

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY,  
SACRAMENTO**

Independent Auditor's Report,  
Financial Statements and Supplemental Information

For the Fiscal Years Ended June 30, 2012 and 2011

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

**Table of Contents**

|  | <b><u>Page(s)</u></b> |
|--|-----------------------|
| Independent Auditor's Report.....                              | 1                     |
| <b>Financial Statements:</b>                                   |                       |
| Statements of Financial Position .....                         | 2                     |
| Statements of Activities.....                                  | 3                     |
| Statements of Functional Expenses .....                        | 4-5                   |
| Statements of Cash Flows .....                                 | 6                     |
| Notes to Financial Statements .....                            | 7-15                  |
| <b>Supplemental Information:</b>                               |                       |
| Schedule of Managed Programs.....                              | 16                    |
| Schedule of Net Assets .....                                   | 17                    |
| Schedule of Revenues, Expenses, and Changes in Net Assets..... | 18                    |
| Other Information.....   | 19-24                 |
| Note to Supplemental Information .....                         | 25                    |

Board of Directors  
Associated Students of  
California State University, Sacramento

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of the Associated Students of California State University, Sacramento (ASI), as of June 30, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the fiscal years then ended. These financial statements are the responsibility of ASI's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ASI's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Associated Students of California State University, Sacramento, as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 16 through 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Macie Mini & O'Connell LLP*

Sacramento, California  
September 12, 2012

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2012 AND 2011**

|  | 2012         | 2011         |
|--|--------------|--------------|
| <b>ASSETS</b>  |              |              |
| Cash and cash equivalents                                    | \$ 5,948,109 | \$ 5,468,311 |
| Accounts receivable, net                                     | 255,351      | 326,836      |
| Interest receivable  | 4,666        | 5,716        |
| Student activity fees receivable<br>held by Sacramento State | 572,854      | 589,464      |
| Deposits and prepaid expenses                                | 61,269       | 64,014       |
| Inventory  | 61,511       | 70,307       |
| Due from related parties                                     | 51,839       | 32,938       |
| Capital assets, net of accumulated depreciation              | 809,903      | 874,807      |
| Total assets   | \$ 7,765,502 | \$ 7,432,393 |
| <b>LIABILITIES</b>   |              |              |
| Accounts payable   | \$ 132,725   | \$ 177,111   |
| Accrued payroll and related liabilities                      | 255,696      | 230,514      |
| Due to related parties                                       | 52,737       | 61,274       |
| Funds held for campus organizations                          | 208,592      | 219,444      |
| Funds held for student organizations                         | 449,767      | 412,697      |
| Unearned revenue   | 1,024,050    | 1,023,410    |
| Total liabilities  | 2,123,567    | 2,124,450    |
| <b>NET ASSETS, UNRESTRICTED</b>                              | 5,641,935    | 5,307,943    |
| Total liabilities and net assets                             | \$ 7,765,502 | \$ 7,432,393 |

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
STATEMENTS OF ACTIVITIES  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

|                                      | <u>2012</u>         | <u>2011</u>         |
|--------------------------------------|---------------------|---------------------|
| <b>REVENUES</b>                      |                     |                     |
| Student activity fees                | \$ 3,360,463        | \$ 3,232,309        |
| Program service fees                 | 2,977,763           | 2,815,017           |
| Government grants and contracts      | 545,365             | 583,260             |
| Financial service fees               | 164,037             | 161,212             |
| Interest income                      | 18,231              | 22,956              |
| Cash contributions                   | 56,414              | 14,406              |
| In-kind contributions                | -                   | 19,100              |
| Other Income                         | 44,535              | -                   |
| Fundraising events                   | 6,952               | 3,998               |
| <b>Total revenues</b>                | <u>7,173,760</u>    | <u>6,852,258</u>    |
| <b>EXPENSES</b>                      |                     |                     |
| Programs                             | 5,561,272           | 5,524,194           |
| Administration                       | 1,276,069           | 1,274,328           |
| Fundraising                          | 2,427               | 2,838               |
| <b>Total expenses</b>                | <u>6,839,768</u>    | <u>6,801,360</u>    |
| <b>Change in net assets</b>          | 333,992             | 50,898              |
| <b>Net assets, beginning of year</b> | <u>5,307,943</u>    | <u>5,257,045</u>    |
| <b>Net assets, end of year</b>       | <u>\$ 5,641,935</u> | <u>\$ 5,307,943</u> |

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

|                                  | Programs            | Adminstration       | Fundraising     | Total               |
|----------------------------------|---------------------|---------------------|-----------------|---------------------|
| Advertising and promotion        | \$ 39,558           | \$ 7,495            | \$ -            | \$ 47,053           |
| Bank fees                        | 49,580              | 27,034              | -               | 76,614              |
| Depreciation                     | 120,999             | 1,208               | -               | 122,207             |
| Non-capital equipment purchases  | 80,679              | 25,449              | -               | 106,128             |
| Food                             | 77,383              | 1,345               | -               | 78,728              |
| Fundraising                      | -                   | -                   | 2,427           | 2,427               |
| Grant expenses                   | 90,128              | -                   | -               | 90,128              |
| Grants and other assistance      | 381,524             | 353                 | -               | 381,877             |
| Insurance                        | 130,086             | 4,984               | -               | 135,070             |
| Occupancy                        | 195,837             | 44,540              | -               | 240,377             |
| Other expenses                   | 236,353             | 66,768              | -               | 303,121             |
| Outside services                 | 140,766             | 283,103             | -               | 423,869             |
| Printing                         | 45,434              | 3,149               | -               | 48,583              |
| Program supplies and materials   | 239,627             | 20,003              | -               | 259,630             |
| Purchases for resale             | 195,709             | -                   | -               | 195,709             |
| Salaries and related expenses    | 3,367,824           | 781,483             | -               | 4,149,307           |
| Travel and meeting expense       | 70,685              | 7,145               | -               | 77,830              |
| Vehicle and equipment costs      | 99,100              | 2,010               | -               | 101,110             |
| <b>Total functional expenses</b> | <b>\$ 5,561,272</b> | <b>\$ 1,276,069</b> | <b>\$ 2,427</b> | <b>\$ 6,839,768</b> |

