

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY,  
SACRAMENTO  
Financial Statements and Supplemental  
Schedules for the Year Ended June 30, 2008  
and Independent Auditors' Report**

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Associated Students of  
California State University, Sacramento (ASCSUS)  
Sacramento, California

We have audited the accompanying statement of financial position of Associated Students of California State University, Sacramento as of June 30, 2008, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of ASCSUS's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from ASCSUS's financial statements and, in a report dated September 14, 2007, we expressed an unqualified opinion on those financial statements.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ASCSUS as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules on pages 10 through 21 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the ASCSUS's management. Such supplemental schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Vasin, Heyn + Co.*

September 12, 2008

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2008  
(WITH COMPARATIVE TOTALS FOR 2007)**

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,088,134	\$ 1,001,364
Accounts receivable	273,445	231,421
Deposits and prepaid expenses	32,193	2,315
Investments	4,152,367	2,977,146
Inventory	38,636	40,285
Due from related parties	164,985	128,962
Property and equipment		
Equipment	1,328,534	1,180,134
Leasehold improvements	1,956,274	1,974,663
Accumulated depreciation	<u>(2,256,036)</u>	<u>(2,098,699)</u>
Property and equipment, net	<u>1,028,772</u>	<u>1,056,098</u>
Total assets	<u><u>\$ 6,778,532</u></u>	<u><u>\$ 5,437,591</u></u>
 <b>LIABILITIES</b>		
Accounts payable	183,933	93,925
Accrued payroll and related liabilities	224,050	160,395
Accrued liabilities	8,565	11,087
Due to related parties	429,705	41,913
Due to memorial trust fund	25,695	27,778
Funds held for others	726,130	726,175
Notes payable	28,020	35,330
Deferred revenue	<u>468,849</u>	<u>353,753</u>
Total liabilities	2,094,947	1,450,356
 <b>NET ASSETS, UNRESTRICTED</b>	 <u>4,683,585</u>	 <u>3,987,235</u>
 Total liabilities and net assets	 <u><u>\$ 6,778,532</u></u>	 <u><u>\$ 5,437,591</u></u>

See accompanying auditors' report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE TOTALS FOR 2007)**

	<u>2008</u>	<u>2007</u>
<b>REVENUES</b>		
Student activity fee	\$ 6,782,470	\$ 6,509,548
Program service fees	2,557,199	2,336,201
Government grants and contracts	616,452	820,666
Management fees	211,026	232,417
Investment income	206,756	203,442
Contributions	15,484	56,269
In-kind contributions	135,933	39,430
Gain (loss) on sale of fixed assets	(5,259)	8,500
Realized gain (loss) on investments	2,523	48
Unrealized gain (loss) on investments	15,491	6,935
Fees for services	5,896	5,735
Other income	(5,712)	-
Contract settlements	-	208,639
Fundraising events:		
Gross revenue	17,651	32,889
Less: Direct expenses	<u>(47,395)</u>	<u>(40,701)</u>
Fundraising events, net	<u>(29,744)</u>	<u>(7,812)</u>
 Total revenue and support	 10,508,515	 10,420,018
<b>EXPENSES</b>		
ASCSUS - managed activities:		
Student services and programs	8,669,211	7,796,989
Administration	<u>873,649</u>	<u>879,842</u>
Total ASCSUS - managed activities	9,542,860	8,676,831
Non-ASCSUS - managed activities	<u>269,305</u>	<u>529,928</u>
 Total expenses	 <u>9,812,165</u>	 <u>9,206,759</u>
 <b>CHANGE IN NET ASSETS</b>	 696,350	 1,213,259
<b>NET ASSETS - beginning of year</b>	<u>3,987,235</u>	<u>2,773,976</u>
 <b>NET ASSETS - end of year</b>	 <u>\$ 4,683,585</u>	 <u>\$ 3,987,235</u>

See accompanying auditors' report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE TOTALS FOR 2007)**

