u><u>140,587</u></u>
Income (loss) before other revenues (expenses)	(79,410)

Net Position:

Net position at beginning of year, as previously reported	2,766,094
Restatement (see Note 10)	<u>(588,030)</u>
Net position at beginning of year, as restated	<u><u>2,178,064</u></u>
Net position, end of year	<u><u>\$ 2,098,654</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, 2018

Cash flows from operating activities:	
Student fees	\$ 1,941,802
Sales and services of auxiliary enterprises	251
Payment to suppliers	(962,209)
Payment to employees	(710,693)
Payment to students	(219,131)
Other operating activities	(283)
Net cash provided by operating activities	<u>49,737</u>
Cashflows from capital and related financing activities:	
Acquisition of capital assets	<u>(333,380)</u>
Net cash provided by capital and related financing activities	<u>(333,380)</u>
Cash flows from investing activities:	
Purchase of investments	(5,049,443)
Proceeds from sale of investment	5,241,239
Investment income	91,847
Net cash used provided by in investing activities	<u>283,643</u>
Net change in cash	-
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (219,997)
Adjustment to reconcile operating income to net cash provided by operating activities	
Depreciation	7,248
Changes in assets and liabilities	
Accounts receivable, net	(37)
Prepaid expenses and other current assets	1,572
Deferred outflows of resources	248
Accounts payable	(39,645)
Accrued salaries and benefits payable	5,642
Accrued compensated absences	6,572
Unearned revenue	72,738
Net other postemployment benefit liability	79,053
Net pension liability	257,878
Other liability	(543)
Deferred inflows of resources	<u>(120,992)</u>
Net cash provided by operating activities	<u>\$ 49,737</u>

See accompanying notes to financial statement.

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

Notes to Financial Statements

Year Ended June 30, 2018

(1) Organization and Summary of Significant Accounting Policies

(a) 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, as follows:

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.

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 (U.S. 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.

(b) 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 U.S. 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.

(c) 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.

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

(d) 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.

(e) Accounts Receivable

The accounts receivable arise in the normal course of operations. It is the policy of the 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.

(f) 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.

(g) Compensated Absences

Compensated absences are recognized when the right to receive the compensation is earned by employees. Vacation is accrued on a monthly basis. The Associated Students uses the employee's current pay rate, as of July 1, 2018, to calculate the liability for accrued compensated absences. The Associated Students employees' pay rates are based on the length of service and job classification.

(h) Pension

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement Systems (CalPERS) Financial Office of the plan. For this purpose, benefit payments (including refund of the employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* (GASB Statement No. 68), requires that the reported results must pertain to liability and asset information with certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD) June 30, 2016

Measurement Date (MD) June 30, 2017

Measurement Period (MP) June 30, 2016 to June 30, 2017

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

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

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Associated Students' plan (OPEB Plan) and additions to / deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other than Pensions*, requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	June 30, 2016 to June 30, 2017

(j) Net Position

Associated Students' net position is classified into the following categories:

- *Net investment in capital assets*: 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 position, including those amounts designated by the Board of Directors or management.

(k) Classification of Revenues and Expenses

Associated Students considers operating revenues and expenses in the statements of revenues, expenses, and changes in net position 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 nonoperating 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 nonoperating activities include Associated Students' net investment income.

(l) 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.

(m) 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

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

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.

(n) Unearned Revenue

Associated Students bills student dues by term in advance. The amount is recorded as unearned revenue within the statement of net position.

(o) Functional Allocation of Expenses

The costs 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.

(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.

(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.

Associated Students participates in the CSU Consolidated Investment Pool (the Pool), an internal investment pool, managed in a 50/50 split by U.S. Bank Corp and Wells Capital Management, asset management and investment advisory firms that serve the University and separate accounting is maintained as to the amounts allocated to the Associated Students. Securities within the investment Pool that are not insured are held in the name of the University. Such short-term investments are

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

reported at fair market value. Associated Students investment in the pool was \$3,219,055 represents approximately 0.08% of the Pool as of June 30, 2018.