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|                                  | <u>Programs</u>     | <u>Adminstration</u> | <u>Fundraising</u> | <u>Total</u>        |
|----------------------------------|---------------------|----------------------|--------------------|---------------------|
| Advertising and promotion        | \$ 32,865           | \$ 12,187            | \$ -               | \$ 45,052           |
| Bank fees                        | 37,780              | 27,752               | -                  | 65,532              |
| Depreciation                     | 138,224             | 855                  | -                  | 139,079             |
| Non-capital equipment purchases  | 79,842              | 36,098               | -                  | 115,940             |
| Food                             | 88,262              | 863                  | -                  | 89,125              |
| Fundraising                      | -                   | -                    | 2,838              | 2,838               |
| Grant expenses                   | 80,126              | -                    | -                  | 80,126              |
| Grants and other assistance      | 386,102             | -                    | -                  | 386,102             |
| Insurance                        | 138,860             | 5,100                | -                  | 143,960             |
| Loss on Disposal of Assets       | 7,752               | 6,133                | -                  | 13,885              |
| Occupancy                        | 178,618             | 41,806               | -                  | 220,424             |
| Other expenses                   | 234,223             | 84,853               | -                  | 319,076             |
| Outside services                 | 202,897             | 260,840              | -                  | 463,737             |
| Printing                         | 36,441              | 8,505                | -                  | 44,946              |
| Program supplies and materials   | 219,906             | 18,086               | -                  | 237,992             |
| Purchases for resale             | 215,383             | -                    | -                  | 215,383             |
| Salaries and related expenses    | 3,289,695           | 765,373              | -                  | 4,055,068           |
| Travel and meeting expense       | 58,993              | 3,982                | -                  | 62,975              |
| Vehicle and equipment costs      | 98,225              | 1,895                | -                  | 100,120             |
| <b>Total functional expenses</b> | <u>\$ 5,524,194</u> | <u>\$ 1,274,328</u>  | <u>\$ 2,838</u>    | <u>\$ 6,801,360</u> |

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 and 2011**

|  | <u>2012</u>         | <u>2011</u>         |
|--|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                     |                     |
| Change in net assets   | \$ 333,992          | \$ 50,898           |
| Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities: |                     |                     |
| Depreciation   | 122,207             | 139,079             |
| In-kind contributions  | -                   | (19,100)            |
| Loss on sale of capital assets   | -                   | 13,885              |
| Net effect of changes in:  |                     |                     |
| Accounts receivable  | 71,485              | (34,513)            |
| Interest receivable  | 1,050               | 1,618               |
| Student activity fees receivable   | 16,610              | 49,653              |
| Deposits and prepaid expenses  | 2,745               | (14,473)            |
| Inventory  | 8,796               | 21,626              |
| Due from related parties   | (18,901)            | (5,895)             |
| Accounts payable   | (44,386)            | 25,002              |
| Accrued payroll and related liabilities  | 25,182              | 41,026              |
| Due to related parties   | (8,537)             | (7,675)             |
| Funds held for campus organizations  | (10,852)            | (216,758)           |
| Funds held for student organizations   | 37,070              | 16,516              |
| Unearned revenue   | 640                 | (82,102)            |
|  | <u>537,101</u>      | <u>(21,213)</u>     |
| Net cash provided by (used for) operating activities   |                     |                     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                     |                     |
| Payments related to the acquisition of capital assets  | <u>(57,303)</u>     | <u>(29,482)</u>     |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>  | 479,798             | (50,695)            |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>  | <u>5,468,311</u>    | <u>5,519,006</u>    |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>  | <u>\$ 5,948,109</u> | <u>\$ 5,468,311</u> |
| <b>SUPPLEMENTAL INFORMATION</b>  |                     |                     |
| Capital assets donated through in-kind contributions   | \$ -                | \$ 19,100           |

See accompanying notes to the financial statements.



**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

**NOTE 1 - NATURE OF THE ORGANIZATION**

The Associated Students of California State University, Sacramento (“ASI”), a component unit of California State University, Sacramento, is a nonprofit, tax-exempt auxiliary organization of California State University, Sacramento (“Sacramento State”), organized to administer various student programs and activities. Student activity fees and other program revenues are collected for the support of student related programs and activities. Programs include the student body leadership and government of Sacramento State, the Aquatic Center, the ASI Office of Business and Administration, Student Services which includes cap and gown sales, the Children’s Center, Peak Adventures and various Student Life and Leadership programs.

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

The Financial Accounting Standards Board (“FASB”) implemented the FASB Accounting Standards Codification (the “Codification”) effective July 1, 2009. The Codification has become the source of authoritative Generally Accepted Accounting Principles (“GAAP”) recognized by FASB to be applied to nongovernmental entities. On the effective date of the Codification, the Codification superseded all then-existing accounting and reporting standards. All other non-grandfathered accounting literature not included in the Codification has become non-authoritative. References to GAAP included in the FASB Codification are noted as Accounting Standards Codification (“ASC”).

Following the effective date of the Codification, FASB will not release new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force abstracts, but instead will issue Accounting Standards Updates (“ASU”). ASUs will not be considered authoritative in their own right, but will serve only to update the Codification, provide background information about the guidance in the Codification, and provide the basis for the conclusions on the changes in the Codification.

***Basis of presentation*** – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

The financial statements are presented in accordance with ASC Topic 958, *Not-for-Profit Entities*, requires ASI to classify net assets and revenues, expenses, gains and losses into three categories, based on the existence or absence of donor-imposed restrictions. The categories are unrestricted, temporarily restricted and permanently restricted net assets:

- Unrestricted net assets are those with no donor restrictions.
- Temporarily restricted net assets include gifts, pledges, trusts, remainder interests, and income and gains which can be expended, but for which restrictions have not yet been met. Such restrictions include donor imposed restrictions that have specified the purpose for which the net assets are spent, or time restrictions imposed by donors or implied by the nature of the gift. ASI has no temporarily restricted net assets at June 30, 2012 and 2011.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by ASI. Generally, the donors of these assets permit ASI to use all or part of the income earned on any related investments for general or specific purposes. ASI does not have permanently restricted net assets as of June 30, 2012 and 2011.

***Cash and Cash Equivalents***

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

***Accounts Receivable***

Accounts receivable is composed of uncollected revenue generated from program activities, grants reimbursements, and administrative fees from ASI's funds held for others. ASI reviews accounts receivable on a monthly basis to determine if any receivables are potentially uncollectible. ASI has recorded an allowance for doubtful accounts in the amounts of \$13,300 and \$8,300 as of June 30, 2012 and 2011, respectively.

***Student Activity Fees Receivable – Held by Sacramento State***

Student activity fees receivable consists of the fees collected by Sacramento State during student registration for the 2012 fall semester. These fees will be remitted to ASI during the subsequent fiscal year. As of June 30, 2012 and 2011 student fees receivable was \$572,854 and \$589,464 respectively.

***Deposits and Prepaid Expenses***

These amounts are the result of payments made for goods and services to be utilized in future periods.