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 696,350	\$ 1,213,259
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	182,877	179,750
Noncash investment income	(18,842)	(7,427)
(Gain) loss on disposal of property	5,259	(8,500)
(Increase) decrease in:		
Accounts receivable	(42,024)	49,466
Deposits and prepaid expenses	(29,878)	29,233
Inventory	(36,023)	(2,839)
Due from related parties	1,649	(81,015)
Construction in progress	-	19,691
Increase (decrease) in:		
Accounts payable	90,008	(16,222)
Accrued payroll and related liabilities	63,655	(16,887)
Accrued liabilities	(2,522)	(41,252)
Due to related parties	387,792	420
Due to memorial trust fund	(2,083)	(236)
Due to CSU, Sacramento	-	(206,905)
Funds held for others	(45)	153,782
Deferred income	115,096	(260,897)
Total adjustments	<u>714,919</u>	<u>(209,838)</u>
Net Cash Provided (Used) by Operating Activities	1,411,269	1,003,421
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from disposal of property	-	8,500
Payments related to the acquisition of capital asset	(160,810)	(194,080)
Payments related to the improvement of capital asset	-	(5,736)
Proceeds from the sale of investments	1,861,728	1,050,000
Net purchase of investments	<u>(3,018,107)</u>	<u>(1,986,106)</u>
Net Cash Provided (Used) by Investing Activities	<u>(1,317,189)</u>	<u>(1,127,422)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds of borrowings other than for capital purposes	-	35,330
Repayment of long-term debt	<u>(7,310)</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>(7,310)</u>	<u>35,330</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	86,770	(88,671)
<b>CASH AT BEGINNING OF YEAR</b>	<u>1,001,364</u>	<u>1,090,035</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 1,088,134</u>	<u>\$ 1,001,364</u>

See accompanying auditors' report and notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

The Associated Students of California State University, Sacramento (ASCSUS) is a nonprofit, tax-exempt auxiliary organization of California State University, Sacramento (CSUS), organized to administer various student programs and activities. Student activity fees and other revenues are collected for the support of student related programs and for the acquisition of assets, which benefit the student body.

*Basis of Presentation*

The financial statements are presented in conformity with Statement of Financial Accounting Standard (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*.

*Cash and Equivalents*

For financial statement purposes, the ASCSUS considers all investments with a maturity at purchase of three months or less to be cash equivalents.

*Investments*

Investments are stated at market value.

*Property and Equipment*

Property and Equipment are recorded at cost if purchased or estimated market value as of the date received if acquired by gift or grant. ASCSUS capitalizes all expenditures for property and equipment in excess of \$5,000. Assets are depreciated using the straight-line method over estimated useful lives of three to seven years.

*Income Taxes*

The ASCSUS is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

*Use of Estimates*

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

*Student Club Deposits*

As a service to CSUS-affiliated organizations and projects, ASCSUS acts as a collecting and disbursing agency for certain special activities of other campus organizations. These amounts are separately accounted for by ASCSUS and are reflected in the Statement of Financial Position.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008**

**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Student Activity Fees*

Student activity fees represent fees each student of CSUS is required to pay each semester to support ASCSUS operations. The fees are collected by CSUS and remitted to ASCSUS.

*Program Service Fees*

Program service fees are fees ASCSUS receives for providing child day care, recreational classes, and other activities. The fees are collected by ASCSUS and recognized when earned.

*Grants*

ASCSUS receives grants primarily from federal agencies and the state of California. Grants are generally received by ASCSUS on a reimbursement basis and the related revenue is recognized as eligible expenses are incurred.

*Reclassifications*

Certain amounts in the 2007 financial statement totals were reclassified to conform with the 2008 reporting format.

*Comparative Totals*

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the ASCSUS's financial statements for the year ended June 30, 2007, from which the summarized information was derived.

**2. INVESTMENTS**

Investments as of June 30, 2008 consisted of mutual fund accounts primarily invested in debt and equity securities.

Investment income consists of the following:

	<u>June 30, 2008</u>
Interest income	\$ 209,279
Unrealized loss on investments	<u>15,491</u>
Total	<u>\$ 224,770</u>

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

**3. PROPERTY AND EQUIPMENT**

	<u>June 30, 2008</u>
Equipment	\$ 1,328,534
Leasehold improvements	<u>1,956,274</u>
Total	3,284,808
Less accumulated depreciation and amortization	<u>(2,256,036)</u>
Property and Equipment - Net	<u>\$ 1,028,772</u>

ASCUS leases a certain parcel of land from the Trustees of the CSUS (Trustees), located on its campus for the purpose of operating and maintaining a child care center (Facility). The Facility is required to be used primarily to provide day care services to the nursery school age children of the students, staff, and faculty of CSUS. The lease agreement terminates on December 31, 2028. ASCUS has no monetary obligation to the Trustees for rental payments under the terms of the lease agreement; however, in consideration for the use of the land, ASCUS financed the construction and operation of the Facility. The costs of construction of the Facility were capitalized as leasehold improvements.