Associated Students also has investments held and managed by Morgan Stanley and UBS Financial Services. Investments consist of the following at June 30, 2018:

Corporate bonds	\$ 1,065,722
Equity securities	1,041,605
U.S. agency securities	957,018
U.S. treasury securities	878,873
Asset backed securities	234,400
Certificates of deposit	161,858
Mutual funds	179,403
Money market mutual funds	62,442
Municipal bonds	41,510
Repurchase agreements	8,187
Mortgage backed securities	216
Total investments	<u>\$ 4,631,234</u>

Investment income, net, consists of the following for the year ended June 30, 2018:

Interest and dividends	\$ 77,378
Unrealized gains (losses), net	63,209
Total investment income, net	<u>\$ 140,587</u>

(a) Credit Risk

Credit risk 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 Students' 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.

The following table indicates the credit rating for corporate bonds and U.S. agency securities at June 30, 2018:

	Weighted-Average Duration (Years)	Fair Value	Rating			
			AAA	AA	A	BBB
Corporate bonds	0.90	\$ 1,065,722	\$ 14,240	\$ 143,913	\$ 817,414	\$ 90,155
U.S. agency securities	0.97	957,018	27,093	929,925	-	

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

(b) Fair Value Measurement and Application

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides 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 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 described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Associated Students has the ability to access.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The valuation technique utilized to measure the Associated Students' investments is the market approach using prices and other relevant information generated by market transactions involving identical or comparable assets.

A portion of the Money Market Funds are not categorized under the fair value hierarchy and are shown at Net Asset Value (NAV). These investments are measured at amortized cost when calculating NAV per share (or its equivalent) of the investment.

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

	6/30/2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Net Asset Value (NAV)
Corporate bonds	\$ 1,065,722	\$ -	\$ 1,065,722	\$ -
Equity securities	1,041,605	1,041,605	-	-
U.S. agency securities	957,018	-	957,018	-
U.S. treasury securities	878,873	-	878,873	-
Asset backed securities	234,400	-	234,400	-
Certificates of deposit	161,858	-	161,858	-
Mutual funds	179,403	-	179,403	-
Money market funds	62,442	-	-	62,442
Municipal bonds	41,510	-	41,510	-
Repurchase agreements	8,187	-	8,187	-
Mortgage backed securities	216	-	216	-
Total investments	<u>\$ 4,631,234</u>	<u>\$ 1,041,605</u>	<u>\$ 3,527,187</u>	<u>\$ 62,442</u>

(c) 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.

(d) Interest Rate Risk

Interest rate risk 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.

(e) Concentration of Credit Risk

Concentration of credit risk 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 Students' 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 (30-50%), international equities (20- 40%), fixed income/intermediate (15-60%), and alternatives (0-25%). U.S. Treasury and Agency securities are not subject to this

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

limitation. More than 5% of Associated Student's investment pool are in Federal National Mortgage Association, Inc. (\$306,484 or 7%), FHL Banks Office of Finance (\$414,036 or 9%), and remaining equities under threshold (\$871,364 or 19%).

(4) Accounts Receivable

As of June 30, 2018, accounts receivable consist of the following:

Student Fees	\$ 21,575
Interest	1,917
Other	223
	<u>23,715</u>
Less: allowance of doubtful accounts	(7,648)
Accounts receivable, net	<u><u>\$ 16,067</u></u>

(5) Capital Assets

Capital assets' activity for the year ended June 30, 2018 consists of the following:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Retirements/ Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
Furniture and fixtures	\$ 14,696	\$ 95,162	\$ -	\$ 109,858
Equipment	43,740	238,218	(42,246)	239,712
Total	<u>58,436</u>	<u>333,380</u>	<u>(42,246)</u>	<u>349,570</u>
Less accumulated depreciation				
Furniture and fixtures	(14,696)	(2,865)	-	(17,561)
Equipment	(43,740)	(4,383)	42,246	(5,877)
Total accumulated depreciation	<u>(58,436)</u>	<u>(7,248)</u>	<u>42,246</u>	<u>(23,438)</u>
Capital assets, net	<u><u>\$ -</u></u>	<u><u>\$ 326,132</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 326,132</u></u>

(6) Pension

(a) General Information About the Pension Plan

Plan Description, Benefits Provided, and Employees Covered

The Plan is an agency cost-sharing multiple-employer defined benefit plan administered by CalPERS. A full description of the pension plan benefit provisions, assumptions, and membership information is listed in the June 30, 2016 Annual Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report is publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

Contributions

In January 2013, the California Public Employees' Pension Reform Act (PEPRA), took effect which changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members. Individuals hired on, or after January 2013 are under PEPRA. All members who do not fall under this category are considered classic members. Classic members will retain existing benefit levels for future service with the same employer.