***Inventory***

ASI inventory is reported at cost. Inventory consists of items such as caps, gowns, bike parts, retail clothing and accessories for ASI internal programs including Student Services, Peak Adventures, and Aquatic Center.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Due from Related Parties***

Due from related parties represents amounts owed to ASI from Sacramento State, University Enterprises, Inc. (“UEI”) and the University Union Operation of California State University, Sacramento, (the “Union WELL Inc.”) for goods and services provided by ASI program activities.

***Capital Assets***

Capital assets are stated at cost. It is the policy of ASI to capitalize all furniture and equipment and leasehold improvements costing \$5,000 or more and a useful life greater than two years. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets, typically between 3 and 30 years.

***Due to Related Parties***

Due to related parties represents outstanding billings for administrative services, space management, and catering services provided to ASI programs from Sacramento State, UEI and the Union WELL Inc.

***Funds Held for Campus Organizations***

ASI acts as a collecting and disbursing agency for several Sacramento State organizations and departments. Funds held for campus organizations are related to deposits received from these organizations and departments. Currently ASI holds only two of these accounts for Sacramento State which include the State Hornet and the Jesse Snow account.

***Funds Held for Student Organizations***

As a service to Sacramento State affiliated student organizations and programs, ASI acts as a collecting and disbursing agency for over 300 student organizations. These amounts are related to deposits received from these organizations.

***Unearned Revenue***

Unearned revenues represents the amount ASI programs have received in advance of providing the related services. To facilitate preparation for the many classes, camps, courses and trips provided by Peak Adventures and the Aquatic Center, ASI requires advance registration and payment. Revenue is recognized on the date of the service. Unearned revenue also consists of student activity fees collected by Sacramento State from students during student registration for the fall 2012 semester. Student activity fees are recognized over the period of service.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Student Activity Fees***

Student activity fees represent mandatory fees assessed to Sacramento State students each semester to support ASI programs. The fees are collected by Sacramento State and remitted to ASI.

***Program Service Fees***

Program service fees are fees ASI receives for providing child care, cap and gown sales, recreational classes, student services and other activities. The fees are collected by ASI and recognized when earned.

***Government Grants and Contracts***

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

***Financial Service Fees***

Financial service fees are received for providing accounting and financial services to the Union WELL Inc., the University employee IRA's, the State Hornet and clubs and organizations.

***Taxes***

The Internal Revenue Service has granted ASI status as an exempt organization under section 501(c)(3) of the Internal Revenue Code. The ruling provides that ASI is not subject to excise tax under Section 4940(a) of the Code. Income determined to be unrelated business income would be taxable.

ASI follows ASC Topic 740-10-25, *Accounting for Uncertainty in Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This standard provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The standard also provides guidance on measurement, classification, interest and penalties, and disclosure. The tax years ended 2007, 2008, 2009, 2010, and 2011 are still open to audit for both federal and state purposes. ASI has processes presently in place to ensure the maintenance of its tax-exempt status; its group exemption; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. ASI has determined there is no impact on the accompanying financial statements related to this standard.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Use of Estimates*

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

*Functional Allocation of Expenses*

The costs of providing the various programs and administration are summarized on a functional basis in the statement of activities. Program expenses are tracked on a department basis for ASI managed programs. Expenses that are not directly associated with a program are allocated to administration expenses.

*Reclassification*

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

As of June 30, 2012 and 2011, cash and cash equivalents represent short term investments in LAIF in the amounts of \$5,336,044 and \$4,816,708 and funds held at financial institutions in the amounts of \$612,065 and \$651,603, respectively. The cash balances reported by financial institution are \$762,211 and \$839,751, respectively, and are entirely insured by the Federal Deposit Insurance Corporation.

**NOTE 4 - FAIR VALUE MEASUREMENT**

ASI reports its investments at fair value as described in ASC Topic 820, *Fair Value Measurement*. ASC Topic 820 established a single authoritative definition of fair value, sets out a framework of measuring fair value, and requires additional disclosure about fair value measurement of assets such as investments.

This standard establishes a framework for measuring fair value for the investments held by the ASI. 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this standard are described below:

*Level 1:* Inputs to the valuation methodology represent unadjusted quoted prices for identical assets or liabilities in active markets that the ASI has the ability to access.

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

**NOTE 4 - FAIR VALUE MEASUREMENT (CONTINUED)**

*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 or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- 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 asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Although ASI has funds held in LAIF, they are available for withdrawal on demand and are therefore recorded as cash equivalents. LAIF is sponsored by the California State Treasurer and prepares its market value report detailing the carrying cost and the estimated fair value for the entire pool. ASI used the multiplier provided by LAIF to determine the estimated fair value of its investment in the pool. ASI's investments in LAIF are measured on a non-reoccurring basis through out the year and are based on level 2 inputs, or observable inputs.

The following table sets forth by level, within the fair value hierarchy, the ASI's assets at fair value as of June 30, 2012 and 2011.

|      | <u>June 30, 2012</u>  |   |  |              |
|------|---|---|--|--------------|
|      | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total        |
| LAIF | \$ -  | \$ 5,336,044  | \$ -   | \$ 5,336,044 |

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

**NOTE 4 - FAIR VALUE MEASUREMENT (CONTINUED)**

|      | <u>June 30, 2011</u>  |   |  |                     |
|------|---|---|--|---------------------|
|      | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total               |
| LAIF | <u>\$ -</u>   | <u>\$ 4,816,708</u>                                 | <u>\$ -</u>  | <u>\$ 4,816,708</u> |

These methods may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while ASI believes its valuation methods are appropriate and consistent with similar investments the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at June 30, 2012 and 2011.

**NOTE 5 - CAPITAL ASSETS**

Capital assets consist of the following at June 30:

|                                | <u>2012</u>        | <u>2011</u>        |
|--------------------------------|--------------------|--------------------|
| Furniture and equipment        | \$ 1,245,499       | \$ 1,221,116       |
| Leasehold improvements         | <u>2,153,137</u>   | <u>2,126,699</u>   |
| Total                          | 3,398,636          | 3,347,815          |
| Less: accumulated depreciation | <u>(2,588,733)</u> | <u>(2,473,008)</u> |
| Capital assets – net           | <u>\$ 809,903</u>  | <u>\$ 874,807</u>  |

Depreciation expense for the fiscal years ended June 30, 2012 and 2011 was \$122,207 and \$139,079, respectively.