**4. DUE TO MEMORIAL TRUST FUND**

As a service to CSUS, ASCUS collected, and is holding in trust, the Jesse Snow Memorial Funds, which were received by CSUS to supplement alcohol awareness and abuse prevention programs.

**5. LINE OF CREDIT**

ASCUS has a \$ 500,000 revolving line of credit with First Bank and Trust of California, which expires on May 15, 2009, at which time any unpaid principal and accrued interest must be paid. The line of credit bears interest at prime +0 which currently is 5% and is secured by inventory, receivables and fixed assets of ASCUS. There was no outstanding balance on the line of credit at June 30, 2008.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

**6. RELATED PARTY TRANSACTIONS**

For fiscal year ended June 30, 2008, ASCSUS earned revenues of \$147,855 for providing accounting services to the University Union Operation of California State University, Sacramento (Union), an auxiliary of the CSUS.

For fiscal year ended June 30, 2008, ASCSUS earned revenues of \$63,171 for providing accounting services to CSUS.

ASCSUS subleases some of its space from the Union under agreements, which provide for additional expenses. Such additional expenses are negotiated annually and totaled \$138,412 during fiscal year ended June 30, 2008.

ASCSUS was charged \$134,664 for services provided by CSUS for fiscal year ended June 30, 2008. These services included personnel, telephone, postage, IT support, and utilities. ASCSUS was also charged \$3,538,981 for intercollegiate athletics provided by CSUS during fiscal year ended June 30, 2008.

ASCSUS incurred expenses of \$32,985 relating primarily to photo reproduction and catering services provided by the CSUS University Enterprises, Inc., for fiscal year ended June 30, 2008.

The amount due from related entities is comprised of the following:

	<u>June 30, 2008</u>
CSUS	\$ 73,344
University Union	<u>91,641</u>
Total	<u>\$ 164,985</u>

The amount due to related entities is comprised of the following:

	<u>June 30, 2008</u>
CSUS	\$ 422,238
University Union	2,375
University Enterprises Inc.	<u>5,092</u>
Total	<u>\$ 429,705</u>

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

**7. PENSION PLAN**

ASCSUS sponsors a tax sheltered annuity retirement plan (Plan) under Internal Revenue Code Section 403(b). Participating employees are eligible to join the plan after 1,000 hours of service in each of two consecutive years. Employees can contribute up to \$15,000 of their salary annually. Upon joining the Plan, employees are eligible for an employer contribution of 10% of gross salary, subject to certain statutory limits, while a participant. The Plan provides 100% immediate vesting. Employer contributions to the Plan were \$120,973 for fiscal year ended June 30, 2008.

**8. CONCENTRATION OF CREDIT RISK**

The ASCSUS maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The ASCSUS has not experienced any losses in such accounts. Management believes the ASCSUS is not exposed to any significant credit risk related to cash.

**SUPPLEMENTARY INFORMATION**

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
SCHEDULE OF MANAGED ACTIVITIES  
JUNE 30, 2008**