Section 2018(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public agency employers be determined on an annual basis by the actuary and shall be effective on July 1 following the notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pools' costs of benefit earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2017 (the measurement date), the covered classic employees are required to contribute 5% of their monthly earnings in excess of \$513 per month while those under PEPRA are required to contribute 6.5% of their salary. The Associated Students was required to contribute 11.599% and 6.908% on the classic and PEPRA, respectively in fiscal year 2017. The Associated Students contribution for the year ended June 30, 2018 was \$103,734.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2017 (the measurement date), the total pension liability was determined by rolling period forward the June 30, 2016 total pension liability determined in the June 30, 2016 actuarial accounting valuation. The June 30, 2016 total pension liability was based on the following actuarial methods and assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

¹ The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

All other assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period 1977 to 2011, including updates to salary increase, mortality, and retirement rates. Further details of the Experience Study can be found on CalPERS' website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), the amortization and smoothing periods recently adopted by the Board were used. For the Plan, the crossover test was performed for a miscellaneous agent rate plan and a safety agent rate plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the rate plans, the tests revealed the asset would not run out. Therefore the long-term rate of return on pension plan of investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on CalPERS' website under GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-clock method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Using the historical returns of the entire funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using the building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	New Strategic Allocation	Real Return Years 1-10¹	Real Return Years 11+²
Global Equity	47.0%	4.90%	5.38%
Global Debt Securities	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%

¹ An expected inflation of 2.50% used for this period.

² An expected inflation of 3.00% used for this period.

Allocation of Net Pension Liability and Pension Expense to Individual Plans

A key aspect of the GASB Statement No. 68 pertaining to cost-sharing employers is the establishment of an approach to allocate the net pension liability and pension expense to the individual employers within the risk pool. Paragraph 49 of GASB Statement No. 68 indicated that for pools where contribution rates within the pool are based on separate relationships, the proportional allocation should reflect those relationships. The allocation method utilized by CalPERS determines the employer's share by reflecting these relationships through the plans they sponsor within the risk pool. Plan liability and asset-related information are used where available, and proportionate allocation of individual plan amounts as of the valuation date are used where not available.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB Statement No. 68, actuarial gains and losses related to changes in total pension liability and fiduciary net pension are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and inflows of resources related to pensions and are to be recognized in future pension expense.

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with pension (active, inactive, and retired) as of the beginning of measurement period

The Net Difference between Projected and Actual Investment Earning on Pension Plan Investments is amortized over a five-year period on a straight line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments at the measurement date is to be amortized over the remaining four-year period. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and prior measurement period on a net basis.

Deferred outflow of resources and deferred inflows of resources relating to the Difference between Expected and Actual Experience, Changes of Assumptions, and employer-specific amounts should be amortized over the EARSL of members provided with pensions through the Plan. The EARSL for PERF C for the June 30, 2017, measurement date is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of all active employees) by 130,595 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

The Schedule of Collective Pension Amounts does not reflect employer-specific amounts such as changes in proportion, differences between actual employer contributions and employers' proportionated shares of contributions, and employer contributions to PERF C subsequent to the measurement date as defined in GASB Statement No. 68 paragraphs 54, 55, and 57. Appropriate treatment of such amounts is the responsibility of the employers.

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

(b) Changes in the Plan's Proportionate Share of Net Pension Liability

The following tables show the Plan's proportionate share of the risk pool collective net pension liability over the measurement period of June 30, 2017.