ASI leases a parcel of land from the Trustees of the California State University, Sacramento (“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 for the children of Sacramento State students, staff, and faculty. The lease agreement terminates on December 31, 2028. ASI has no monetary obligation to the Trustees for rental payments under the terms of the lease agreement; however, ASI financed the construction and operation of the Facility. The costs of construction of the Facility were capitalized as leasehold improvements.

**NOTE 6 - LEASE COMMITMENTS**

ASI has lease agreements that are renewed annually for office space located in the Union and the Wellness Center (“The Well”). The total rent expense incurred under these operating leases was \$169,460 and \$163,498 for the fiscal years ended June 30, 2012 and 2011, respectively. ASI also leases various copiers under non-cancellable operating leases and the total lease payments were \$22,700 and \$16,624 for the fiscal years ended June 30, 2012 and 2011, respectively.

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

**NOTE 6 - LEASE COMMITMENTS (CONTINUED)**

Future minimum lease payments under the operating leases are as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Amount</u>     |
|------------------------------------|-------------------|
| 2013                               | \$ 197,403        |
| 2014                               | 18,554            |
| 2015                               | 15,326            |
| 2016                               | 3,875             |
| 2017                               | 290               |
| Total                              | <u>\$ 235,448</u> |

**NOTE 7 - LINE OF CREDIT**

ASI has a \$375,000 revolving line of credit with First Bank of California, which expires on May 11, 2013 at which time any unpaid principal and accrued interest must be paid. The line of credit bears interest at lender's prime rate + 0% with an annual minimum of 5.0%. This line of credit is secured by inventory, receivables and capital assets of ASI. There was no outstanding balance on the line of credit at June 30, 2012 and 2011.

**NOTE 8 - RELATED PARTY TRANSACTIONS**

For fiscal years ended June 30, 2012 and 2011 ASI earned revenues of \$120,400 and \$120,000, respectively, for providing financial services to the Union WELL Inc., a component unit of Sacramento State.

For fiscal years ended June 30, 2012 and 2011 ASI earned revenues of \$43,637 and \$41,212, respectively, for providing financial services for Sacramento State organizations which include the State Hornet and the financial administration of Sacramento State's IRA grants.

Other than those disclosed elsewhere in these financial statements, transactions between the ASI and related organizations during the fiscal years ended June 30, 2012 and 2011, included the payments by ASI to Sacramento State of \$180,240 and \$138,780, respectively, for campus cost recovery services that include administration, telephone, postage, IT support, and utilities, and \$169,720 and \$146,257, respectively, for personnel cost. Sacramento State made payments totaling \$151,226 and \$117,215 for services, space and programs for the fiscal years ended June 30, 2012 and 2011, respectively. For fiscal years ended June 30, 2012 and 2011, ASI donated \$35,800 and \$35,800, respectively, for gifts in-kind to Sacramento State. Public safety charges from the Union WELL Inc. to ASI occurred for the first time for the fiscal year ending June 30, 2012 with a charge of \$1,178 for Peak Adventures to cover police calls in the Well building. Public Safety charges to ASI in the Union building and to Peak Adventures in the Well building will now be an on-going annual expense.

ASI incurred expenses primarily related to photo reproduction and catering services by UEI, a component unit of Sacramento State, in the amount of \$40,780 and \$50,116 for the fiscal years ended June 30, 2012 and 2011, respectively.



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

**NOTE 8 - RELATED PARTY TRANSACTIONS (CONTINUED)**

The amount due from related entities at June 30 is comprised of the following:

|                  | <u>2012</u>      | <u>2011</u>      |
|------------------|------------------|------------------|
| Sacramento State | \$ 41,571        | \$ 21,748        |
| UEI              | 265              | 490              |
| Union WELL Inc.  | <u>10,003</u>    | <u>10,700</u>    |
| Total            | <u>\$ 51,839</u> | <u>\$ 32,938</u> |

The amount due to related entities at June 30 is comprised of the following:

|                  | <u>2012</u>      | <u>2011</u>      |
|------------------|------------------|------------------|
| Sacramento State | \$ 47,771        | \$ 59,139        |
| UEI              | 4,891            | 1,538            |
| Union WELL Inc.  | <u>75</u>        | <u>597</u>       |
| Total            | <u>\$ 52,737</u> | <u>\$ 61,274</u> |

**NOTE 9 - PENSION PLAN**

ASI sponsors a tax sheltered annuity defined contribution retirement plan (the "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. Upon joining the Plan, employees are eligible for an employer contribution of 10% of gross salary, subject to certain statutory limits. The Plan provides 100% immediate vesting. Employer contributions to the Plan were \$167,580 and \$162,600 for fiscal years ended June 30, 2012 and 2011, respectively.

**NOTE 10 - SUBSEQUENT EVENTS**

In preparing these statements, ASI has evaluated events and transactions for potential recognition through September 12, 2012, the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
SCHEDULE OF MANAGED PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Managed Programs**

|                                 | Business and<br>Administration | Student<br>Services | Government       | Student Life<br>and Services | Aquatic Center   | Children's<br>Center | Peak<br>Adventures | ASI External<br>Grants | Total managed<br>programs |
|---------------------------------|--------------------------------|---------------------|------------------|------------------------------|------------------|----------------------|--------------------|------------------------|---------------------------|
| <b>REVENUES</b>                 |                                |                     |                  |                              |                  |                      |                    |                        |                           |
| Student activity fees           | \$ 1,216,598                   | \$ -                | \$ 678,229       | \$ 288,702                   | \$ 100,385       | \$ 427,840           | \$ 379,306         | \$ 269,403             | \$ 3,360,463              |
| Program service fees            | 45,692                         | 250,269             | 50               | 28,982                       | 1,755,880        | 521,857              | 375,033            | -                      | 2,977,763                 |
| Government grants and contracts | -                              | -                   | -                | -                            | 86,015           | 459,350              | -                  | -                      | 545,365                   |
| Financial service fees          | 164,037                        | -                   | -                | -                            | -                | -                    | -                  | -                      | 164,037                   |
| Investment income               | 18,195                         | -                   | -                | -                            | 36               | -                    | -                  | -                      | 18,231                    |
| Cash contributions              | -                              | -                   | -                | -                            | 51,126           | 5,288                | -                  | -                      | 56,414                    |
| Other Income                    | -                              | -                   | -                | -                            | -                | 44,535               | -                  | -                      | 44,535                    |
| Fundraising events              | -                              | -                   | -                | -                            | 1,300            | 5,652                | -                  | -                      | 6,952                     |
| <b>Total Revenues</b>           | <b>1,444,522</b>               | <b>250,269</b>      | <b>678,279</b>   | <b>317,684</b>               | <b>1,994,742</b> | <b>1,464,522</b>     | <b>754,339</b>     | <b>269,403</b>         | <b>7,173,760</b>          |
| <b>EXPENSES</b>                 |                                |                     |                  |                              |                  |                      |                    |                        |                           |
| Salaries and related expenses   | 781,483                        | 57,356              | 190,058          | 204,356                      | 1,099,896        | 1,181,170            | 479,221            | 155,767                | 4,149,307                 |
| Services and supplies           | 493,378                        | 123,088             | 409,890          | 100,281                      | 800,544          | 255,511              | 269,499            | 113,636                | 2,565,827                 |
| Fundraising expenses            | -                              | -                   | -                | -                            | -                | 2,427                | -                  | -                      | 2,427                     |
| Depreciation                    | 1,208                          | 1,113               | -                | 2,694                        | 88,992           | 25,414               | 2,786              | -                      | 122,207                   |
| <b>Total Expenses</b>           | <b>1,276,069</b>               | <b>181,557</b>      | <b>599,948</b>   | <b>307,331</b>               | <b>1,989,432</b> | <b>1,464,522</b>     | <b>751,506</b>     | <b>269,403</b>         | <b>6,839,768</b>          |
| <b>CHANGE IN NET ASSETS</b>     | <b>\$ 168,453</b>              | <b>\$ 68,712</b>    | <b>\$ 78,331</b> | <b>\$ 10,353</b>             | <b>\$ 5,310</b>  | <b>\$ -</b>          | <b>\$ 2,833</b>    | <b>\$ -</b>            | <b>\$ 333,992</b>         |