	Student Leadership <u>(120) (121)</u>	Student Services <u>(091) (150)</u>	Aquatic Center <u>(160)</u>	Children's Center <u>(170)</u>	Peak Adventures <u>(180)</u>	Recreational Sports <u>(290)</u>	Student Managed Programs <u>(130)</u>	Central Administration <u>(90)</u>	Total <u>-</u>
<b>REVENUES</b>									
Student activity fee	\$ 780,924	\$ 3,538,981	\$ 215,359	\$ 399,330	\$ 313,559	\$ 228,591	\$ 263,620	\$ 772,801	\$ 6,513,165
Program service fees	1,090	220,829	1,380,944	449,757	400,557	22,734	78,362	2,926	2,557,199
Government grants and contracts									
State Department of Education:									
General child care	-	-	-	-	-	-	-	-	-
Child care food program	-	-	-	-	-	-	-	-	-
Capacity project	-	-	-	-	-	-	-	-	-
Instructional materials	-	-	-	-	-	-	-	-	-
School age resource	-	-	-	-	-	-	-	-	-
State Department of Boating and Waterways:									
Capital outlay	-	-	-	-	-	-	-	-	-
Safety education	-	-	-	-	-	-	-	-	-
CSUS child care	-	-	-	-	-	-	-	-	-
Management fees	-	-	-	-	-	-	-	211,026	211,026
Investment income	-	-	130	-	-	-	-	206,626	206,756
Contributions and grants	300	-	118,584	512,047	-	-	1,005	-	631,936
In-kind contributions	-	-	135,933	-	-	-	-	-	135,933
Gain (loss) on sale of fixed assets	-	-	(5,259)	-	-	-	-	-	(5,259)
Realized gain (loss) on investments	-	-	-	-	-	-	-	2,523	2,523
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	15,491	15,491
Fundraising revenue, net	-	-	(31,643)	891	-	-	1,008	-	(29,744)
Fees for services	-	-	-	5,720	-	-	-	176	5,896
Other income	-	-	(1,451)	(4,261)	-	-	-	-	(5,712)
Contract settlements	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>782,314</b>	<b>3,759,810</b>	<b>1,812,597</b>	<b>1,363,484</b>	<b>714,116</b>	<b>251,325</b>	<b>343,995</b>	<b>1,211,569</b>	<b>10,239,210</b>
<b>EXPENSES</b>									
Salaries and related expenses	224,793	76,276	959,481	1,091,018	371,444	189,861	194,896	607,366	3,715,135
Services and supplies	443,711	3,660,601	604,419	220,008	300,690	61,464	105,084	248,176	5,644,153
Interest expense	-	-	-	-	-	-	-	695	695
Depreciation	88	1,113	84,285	52,458	22,163	-	5,358	17,412	182,877
<b>Total expenses</b>	<b>668,592</b>	<b>3,737,990</b>	<b>1,648,185</b>	<b>1,363,484</b>	<b>694,297</b>	<b>251,325</b>	<b>305,338</b>	<b>873,649</b>	<b>9,542,860</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 113,722</b>	<b>\$ 21,820</b>	<b>\$ 164,412</b>	<b>\$ -</b>	<b>\$ 19,819</b>	<b>\$ -</b>	<b>\$ 38,657</b>	<b>\$ 337,920</b>	<b>\$ 696,350</b>

See accompanying auditors' report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
GASB STATEMENT OF NET ASSETS  
JUNE 30, 2008**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,088,134
Short-term investments	4,152,367
Accounts receivable, net	273,445
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	235,814
Total current assets	<u>5,749,760</u>
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	1,028,772
Other assets	—
Total noncurrent assets	<u>1,028,772</u>
Total assets	<u>6,778,532</u>
Liabilities:	
Current liabilities:	
Accounts payable	183,933
Accrued salaries and benefits payable	128,042
Accrued compensated absences— current portion	9,601
Deferred revenue	468,849
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	7,312
Self-insurance claims liability - current portion	—
Other liabilities	463,965
Total current liabilities	<u>1,261,702</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	86,407
Deferred revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	20,708
Self-insurance claims liabilities, net of current portion	—
Depository accounts	726,130
Other liabilities	—
Total noncurrent liabilities	<u>833,245</u>
Total liabilities	<u>2,094,947</u>
Net assets:	
Invested in capital assets, net of related debt	1,000,752
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	3,682,833
Total net assets	<u>\$ 4,683,585</u>

See accompanying auditors' report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
GASB STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008**

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$__0____)	\$ 6,782,470
Grants and contracts, noncapital:	
Federal	51,507
State	479,945
Local	—
Nongovernmental	85,000
Sales and services of educational activities	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$__0____)	2,557,199
Other operating revenues	187,178
	<hr/>
Total operating revenues	10,143,299

Expenses:

Operating expenses:

Instruction	—
Research	—
Public service	—
Academic support	—
Student services	9,490,876
Institutional support	138,412
Operation and maintenance of plant	
Student grants and scholarships	
Auxiliary enterprise expenses	
Depreciation and amortization	182,877
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Total operating expenses	9,812,165
	<hr/>
Operating income (loss)	331,134

Nonoperating revenues (expenses):

State appropriations, noncapital	—
Federal grant - Pell	—
Gifts, noncapital	151,417
Investment income, net	224,770
Endowment income	—
Interest on capital-related debt	—
Other nonoperating revenues (expenses)	(10,971)
	<hr/>

Net nonoperating revenues (expenses)	365,216
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Income (loss) before other additions	696,350
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State appropriations, capital

Grants and gifts, capital

Additions to permanent endowments

Increase (decrease) in net assets	696,350
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Net assets:

Net assets at beginning of year, as previously reported	3,987,235
Restatements	—
	<hr/>
Net assets at end of year, as previously reported	\$ 4,683,585

See accompanying auditors' report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2008**

**1 Restricted cash and cash equivalents at June 30, 2008:**

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

See accompanying auditors' report and  
notes to financial statements.



**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

**3 Composition of capital assets at June 30, 2008:**

	Balance June 30, 2007	Prior period Adjustments	Reclassifications	Balance June 30, 2007 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2008
Nondepreciable capital assets								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	—	—	—	—	—	—	—	—
Total nondepreciable capital assets	—	—	—	—	—	—	—	—
Depreciable capital assets								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	1,974,663	—	—	1,974,663	—	(18,389)	—	1,956,274
Personal property:								
Equipment	1,180,134	—	—	1,180,134	160,810	(12,410)	—	1,328,534
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets	—	—	—	—	—	—	—	—
Total depreciable capital assets	3,154,797	—	—	3,154,797	160,810	(30,799)	—	3,284,808
Total cost	3,154,797	—	—	3,154,797	160,810	(30,799)	—	3,284,808
Less accumulated depreciation:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	(1,356,163)	—	—	(1,356,163)	(56,929)	17,562	—	(1,395,530)
Personal property:								
Equipment	(742,536)	—	—	(742,536)	(125,948)	7,978	—	(860,506)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation	(2,098,699)	—	—	(2,098,699)	(182,877)	25,540	—	(2,256,036)
Net capital assets	\$ 1,056,098	—	—	1,056,098	(22,067)	(5,259)	—	1,028,772

**Detail of depreciation and amortization expense for the year ended June 30, 2008:**

Depreciation and amortization expense related to capital assets	\$ 182,877
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 182,877

See accompanying auditors' report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
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(CONTINUED)**

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

	Balance June 30, 2007	Prior period adjustments	Reclassifications	Balance June 30, 2007 (restated)	Additions	Reductions	Balance June 30, 2008	Current portion	Long-term portion
Accrued compensated absences	\$ 99,283	—	—	99,283	—	(3,275)	96,008	9,601	86,407
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	—	—	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	—	—	—	—	—
Commercial Paper	—	—	—	—	—	—	—	—	—
Other:									
Vehicle loan	35,330	—	—	35,330	—	(7,310)	28,020	7,312	20,708
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	35,330	—	—	35,330	—	(7,310)	28,020	7,312	20,708
Unamortized bond premium (discount)	—	—	—	—	—	—	—	—	—
Unamortized loss on refunding	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	35,330	—	—	35,330	—	(7,310)	28,020	7,312	20,708
Total long-term liabilities	\$ 134,613	—	—	134,613	—	(10,585)	124,028	16,913	107,115

See accompanying auditors' report and  
notes to financial statements.

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**5 Future minimum lease payments:**

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
Year ending June 30:			
2009	\$ —	—	—
2010	—	—	—
2011	—	—	—
2012	—	—	—
2013	—	—	—
2014 - 2018	—	—	—
2019 - 2023	—	—	—
2024 - 2028	—	—	—
2029 - 2033	—	—	—
2034 - 2038	—	—	—
2039 - 2043	—	—	—
2044 - 2048	—	—	—
2049 - 2053	—	—	—
2054 - 2058	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
Total minimum lease payments			—
Less amounts representing interest			<u>—</u>
Present value of future minimum lease payments			—
Less: current portion			<u>—</u>
<b>Capitalized lease obligation, net of current portion</b>			<b>\$ <u>—</u></b>