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Pension	Plan Net Pension Liability
Balance at: 6/30/2016 (VD)	\$ 3,858,142	\$ 2,698,203	\$ 1,159,939
Balance at: 6/30/2017 (MD)	4,122,286	2,704,469	1,417,817
Net Changes	<u>\$ 264,144</u>	<u>\$ 6,266</u>	<u>\$ 257,878</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent-point lower (6.15 percent), or 1 percentage-point higher (8.15 percent) that the current rate.

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
	Plan's Net Pension Liability	\$ 2,210,169	\$ 1,417,817

(c) Pension Expense and Deferred Outflows and Deferred Inflows of Resources

For the measurement period ended June 30, 2017 (the measurement date), the Associated Students incurred a pension expense of \$200,810 (the pension expense for the risk pool for the measurement period is \$719,747,608). As of June 30, 2017 (the measurement date), the Associated Students reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,503	\$ (21,531)
Changes of Assumptions	186,466	(14,218)
Net difference between projected and actual earnings on Pension Plan Investments	42,171	-
Pension contributions subsequent to measurement date	103,734	-
Total	<u>\$ 333,874</u>	<u>\$ (35,749)</u>

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

Pension contribution made subsequent to measurement date in the amount of \$103,734 will be recognized in the following measurement period. Amounts reported as deferred outflows and deferred inflows of resources related to pensions, other than the employer-specific item, will be recognized as future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	\$ 61,807	\$ (9,750)
2019	61,807	(9,750)
2020	61,807	(9,750)
2021	44,719	(6,499)

(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.

For the year ended June 30, 2018, 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 \$53.30 (single), \$87.80 (two parties), and \$133.60 (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. However, the Associated Students did not contribute to the plan for the year ended June 30, 2018.

Employees Covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the post-retirement healthcare plan:

Active employees	5
Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to, but not yet receiving benefits	-
Total	14

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

Net OPEB Liability

Associated Students' net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017.

Actuarial Assumptions

Discount Rate	2.85% as of June 30, 2016		
	3.58% as of June 30, 2017		
Inflation	2.00%		
Salary Increases	3.25% annual increase		
Investment Rate of Return	N/A		
Health Care Trend		Increase in Premium Rate	
Year Beginning		Pre-65	Post-65
2019		7.70%	5.30%
2020		7.45%	5.05%
2021		7.20%	4.80%
2022		6.95%	4.55%
2023		6.70%	4.30%
2024		6.45%	4.25%
2025		6.20%	4.25%
2026		5.95%	4.25%
2027		5.70%	4.25%
2028		5.45%	4.25%
2029		5.20%	4.25%
2030		4.95%	4.25%
2031		4.70%	4.25%
2032		4.45%	4.25%
2033 and later		4.25%	4.25%

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY
Notes to Financial Statements (Continued)
Year Ended June 30, 2018

Change in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	OPEB Liability
Balance at June 30, 2016	
(Valuation Date June 30, 2017)	\$ 1,584,442
Change recognized for measurement period:	
Service cost	33,775
Interest	45,278
Change of assumptions	(125,918)
Benefit payments	(59,430)
Net changes in Total Liability	(106,295)
Balance at June 30, 2017	
(Measurement Date June 30, 2017)	\$ 1,478,147

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Associated Students' Net OPEB Liability if it were calculated using a discount rate that is 1% point lower (2.58%) or 1% point higher (4.58%) than the current rate, for measurement period ended June 30, 2017:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Net OPEB Liability	\$1,656,546	\$1,478,147	\$1,322,474

Sensitivity of the Net OPEB Liability to changes in the health care cost Trend Rates

The following presents the net OPEB liability of the Associated Students if it were calculate using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	\$1,377,314	\$1,478,147	\$1,572,254

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gain and losses related to the changes in total OPEB liability is recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amount are categorized as deferred outflows and deferred inflows of resources related to OPEB and are recognized in future OPEB expense.