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY SACRAMENTO**  
**SCHEDULE OF NET ASSETS**  
**JUNE 30, 2012**  
(for inclusion in the California State University)

Assets:

Current assets:

|                                    |    |           |
|------------------------------------|----|-----------|
| Cash and cash equivalents          | \$ | 612,065   |
| Short-term investments             |    | 5,336,044 |
| Accounts receivable, net           |    | 832,871   |
| Leases receivable, current portion |    | -         |
| Notes receivable, current portion  |    | -         |
| Pledges receivable, net            |    | -         |
| Prepaid expenses and other assets  |    | 174,619   |
| Total current assets               |    | 6,955,599 |

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                       |  | 809,903   |
| Other assets                              |  | -         |
| Total noncurrent assets                   |  | 809,903   |
| Total assets                              |  | 7,765,502 |

Liabilities:

Current liabilities:

|   |  |           |
|---|--|-----------|
| Accounts payable                                  |  | 132,725   |
| Accrued salaries and benefits payable             |  | 130,193   |
| Accrued compensated absences— current portion     |  | 112,953   |
| Deferred revenue                                  |  | 1,024,050 |
| Capitalized lease obligations – current portion   |  | -         |
| Long-term debt obligations – current portion      |  | -         |
| Self-insurance claims liability - current portion |  | -         |
| Depository accounts                               |  | 656,359   |
| Other liabilities                                 |  | 54,737    |
| Total current liabilities                         |  | 2,111,017 |

Noncurrent liabilities:

|   |  |           |
|---|--|-----------|
| Accrued compensated absences, net of current portion      |  | 12,550    |
| Deferred revenue  |  | -         |
| Grants refundable   |  | -         |
| Capitalized lease obligations, net of current portion     |  | -         |
| Long-term debt obligations, net of current portion        |  | -         |
| Self-insurance claims liabilities, net of current portion |  | -         |
| Depository accounts                                       |  | -         |
| Other postemployment benefits obligation                  |  | -         |
| Other liabilities   |  | -         |
| Total noncurrent liabilities                              |  | 12,550    |
| Total liabilities   |  | 2,123,567 |

Net assets:

|   |    |           |
|---|----|-----------|
| Invested in capital assets, net of related debt |    | 809,903   |
| Restricted for:                                 |    |           |
| Nonexpendable – endowments                      |    | -         |
| Expendable:                                     |    |           |
| Scholarships and fellowships                    |    | -         |
| Research  |    | -         |
| Loans   |    | -         |
| Capital projects                                |    | -         |
| Debt service                                    |    | -         |
| Other   |    | -         |
| Unrestricted                                    |    | 4,832,032 |
| Total net assets                                | \$ | 5,641,935 |

See accompanying note to the supplemental schedules.

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY SACRAMENTO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**JUNE 30, 2012**

(for inclusion in the California State University)

Revenues:

Operating revenues:

|  |    |           |
|--|----|-----------|
| Student tuition and fees (net of scholarship allowances of \$_____)                    | \$ | 3,360,463 |
| Grants and contracts, noncapital:  |    |           |
| Federal  |    | 222,493   |
| State  |    | 237,872   |
| Local  |    | -         |
| Nongovernmental  |    | 85,000    |
| Sales and services of educational activities   |    | -         |
| Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____) |    | 2,977,763 |
| Other operating revenues   |    | 170,989   |
|  |    | 170,989   |
| Total operating revenues   |    | 7,054,580 |

Expenses:

Operating expenses:

|                                    |  |           |
|------------------------------------|--|-----------|
| Instruction                        |  | -         |
| Research                           |  | -         |
| Public service                     |  | -         |
| Academic support                   |  | -         |
| Student services                   |  | 1,887,232 |
| Institutional support              |  | 376,987   |
| Operation and maintenance of plant |  | 71,222    |
| Student grants and scholarships    |  | 164,116   |
| Auxiliary enterprise expenses      |  | 4,218,004 |
| Depreciation and amortization      |  | 122,207   |
|                                    |  | 122,207   |
| Total operating expenses           |  | 6,839,768 |
| Operating income (loss)            |  | 214,812   |

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  |  | 56,414  |
| Investment income (loss), net                              |  | 18,231  |
| Endowment income (loss), net                               |  | -       |
| Interest Expenses  |  | -       |
| Other nonoperating revenues (expenses)                     |  | 44,535  |
|  |  | 44,535  |
| Net nonoperating revenues (expenses)                       |  | 119,180 |
| Income (loss) before other additions                       |  | 333,992 |

State appropriations, capital

Grants and gifts, capital

Additions (reductions) to permanent endowments

|                                   |  |         |
|-----------------------------------|--|---------|
|                                   |  | -       |
| Increase (decrease) in net assets |  | 333,992 |

Net assets:

|   |    |           |
|---|----|-----------|
| Net assets at beginning of year, as previously reported |    | 5,307,943 |
| Restatements  |    | -         |
| Net assets at beginning of year, as restated            |    | 5,307,943 |
| Net assets at end of year                               | \$ | 5,641,935 |

See accompanying note to the supplemental schedules.