See accompanying auditors' report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
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(CONTINUED)**

6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		Principal and Interest
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	
Year ending June 30:									
2009	\$ —	—	—	7,312	—	7,312	7,312	—	7,312
2010	—	—	—	7,312	—	7,312	7,312	—	7,312
2011	—	—	—	7,312	—	7,312	7,312	—	7,312
2012	—	—	—	6,084	—	6,084	6,084	—	6,084
2013	—	—	—	—	—	—	—	—	—
2014 - 2018	—	—	—	—	—	—	—	—	—
2019 - 2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
Total	\$ —	—	—	28,020	—	28,020	28,020	—	28,020

See accompanying auditors' report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
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(CONTINUED)**

**7 Calculation of net assets - Invested in capital assets, net of related debt**

	<u>Auxiliary Organizations</u>		<u>Total</u>
	<u>GASB</u>	<u>FASB</u>	<u>Auxiliaries</u>
Capital assets, net of accumulated depreciation	\$ —	1,028,772	1,028,772
Capital lease obligations - current portion	—	—	—
Capital lease obligations, net of current portion	—	—	—
Long-term debt obligations - current portion	—	(7,312)	(7,312)
Long-term debt obligations, net of current portion	—	(20,708)	(20,708)
Portion of outstanding debt that is unspent at year end	—	—	—
Other:	—	—	—
(description)	—	—	—
(description)	—	—	—
(description)	—	—	—
(description)	—	—	—
(description)	—	—	—
Net assets - invested in capital assets, net of related debt	\$ —	1,000,752	1,000,752

See accompanying auditors' report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
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(CONTINUED)**

**8 Transactions with Related Entities**

	<u>Amount</u>
Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs	\$ 131,535
Reimbursements to University for other than salaries of University personnel	134,664
Payments received from University for services, space, and programs	115,938
Gifts-in-kind to the University from Auxiliary Organizations	—
Amounts (payable to) University (enter as negative number)	(422,239)
Amounts receivable from University	73,344

See accompanying auditors' report and  
notes to financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
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FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

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

	Net Asset Class	Amount Dr. (Cr.)
Net assets as of June 30, 2007, as previously reported		\$ —
Prior period adjustments:		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net assets as of June 30, 2007, as restated		\$ —

**Provide a detailed breakdown of the journal entries booked to record each prior period adjustments:**

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

See accompanying auditors' report and  
notes to financial statements.

## MANAGEMENT LETTER

To the Board of Directors of  
Associated Students of  
California State University, Sacramento (ASCSUS)  
Sacramento, California

We are pleased to submit to you our Report to Management containing our findings and recommendations concerning administrative controls and other accounting, financial and general matters resulting from our audit of Associated Students of California State University, Sacramento (ASCSUS) financial statements at June 30, 2008 on which we have rendered our opinion dated September 12, 2008. We have not performed any auditing procedures beyond such date and, accordingly, the matters herein are based on our knowledge as of that time.

The purpose of our examination was not to make an intensive study of the matters commented upon and, accordingly, additional information may be required before acting upon these suggestions. We were able to satisfy ourselves that any indicated weaknesses in internal controls did not have a significant effect upon the financial statements of ASCSUS for the year ended June 30, 2008.

We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structures or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized in the attached Report to Management.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and applicable funding agencies.

*Vasin, Heyn + Co.*

September 12, 2008

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
MANAGEMENT LETTER  
FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2008**

**I. CURRENT YEAR OBSERVATIONS**

NONE

**CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

NONE

**II. PRIOR FINDINGS AND RECOMMENDATIONS**

*Risk Related Events*

Our risk assessment interviews and document review revealed that written procedures were in place which provided guidelines for managing risk-related events, but that such documentation was not integrated or comprehensive of all risks reasonably faced by ASCSUS primarily climate related risks.

We recommend that the risk assessment materials be periodically reviewed and updated in writing in order to maintain a constant organization-wide awareness of actions required to properly respond to risk-events.

*2008 Management Response:*

Management has not updated risk assessment materials in the last year. With the placement of a new Director of Finance & Administration, action will be taken on this recommendation.