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

The recognition period differs depending on the source of gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 year straight line amortization
All other amounts	Straight-line amortization over average future working lifetime, averages over all active and retirees (retirees assumed no working hours)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the Associated Students recognized OPEB expense of \$41,953. As of fiscal year ended June 30, 2018, the Associated Students reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions subsequent to measurement date	\$ -	\$ -
Changes of Assumptions	-	88,188
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	<u>\$ -</u>	<u>\$ 88,188</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30	Deferred Inflow of Resources
2019	\$ (37,100)
2020	(37,100)
2021	(14,618)
2022	-
2023	-
Thereafter	-
	<u>(88,818)</u>

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

Notes to Financial Statements (Continued)

Year Ended June 30, 2018

(8) Board Designated Net Position

Unrestricted net position was designated by the Board for the following purposes at June 30, 2018:

Current operations and working capital	\$	1,000,000
Other Post Employment Benefit		172,522
Undesignated		600,000
Total Board designated net position	\$	<u>1,772,522</u>

(9) Transactions with Affiliates

Associated Students enters into transactions with the University. 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. For the year ended June 30, 2018, Associated Students paid the University \$88,360. The Associated Students received \$47,038 from the University for services, space, and programs. Associated Students provided \$123,435 in contribution to the University for student events, functions, capital projects, and other programs during the year ended June 30, 2018. In addition, amounts due to the University at June 30, 2018 was \$8,393.

(10) Restatement

Effective July 1, 2017, Associated Students implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other than Pensions*. The statement established standards for purposes of measuring the net other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and expenses. The implementation of the statement required Associated Students to adjust the beginning net OPEB liability and record the deferred inflow of resources due to change in assumptions.

The effect of the change was to reduce the net position by the following amounts as of July 1, 2017.

Statement of Net Position	As Previously Reported	Adjustments	As Restated
<u>Unrestricted net position</u>	\$ 2,766,094	\$ (588,030)	\$ 2,178,064

REQUIRED SUPPLEMENTARY INFORMATION

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY
 Required Supplementary Information
 Year Ended June 30, 2018

Schedules of Required Supplementary Information - Pension

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratio of the Measurement Date in Relation to PERF C

Net pension liability and fiduciary net position are allocated to the plan based on its proportion of the Miscellaneous Risk Pool. However, GASB Standard No. 68 requires that employers report certain proportions as a percentage of the total plan (PERF C, excluding the 1959 Survivors Risk Pool), which includes both the Miscellaneous and Safety Risk Pools. All cost-sharing public agency plans, are categorized as either Miscellaneous or Safety within PERF C. Therefore, to assist employers in meeting the requirements of GASB 68, proportions shown in the table below represent the plan's proportion of PERF C, excluding the 1959 Survivors Risk Pool, and not its proportion of the Miscellaneous Risk Pool.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Plan's Proportion of the Net Pension Liability	0.02790%	0.02778%	0.03028%	0.01773%
Plan's Proportionate Share of the Net Pension Liability	\$ 1,417,817	\$ 1,159,939	\$ 1,014,137	\$ 1,102,936
Plan's Covered Payroll	\$ 968,953	\$ 964,786	\$ 1,016,183	\$ 964,310
Plan's Proportionate Share of the Net Pension Liability as as Percentage of its Covered Payroll	146.32%	120.23%	99.80%	114.38%
Plan's Proportionate Share of the Fiduciary Net Position as Percentage of the Plan's Total Pension Liability	65.61%	69.94%	74.50%	72.97%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 92,452	\$ 84,228	\$ 41,239	\$ 80,496

(1) This is a 10-year schedule. Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

(2) The discount rate decreased to 7.15% in Fiscal Year 2017-18 as compared to 7.65% in Fiscal Year 2016-17.

Schedule of Plan Contributions

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 239,648	\$ 219,213	\$ 209,417	\$ 133,088
Contributions in Relation to the Actuarially Determined Contributions	239,648	219,213	209,417	133,088
Contribution Excess	-	-	-	-
Covered Payroll	1,013,305	964,786	1,016,183	964,310
Contributions as a Percentage of Covered Payroll	23.65%	22.72%	20.61%	13.80%

(1) This is a 10-year schedule. Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

Changes of Assumptions: No change in assumptions

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY, EAST BAY
 Required Supplementary Information (Continued)
 Year Ended June 30, 2018