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY SACRAMENTO**  
**OTHER INFORMATION**  
**JUNE 30, 2012**

(for inclusion in the California State University)

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

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

**2.1 Composition of investments at June 30, 2012:**

|  | Current<br>Unrestricted | Current Restricted | Total Current | Noncurrent<br>Unrestricted | Noncurrent<br>Restricted | Total Noncurrent | Total        |
|--|-------------------------|--------------------|---------------|----------------------------|--------------------------|------------------|--------------|
| State of California Surplus Money Investment Fund (SMIF) | \$ -                    | \$ -               | \$ -          | \$ -                       | \$ -                     | \$ -             | \$ -         |
| State of California Local Agency Investment Fund (LAIF)  | 5,336,044               | -                  | 5,336,044     | -                          | -                        | -                | 5,336,044    |
| Wachovia Short Term Fund                                 | -                       | -                  | -             | -                          | -                        | -                | -            |
| Wachovia Medium Term Fund                                | -                       | -                  | -             | -                          | -                        | -                | -            |
| Wachovia Equity Fund                                     | -                       | -                  | -             | -                          | -                        | -                | -            |
| US Bank SWIFT pool                                       | -                       | -                  | -             | -                          | -                        | -                | -            |
| Common Fund - Short Term Fund                            | -                       | -                  | -             | -                          | -                        | -                | -            |
| Common Fund - Others                                     | -                       | -                  | -             | -                          | -                        | -                | -            |
| Debt securities  | -                       | -                  | -             | -                          | -                        | -                | -            |
| Equity securities  | -                       | -                  | -             | -                          | -                        | -                | -            |
| Fixed income securities (Treasury notes, GNMA's)         | -                       | -                  | -             | -                          | -                        | -                | -            |
| Land and other real estate                               | -                       | -                  | -             | -                          | -                        | -                | -            |
| Certificates of deposit                                  | -                       | -                  | -             | -                          | -                        | -                | -            |
| Notes receivable   | -                       | -                  | -             | -                          | -                        | -                | -            |
| Mutual funds   | -                       | -                  | -             | -                          | -                        | -                | -            |
| Money Market funds                                       | -                       | -                  | -             | -                          | -                        | -                | -            |
| Collateralized mortgage obligations:                     |                         |                    |               |                            |                          |                  |              |
| Inverse floaters   | -                       | -                  | -             | -                          | -                        | -                | -            |
| Interest-only strips                                     | -                       | -                  | -             | -                          | -                        | -                | -            |
| Agency pass-through                                      | -                       | -                  | -             | -                          | -                        | -                | -            |
| Private pass-through                                     | -                       | -                  | -             | -                          | -                        | -                | -            |
| Other major investments:                                 |                         |                    |               |                            |                          |                  |              |
| Add description  | -                       | -                  | -             | -                          | -                        | -                | -            |
| Add description  | -                       | -                  | -             | -                          | -                        | -                | -            |
| Add description  | -                       | -                  | -             | -                          | -                        | -                | -            |
| Add description  | -                       | -                  | -             | -                          | -                        | -                | -            |
| Add description  | -                       | -                  | -             | -                          | -                        | -                | -            |
| Add description  | -                       | -                  | -             | -                          | -                        | -                | -            |
| Total investments  | \$ 5,336,044            | \$ -               | \$ 5,336,044  | \$ -                       | \$ -                     | \$ -             | \$ 5,336,044 |
| Less endowment investments (enter as negative number)    |                         |                    |               |                            |                          |                  | -            |
| Total investments  | \$ 5,336,044            | \$ -               | \$ 5,336,044  | \$ -                       | \$ -                     | \$ -             | \$ 5,336,044 |

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

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

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

|   | Amount |
|---|--------|
| Add description                                       | -      |
| Add description                                       | -      |
| Add description                                       | -      |
| Add description                                       | -      |
| Add description                                       | -      |
| Add description                                       | -      |
| Add description                                       | -      |
| Add description                                       | -      |
| Add description                                       | -      |
| Add description                                       | -      |
| Add description                                       | -      |
| Total restricted current investments at June 30, 2012 | \$ -   |

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

|  | Amount |
|--|--------|
| Endowment investment                                     | -      |
| Add description  | -      |
| Add description  | -      |
| Add description  | -      |
| Add description  | -      |
| Add description  | -      |
| Add description  | -      |
| Add description  | -      |
| Add description  | -      |
| Add description  | -      |
| Total restricted noncurrent investments at June 30, 2012 | \$ -   |

See accompanying note to the supplemental schedules.

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY SACRAMENTO**  
**OTHER INFORMATION**  
**JUNE 30, 2012**  
(for inclusion in the California State University)

**3.1 Composition of capital assets at June 30, 2012:**

|   | Balance<br>June 30, 2011 | Prior period<br>Adjustments | Reclassifications | Balance<br>June 30, 2011<br>(restated) | Additions          | Reductions        | Transfers of<br>Completed<br>CWIP | Balance<br>June 30, 2012 |
|---|--------------------------|-----------------------------|-------------------|--|--------------------|-------------------|-----------------------------------|--------------------------|
| <b>Nondepreciable/nonamortizable capital assets:</b>      |                          |                             |                   |  |                    |                   |                                   |                          |
| Land and land improvements                                | \$ -                     | \$ -                        | \$ -              | \$ -                                   | \$ -               | \$ -              | \$ -                              | \$ -                     |
| Works of art and historical treasures                     | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Construction work in progress (CWIP)                      | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| <b>Intangible assets:</b>                                 |                          |                             |                   |  |                    |                   |                                   |                          |
| Rights and easements                                      | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Patents, copyrights and trademarks                        | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Internally generated intangible assets in progress        | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Licenses and permits                                      | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Other intangible assets:                                  | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| <b>Total intangible assets</b>                            | <u>-</u>                 | <u>-</u>                    | <u>-</u>          | <u>-</u>                               | <u>-</u>           | <u>-</u>          | <u>-</u>                          | <u>-</u>                 |
| <b>Total nondepreciable/nonamortizable capital assets</b> | <u>\$ -</u>              | <u>\$ -</u>                 | <u>\$ -</u>       | <u>\$ -</u>                            | <u>\$ -</u>        | <u>\$ -</u>       | <u>\$ -</u>                       | <u>\$ -</u>              |
| <b>Depreciable/amortizable capital assets:</b>            |                          |                             |                   |  |                    |                   |                                   |                          |
| Buildings and building improvements                       | \$ -                     | \$ -                        | \$ -              | \$ -                                   | \$ -               | \$ -              | \$ -                              | \$ -                     |
| Improvements, other than buildings                        | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Infrastructure  | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Leasehold improvements                                    | 2,126,699                | -                           | -                 | 2,126,699                              | 26,438             | -                 | -                                 | 2,153,137                |
| <b>Personal property:</b>                                 |                          |                             |                   |  |                    |                   |                                   |                          |
| Equipment   | 1,221,116                | -                           | -                 | 1,221,116                              | 30,865             | (6,482)           | -                                 | 1,245,499                |
| Library books and materials                               | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| <b>Intangible assets:</b>                                 |                          |                             |                   |  |                    |                   |                                   |                          |
| Software and websites                                     | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Rights and easements                                      | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Patents, copyright and trademarks                         | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Licenses and permits                                      | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Other intangible assets:                                  | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| <b>Total intangible assets</b>                            | <u>-</u>                 | <u>-</u>                    | <u>-</u>          | <u>-</u>                               | <u>-</u>           | <u>-</u>          | <u>-</u>                          | <u>-</u>                 |
| <b>Total depreciable/amortizable capital assets</b>       | <u>3,347,815</u>         | <u>-</u>                    | <u>-</u>          | <u>3,347,815</u>                       | <u>57,303</u>      | <u>(6,482)</u>    | <u>-</u>                          | <u>3,398,636</u>         |
| <b>Total capital assets</b>                               | <u>\$ 3,347,815</u>      | <u>\$ -</u>                 | <u>\$ -</u>       | <u>\$ 3,347,815</u>                    | <u>\$ 57,303</u>   | <u>\$ (6,482)</u> | <u>\$ -</u>                       | <u>\$ 3,398,636</u>      |
| <b>Less accumulated depreciation/amortization:</b>        |                          |                             |                   |  |                    |                   |                                   |                          |
| Buildings and building improvements                       | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Improvements, other than buildings                        | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Infrastructure  | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Leasehold improvements                                    | (1,510,481)              | -                           | -                 | (1,510,481)                            | (86,614)           | -                 | -                                 | (1,597,095)              |
| <b>Personal property:</b>                                 |                          |                             |                   |  |                    |                   |                                   |                          |
| Equipment   | (962,527)                | -                           | -                 | (962,527)                              | (35,593)           | 6,482             | -                                 | (991,638)                |
| Library books and materials                               | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| <b>Intangible assets:</b>                                 |                          |                             |                   |  |                    |                   |                                   |                          |
| Software and websites                                     | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Rights and easements                                      | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Patents, copyright and trademarks                         | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Licenses and permits                                      | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| Other intangible assets:                                  | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
|   | -                        | -                           | -                 | -                                      | -                  | -                 | -                                 | -                        |
| <b>Total intangible assets</b>                            | <u>-</u>                 | <u>-</u>                    | <u>-</u>          | <u>-</u>                               | <u>-</u>           | <u>-</u>          | <u>-</u>                          | <u>-</u>                 |
| <b>Total accumulated depreciation/amortization</b>        | <u>(2,473,008)</u>       | <u>-</u>                    | <u>-</u>          | <u>(2,473,008)</u>                     | <u>(122,207)</u>   | <u>6,482</u>      | <u>-</u>                          | <u>(2,588,733)</u>       |
| <b>Total capital assets, net</b>                          | <u>\$ 874,807</u>        | <u>\$ -</u>                 | <u>\$ -</u>       | <u>\$ 874,807</u>                      | <u>\$ (64,904)</u> | <u>\$ -</u>       | <u>\$ -</u>                       | <u>\$ 809,903</u>        |

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

|   |                   |
|---|-------------------|
| Depreciation and amortization expense related to capital assets | \$ 122,207        |
| Amortization expense related to other assets                    | -                 |
| <b>Total depreciation and amortization</b>                      | <u>\$ 122,207</u> |

See accompanying note to the supplemental schedules.

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY SACRAMENTO**  
**OTHER INFORMATION**  
**JUNE 30, 2012**  
(for inclusion in the California State University)

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

|   | Balance<br>June 30, 2011 | Prior period<br>adjustments | Reclassifications | Balance<br>June 30, 2011<br>(restated) | Additions         | Reductions          | Balance<br>June 30, 2012 | Current<br>portion | Long-term<br>portion |
|---|--------------------------|-----------------------------|-------------------|--|-------------------|---------------------|--------------------------|--------------------|----------------------|
| Accrued compensated absences                                      | \$ 112,317               | \$ —                        | \$ —              | \$ 112,317                             | \$ 127,649        | \$ (114,463)        | \$ 125,503               | \$ 112,953         | \$ 12,550            |
| Capitalized lease obligations:                                    |                          |                             |                   |  |                   |                     |                          |                    |                      |
| Gross balance   | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Unamortized premium / (discount) on capitalized lease obligations | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Total capitalized lease obligations                               | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Long-term debt obligations:                                       |                          |                             |                   |  |                   |                     |                          |                    |                      |
| Revenue Bonds   | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Other bonds (non-Revenue Bonds)                                   | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Commercial Paper  | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Other:  |                          |                             |                   |  |                   |                     |                          |                    |                      |
| Add description   | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Add description   | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Add description   | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Add description   | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Add description   | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Add description   | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Total long-term debt obligations                                  | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Unamortized bond premium / (discount)                             | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Unamortized loss on refunding                                     | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Total long-term debt obligations, net                             | —                        | —                           | —                 | —                                      | -                 | -                   | —                        | —                  | —                    |
| Total long-term liabilities                                       | <u>\$ 112,317</u>        | <u>\$ —</u>                 | <u>\$ —</u>       | <u>\$ 112,317</u>                      | <u>\$ 127,649</u> | <u>\$ (114,463)</u> | <u>\$ 125,503</u>        | <u>\$ 112,953</u>  | <u>\$ 12,550</u>     |

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

|   | Principal | Interest | Principal and<br>Interest |
|---|-----------|----------|---------------------------|
| Year ending June 30:  | \$        | \$       | \$                        |
| 2013  | -         | -        | —                         |
| 2014  | -         | -        | —                         |
| 2015  | -         | -        | —                         |
| 2016  | -         | -        | —                         |
| 2017  | -         | -        | —                         |
| 2018 - 2022   | -         | -        | —                         |
| 2023 - 2027   | -         | -        | —                         |
| 2028 - 2032   | -         | -        | —                         |
| 2033 - 2037   | -         | -        | —                         |
| 2038 - 2042   | -         | -        | —                         |
| 2043 - 2047   | -         | -        | —                         |
| 2048 - 2052   | -         | -        | —                         |
| 2053 - 2057   | -         | -        | —                         |
| 2058 - 2062   | -         | -        | —                         |
| Total minimum lease payments                                |           |          | —                         |
| Less amounts representing interest                          |           |          | —                         |
| Present value of future minimum lease payments              |           |          | —                         |
| Less: current portion                                       |           |          | —                         |
| <b>Capitalized lease obligation, net of current portion</b> |           |          | <u>\$ —</u>               |

See accompanying note to the supplemental schedules.