Schedule of Changes in the Net OPEB Liability and Related Ratios

<u>Total OPEB Liability</u>	
Service cost	\$33,775
Interest	45,278
Change of benefit terms	0
Differences between expected and actual experience	0
Changes of assumptions	(125,918)
Benefit payments, including refunds of employee contributions	(59,430)
Net change in Total OPEB Liability	(\$106,295)
Total OPEB Liability – beginning (a)	1,584,442
Total OPEB Liability – ending (b)	\$1,478,147
<u>Plan Fiduciary Net Position</u>	
Contributions – employer	\$59,430
Contributions – employee	0
Net investment income	0
Benefit payments, including refunds of employee contributions	(59,430)
Administrative expense	0
Other	0
Net change in Plan Fiduciary Net Position	\$0
Plan Fiduciary Net Position – beginning (c)	\$0
Plan Fiduciary Net Position – ending (d)	\$0
Net OPEB Liability - beginning (a) – (c)	\$1,584,442
Net OPEB Liability – ending (b) – (d)	\$1,478,147
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0%
Covered employee payroll(1)	N/A
Plan Net OPEB Liability as percentage of covered employee payroll(1)	N/A

(1) Covered payroll not available

**OTHER SUPPLEMENTARY INFORMATION
FOR CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR**

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

Schedule of Net Position

June 30, 2018

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$	—
Short-term investments		4,631,234
Accounts receivable, net		16,067
Capital lease receivable, current portion		—
Notes receivable, current portion		—
Pledges receivable, net		—
Prepaid expenses and other current assets		1,137
Total current assets		4,648,438

Noncurrent assets:

Restricted cash and cash equivalents		—
Accounts receivable, net		—
Capital lease receivable, net of current portion		—
Notes receivable, net of current portion		—
Student loans receivable, net		—
Pledges receivable, net		—
Endowment investments		—
Other long-term investments		—
Capital assets, net		326,132
Other assets		—
Total noncurrent assets		326,132

Total assets 4,974,570

Deferred outflows of resources:

Unamortized loss on debt refunding		—
Net pension liability		333,874
Net OPEB liability		—
Others		—
Total deferred outflows of resources		333,874

Liabilities:

Current liabilities:

Accounts payable		42,002
Accrued salaries and benefits		24,891
Accrued compensated absences, current portion		38,742
Unearned revenues		83,228
Capital lease obligations, current portion		—
Long-term debt obligations, current portion		—
Claims liability for losses and loss adjustment expenses, current portion		—
Depository accounts		—
Other liabilities		396
Total current liabilities		189,259

Noncurrent liabilities:

Accrued compensated absences, net of current portion		—
Unearned revenues		—
Grants refundable		—
Capital lease obligations, net of current portion		—
Long-term debt obligations, net of current portion		—
Claims liability for losses and loss adjustment expenses, net of current portion		—
Depository accounts		—
Net other postemployment benefits liability		1,478,147
Net pension liability		1,417,817
Other liabilities		—
Total noncurrent liabilities		2,895,964

Total liabilities 3,085,223

Deferred inflows of resources:

Service concession arrangements		—
Net pension liability		35,749
Net OPEB liability		88,818
Unamortized gain on debt refunding		—
Nonexchange transactions		—
Others		—
Total deferred inflows of resources		124,567

Net Position:

Net investment in capital assets		326,132
Restricted for:		—
Nonexpendable – endowments		—
Expendable:		—
Scholarships and fellowships		—
Research		—
Loans		—
Capital projects		—
Debt service		—
Others		—
Unrestricted		1,772,522
Total net position	\$	2,098,654

See accompanying note to supplementary information.

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

Schedule of Revenues, Expenses, and Changes in Net Position

June 30, 2018

(for inclusion in the California State University)

Revenues:

Operating revenues:		
Student tuition and fees, gross	\$	1,869,376
Scholarship allowances (enter as negative)		—
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises, gross		251
Scholarship allowances (enter as negative)		—
Other operating revenues		—
Total operating revenues		<u>1,869,627</u>

Expenses:

Operating expenses:		
Instruction		—
Research		—
Public service		—
Academic support		—
Student services		—
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		219,146
Auxiliary enterprise expenses		1,863,230
Depreciation and amortization		7,248
Total operating expenses		<u>2,089,624</u>
Operating income (loss)		<u>(219,997)</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		—
Investment income (loss), net		140,587
Endowment income (loss), net		—
Interest expense		—
Other nonoperating revenues (expenses) - excl. interagency transfers		—
Other nonoperating revenues (expenses) - interagency transfers		—
Net nonoperating revenues (expenses)		<u>140,587</u>
Income (loss) before other revenues (expenses)		(79,410)

State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		(79,410)

Net position:

Net position at beginning of year, as previously reported		2,766,094
Restatements		(588,030)
Net position at beginning of year, as restated		<u>2,178,064</u>
Net position at end of year	\$	<u><u>2,098,654</u></u>

See accompanying note to supplementary information.

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

Other Information

June 30, 2018

(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2018:

Portion of restricted cash and cash equivalents related to endowments	\$	—
All other restricted cash and cash equivalents		—
Total restricted cash and cash equivalents	\$	—

2.1 Composition of investments at June 30, 2018:

	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)		—	—	—	—	—	—
Corporate bonds	1,065,722	—	1,065,722	—	—	—	1,065,722
Certificates of deposit	161,858	—	161,858	—	—	—	161,858
Mutual funds	179,403	—	179,403	—	—	—	179,403
Money Market funds	62,442	—	62,442	—	—	—	62,442
Repurchase agreements	8,187	—	8,187	—	—	—	8,187
Commercial paper	—	—	—	—	—	—	—
Asset backed securities	234,400	—	234,400	—	—	—	234,400
Mortgage backed securities	216	—	216	—	—	—	216
Municipal bonds	41,510	—	41,510	—	—	—	41,510
U.S. agency securities	957,018	—	957,018	—	—	—	957,018
U.S. treasury securities	878,873	—	878,873	—	—	—	878,873
Equity securities	1,041,605	—	1,041,605	—	—	—	1,041,605
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	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Other major investments:							
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Total investments	4,631,234	—	4,631,234	—	—	—	4,631,234
Less endowment investments (enter as negative number)							
Total investments	4,631,234	—	4,631,234	—	—	—	4,631,234

2.2 Investments held by the University under contractual agreements at June 30, 2018:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2018 :	3,219,055	—	3,219,055	—	—	—	3,219,055
---	-----------	---	-----------	---	---	---	-----------

2.3 Restricted current investments at June 30, 2018 related to:

	Amount
Add description	\$
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2018	\$

See accompanying note to supplementary information.

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

Other Information

June 30, 2018

(for inclusion in the California State University)

2.4 Restricted noncurrent investments at June 30, 2018 related to:

	Amount
Endowment investment	\$ —
Scholarships	—
Inflation reserves	—
University projects	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2018	\$ —

2.5 Fair value hierarchy in investments at June 30, 2018:

	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)	—	—	—	—	—
Corporate bonds	1,065,722	—	1,065,722	—	—
Certificates of deposit	161,858	—	161,858	—	—
Mutual funds	179,403	—	179,403	—	—
Money Market funds	62,442	—	—	—	62,442
Repurchase agreements	8,187	—	8,187	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	234,400	—	234,400	—	—
Mortgage backed securities	216	—	216	—	—
Municipal bonds	41,510	—	41,510	—	—
U.S. agency securities	957,018	—	957,018	—	—
U.S. treasury securities	878,873	—	878,873	—	—
Equity securities	1,041,605	1,041,605	—	—	—
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	—	—	—	—	—
Add description	—	—	—	—	—
Other major investments:	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Total investments	4,631,234	1,041,605	3,527,187	—	62,442

See accompanying note to supplementary information.

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

Other Information

June 30, 2018

(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2018:

	Balance June 30, 2017	Prior period Adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2018
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	—	—	—	—	—	—	—	—
Intangible assets:								
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	—	—	—	—	—	—	—	—
Depreciable/amortizable capital assets:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	58,436	—	—	58,436	333,380	(42,246)	—	349,570
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	58,436	—	—	58,436	333,380	(42,246)	—	349,570
Total capital assets	58,436	—	—	58,436	333,380	(42,246)	—	349,570
Less accumulated depreciation/amortization:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	(58,436)	—	—	(58,436)	(7,248)	42,246	—	(23,438)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(58,436)	—	—	(58,436)	(7,248)	42,246	—	(23,438)
Total capital assets, net	\$ —	—	—	—	326,132	—	—	326,132

See accompanying note to supplementary information.