**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY SACRAMENTO**  
**OTHER INFORMATION**  
**JUNE 30, 2012**  
(for inclusion in the California State University)

**6 Long-term debt obligation schedule**

|           | Revenue Bonds        |          |                        | All other long-term debt obligations |          |                        | Total     |          |                        |
|-----------|----------------------|----------|------------------------|--------------------------------------|----------|------------------------|-----------|----------|------------------------|
|           | Principal            | Interest | Principal and Interest | Principal                            | Interest | Principal and Interest | Principal | Interest | Principal and Interest |
|           | Year ending June 30: |          |                        |                                      |          |                        |           |          |                        |
| 2013      | \$ -                 | \$ -     | \$ -                   | \$ -                                 | \$ -     | \$ -                   | \$ -      | \$ -     | \$ -                   |
| 2014      | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2015      | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2016      | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2017      | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2017-2022 | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2023-2027 | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2028-2032 | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2033-2037 | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2038-2042 | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2043-2047 | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2048-2052 | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2053-2057 | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| 2058-2061 | -                    | -        | -                      | -                                    | -        | -                      | -         | -        | -                      |
| Total     | \$ -                 | \$ -     | \$ -                   | \$ -                                 | \$ -     | \$ -                   | \$ -      | \$ -     | \$ -                   |

**7 Calculation of net assets**

|  | Auxiliary Organizations |            | Total       |
|--|-------------------------|------------|-------------|
|  | GASB                    | FASB       | Auxiliaries |
| <b>7.1 Calculation of net assets - Invested in capital assets, net of related debt</b> |                         |            |             |
| Capital assets, net of accumulated depreciation  | \$ —                    | \$ 809,903 | \$ 809,903  |
| Capitalized lease obligations - current portion  | —                       | —          | —           |
| Capitalized lease obligations, net of current portion                                  | —                       | —          | —           |
| Long-term debt obligations - current portion   | —                       | —          | —           |
| Long-term debt obligations, net of current portion                                     | —                       | —          | —           |
| Portion of outstanding debt that is unspent at year-end                                | —                       | —          | —           |
| Other adjustments: (please list)   |                         |            |             |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Net assets - invested in capital assets, net of related debt                           | \$ —                    | \$ 809,903 | \$ 809,903  |
| <b>7.2 Calculation of net assets - Restricted for nonexpendable - endowments</b>       |                         |            |             |
| Portion of restricted cash and cash equivalents related to endowments                  | \$ —                    | \$ —       | \$ —        |
| Endowment investments  | —                       | —          | —           |
| Other adjustments: (please list)   |                         |            |             |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Add description  | —                       | —          | —           |
| Net assets - Restricted for nonexpendable - endowments per SNA                         | \$ —                    | \$ —       | \$ —        |

See accompanying note to the supplemental schedules.

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY SACRAMENTO  
OTHER INFORMATION**

**JUNE 30, 2012**

(for inclusion in the California State University)

**8 Transactions with Related Entities**

|  | <b>Amount</b> |
|--|---------------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs | \$ (169,720)  |
| Payments to University for other than salaries of University personnel                                       | (180,240)     |
| Payments received from University for services, space, and programs  | 151,226       |
| Gifts-in-kind to the University from Auxiliary Organizations   | 35,800        |
| Gifts (cash or assets) to the University from recognized Auxiliary Organizations                             | -             |
| Accounts (payable to) University (enter as negative number)  | (41,571)      |
| Other amounts (payable to) University (enter as negative number)   | (208,592)     |
| Accounts receivable from University  | 47,771        |
| Other amounts receivable from University   | 572,854       |

**9 Other Postemployment Benefits Obligation (OPEB)**

|  |    |   |
|--|----|---|
| Annual required contribution (ARC)               | \$ | — |
| Contributions during the year                    |    | — |
|  |    | — |
| Increase (decrease) in net OPEB obligation (NOO) |    | — |
| NOO - beginning of year                          |    | — |
| NOO - end of year                                | \$ | — |

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

| Description   |    | Amount |
|---|----|--------|
| Add description   | \$ | —      |
| Add description   |    | —      |
| Add description   |    | —      |
| Add description   |    | —      |
| Add description   |    | —      |
| Add description   |    | —      |
| Add description   |    | —      |
| Add description   |    | —      |
| Add description   |    | —      |
| Add description   |    | —      |
|   |    | —      |
| Total pollution remediation liabilities                   | \$ | —      |
| Less: current portion                                     |    | —      |
|   |    | —      |
| Pollution remediation liabilities, net of current portion |    | —      |

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

|  | Net Asset<br>Class | Amount<br>Dr. (Cr.) |
|--|--------------------|---------------------|
| Net assets as of June 30, 2011, as previously reported | \$                 | 5,307,943           |
| Prior period adjustments:                              |                    |                     |
| 1 (list description of each adjustment)                |                    | —                   |
| 2 (list description of each adjustment)                |                    | —                   |
| 3 (list description of each adjustment)                |                    | —                   |
| 4 (list description of each adjustment)                |                    | —                   |
| 5 (list description of each adjustment)                |                    | —                   |
| 6 (list description of each adjustment)                |                    | —                   |
| 7 (list description of each adjustment)                |                    | —                   |
| 8 (list description of each adjustment)                |                    | —                   |
| 9 (list description of each adjustment)                |                    | —                   |
| 10 (list description of each adjustment)               |                    | —                   |
|  |                    | —                   |
| Net assets as of June 30, 2011, as restated            | \$                 | 5,307,943           |

See accompanying note to the supplemental schedules.

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY SACRAMENTO  
OTHER INFORMATION**

**JUNE 30, 2012**

(for inclusion in the California State University)

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

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

See accompanying note to the supplemental schedules.

**ASSOCIATED STUDENTS OF  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
NOTE TO SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2012**

**NOTE 1 - BASIS OF PRESENTATION**

These schedules are prepared in accordance with the instructions listed in an Administrative Directive, dated June 24, 2003, *Financial Reporting Requirements for Auxiliary Organizations*, from the California State University Office of the Chancellor. As a result, these schedules do not represent financial statements that are prepared in accordance with generally accepted accounting principles issued by the Financial Accounting Standards Board (FASB).