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

Other Information

June 30, 2018

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2018:

Depreciation and amortization expense related to capital assets	\$	7,248
Amortization expense related to other assets		—
Total depreciation and amortization	\$	<u>7,248</u>

4 Long-term liabilities activity schedule:

	Balance June 30, 2017	Prior period adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Balance June 30, 2018	Current portion	Long-term portion
Accrued compensated absences	\$ 32,170	—	—	32,170	6,572	—	38,742	38,742	—
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capital lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capital lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	—	—	—	—	—	—	—	—	—
Others: (list by type)									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ 32,170	—	—	32,170	6,572	—	38,742	38,742	—

5 Future minimum lease payments - Capital lease obligations:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	\$ —	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
Total minimum lease payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum lease payments									—
Unamortized net premium (discount)									—
Total capital lease obligations									—
Less: current portion									—
Capital lease obligations, net of current portion									\$ —

See accompanying note to supplementary information.

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

Other Information

June 30, 2018

(for inclusion in the California State University)

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	\$ —	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum payments									—
Unamortized net premium (discount)									—
Total long-term debt obligations									—
Less: current portion									—
Long-term debt obligations, net of current portion									\$ —

7 Calculation of net position:

7.1 Calculation of net position - Net investment in capital assets

Capital assets, net of accumulated depreciation	\$ 326,132
Capital lease obligations, current portion	—
Capital 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 (enter as positive number)	—
Other adjustments: (please list)	
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Net position - Net investment in capital assets	\$ 326,132

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)	
Restricted expendable endowments	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Net position - Restricted for nonexpendable - endowments	\$ —

See accompanying note to supplementary information.

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

Other Information

June 30, 2018

(for inclusion in the California State University)

8 Transactions with related entities:

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 9,638
Payments to University for other than salaries of University personnel	78,722
Payments received from University for services, space, and programs	47,038
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	123,435
Accounts (payable to) University (enter as negative number)	(8,393)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University (enter as positive number)	—
Other amounts receivable from University	—

9 Other postemployment benefits (OPEB) liability

Intentionally left blank - not required/applicable eff FY17/18

10 Pollution remediation liabilities under GASB Statement No. 49:

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

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

	<u>Net Position</u>	<u>Amount</u>
	<u>Class</u>	<u>Dr. (Cr.)</u>
Net position as of June 30, 2017, as previously reported	\$	2,766,094
Prior period adjustments:		
1 To record the cumulative adjustment of the implementation of GASB 75		(588,030)
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, 2017, as restated	\$	<u>2,178,064</u>

See accompanying note to supplementary information.

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

Other Information

June 30, 2018

(for inclusion in the California State University)

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

	Debit	Credit
Net position class: _____		
1 (To record the cumulative adjustment of the implementation of GASB 75)		
Unrestricted	\$ 588,030	
Net other postemployment benefits liability		462,112
Deferred inflows of resources - Net OPEB liability		125,918
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)	—	—

12 Natural Classifications of Operating Expenses:

	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	—	—	—	—	—	—
Research	—	—	—	—	—	—
Public service	—	—	—	—	—	—
Academic support	—	—	—	—	—	—
Student services	—	—	—	—	—	—
Institutional support	—	—	—	—	—	—
Operation and maintenance of plant	—	—	—	—	—	—
Student grants and scholarships	—	—	219,147	—	—	219,147
Auxiliary enterprise expenses	492,658	446,436	—	924,135	—	1,863,229
Depreciation and amortization	—	—	—	—	7,248	7,248
Total	492,658	446,436	219,147	924,135	7,248	2,089,624

See accompanying note to supplementary information.

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

Note to Supplementary Information

Year Ended June 30, 2018

NOTE 1 – SUPPLEMENTARY SCHEDULES

As an auxiliary organization of the California State University (CSU), Associated Students, Inc. of California State University, East Bay is required to include audited supplementary information in its financial statements in the form and content specified by CSU. As a result, there are differences in reporting format between the Associated Students' financial statements and supplementary schedules for CSU.