

# Associated Students of San Diego State University

Financial Report  
June 30, 2014

## Contents

---

Independent Auditor's Report on the Financial Statements and Supplementary Information	1-2
Financial Statements	
Statements of financial position	3
Statements of activities	4
Statements of cash flows	5
Notes to financial statements	6-19
Supplementary Information	
Schedule of net position	20-22
Schedule of revenues, expenses and changes in net position	23-24
Other supplementary information	25-38

---



## **Independent Auditor's Report on the Financial Statements and Supplementary Information**

To the Associated Students Council  
Associated Students of San Diego State University  
San Diego, CA

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Associated Students of San Diego State University, a component unit of San Diego State University, which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students of San Diego State University as of June 30, 2014 and 2013, and the results of its operations and its cash flows for the years then ended, in accordance with U.S. GAAP.

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, which is presented in accordance with California State University reporting requirements, 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 audits 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.

The image shows a handwritten signature in cursive script that reads "McGladrey LLP". The signature is written in black ink and is positioned above the typed name and date.

San Diego, CA  
September 22, 2014

**Associated Students of San Diego State University**

**Statements of Financial Position  
June 30, 2014 and 2013**

<b>Assets</b>	<b>2014</b>	<b>2013</b>
<b>Current Assets</b>		
Cash	\$ 812,679	\$ 363,443
Cash held for others, student organizations (Note 3)	123,641	107,232
Certificates of deposit (Note 2)	795,000	348,000
Short-term investments (Note 2)	12,754,258	12,724,676
Receivables, net (Note 3)	1,483,955	575,268
Prepaid expenses and other	263,133	296,181
Deposits	259,593	259,593
Notes receivable (Note 3)	13,208	16,500
<b>Total current assets</b>	<b>16,505,467</b>	<b>14,690,893</b>
Notes Receivable, noncurrent (Note 3)	-	1,458
Building Improvements and Equipment, net (Note 4)	5,344,805	3,361,725
Certificates of Deposit (Note 2)	249,000	795,000
Prepaid Expenses and Other, noncurrent	247,641	61,949
	<b>5,841,446</b>	<b>4,220,132</b>
	<b>\$ 22,346,913</b>	<b>\$ 18,911,025</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Funds held for others, student organizations (Note 3)	\$ 123,641	\$ 107,232
Accounts payable (Note 3)	756,774	294,929
Accrued liabilities (Note 3)	1,850,834	1,244,237
Deferred revenue	460,592	411,517
<b>Total current liabilities</b>	<b>3,191,841</b>	<b>2,057,915</b>
Accrued Employee Benefit Costs (Note 5)	1,787,948	2,059,928
Accrued Pension Costs (Note 5)	232,204	265,028
<b>Total liabilities</b>	<b>5,211,993</b>	<b>4,382,871</b>
Commitments and Contingencies (Notes 5 and 6)		
Net Assets, unrestricted (Note 7)	<b>17,134,920</b>	<b>14,528,154</b>
	<b>\$ 22,346,913</b>	<b>\$ 18,911,025</b>

See Notes to Financial Statements.

**Associated Students of San Diego State University**

**Statements of Activities  
Years Ended June 30, 2014 and 2013**

	2014	2013
Changes in unrestricted net assets:		
Revenue and other support (Note 3):		
Activity fees	\$ 2,406,098	\$ 2,431,563
Student Union fees	5,609,706	3,827,801
Investment income (Note 2)	40,950	48,848
Administrative	33,813	193,029
Program revenue and user fees:		
Aztec Recreation	5,435,064	4,980,724
Children's Center	2,016,518	2,058,556
College Council	6,000	500
Cultural Arts	262,876	224,782
Daily Aztec	223,395	222,706
Imperial Valley Campus	96	147
Mission Bay Aquatic Center	2,334,517	2,174,839
Student government	66,190	66,200
KCR Radio	3,236	1,756
Facility revenue and user fees (Note 6):		
Aztec Center/Scripps Cottage	549,865	431,322
Viejas Arena	4,190,195	3,441,026
<b>Total revenue and other support</b>	<b>23,178,519</b>	<b>20,103,799</b>
Expenses and deductions (Notes 1, 3, 5 and 6):		
General and administrative	1,948,428	2,151,550
Program expenses:		
Aztec Recreation	4,897,719	4,657,376
Children's Center	2,095,346	2,139,672
College councils	36,919	34,902
Cultural Arts	750,678	665,966
Daily Aztec	335,922	359,486
Imperial Valley Campus	91,146	73,318
Mission Bay Aquatic Center	2,251,136	2,228,193
Student government	864,835	776,447
Student organizations	43,978	47,936
KCR Radio	3,526	2,731
Facility expenses:		
Aztec Center/Scripps Cottage	2,933,100	1,537,717
Viejas Arena	4,277,678	3,461,806
Imperial Valley Campus facilities	41,342	30,777
<b>Total expenses and deductions</b>	<b>20,571,753</b>	<b>18,167,877</b>
<b>Net increase in net assets, unrestricted</b>	<b>2,606,766</b>	<b>1,935,922</b>
Net assets, beginning of year	14,528,154	12,592,232
Net assets, end of year	<b>\$ 17,134,920</b>	<b>\$ 14,528,154</b>

See Notes to Financial Statements.

**Associated Students of San Diego State University**

**Statements of Cash Flows  
Years Ended June 30, 2014 and 2013**

	2014	2013
Cash Flows From Operating Activities		
Increase in net assets	\$ 2,606,766	\$ 1,935,922
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net periodic postretirement benefit (income) cost	(304,804)	86,771
Depreciation and amortization	822,845	587,912
Net loss on disposal of equipment	109,402	4,689
Noncash contribution of equipment	(43,000)	-
Changes in operating assets and liabilities:		
Receivables	(908,687)	203,877
Prepaid expenses and other	(152,644)	(45,960)
Deposits	-	(60,000)
Accounts payable	308,222	(107,491)
Accrued liabilities	606,597	240,224
Deferred revenue	49,075	39,112
<b>Net cash provided by operating activities</b>	<b>3,093,772</b>	<b>2,885,056</b>
Cash Flows From Investing Activities		
Proceeds from matured certificates of deposit	348,000	198,000
Purchases of certificates of deposit	(249,000)	(696,000)
Purchase of investments	(4,529,582)	(3,033,965)
Redemption of investments	4,500,000	500,550
Purchases of equipment	(2,742,499)	(388,453)
Proceeds from sale of equipment	23,795	-
Collections of long-term notes receivable	4,750	4,500
<b>Net cash used in investing activities</b>	<b>(2,644,536)</b>	<b>(3,415,368)</b>
Cash Flows From Financing Activities, payments on long-term borrowings	-	(363,158)
<b>Net increase (decrease) in cash</b>	<b>449,236</b>	<b>(893,470)</b>
Cash		
Beginning of year	363,443	1,256,913
End of year	\$ 812,679	\$ 363,443
Cash and Cash Held for Others, student organizations, beginning	\$ 470,675	\$ 1,258,192
Net increase (decrease) in operating cash	449,236	(893,470)
Increase in cash held for others, student organizations	16,409	105,953
Cash and Cash Held for Others, student organizations, ending	\$ 936,320	\$ 470,675
Cash, operating	\$ 812,679	\$ 363,443
Cash Held for Others, student organizations	123,641	107,232
<b>Cash and cash held for others, student organizations</b>	<b>\$ 936,320</b>	<b>\$ 470,675</b>
Supplemental Disclosures of Cash Flow Information		
Cash payment for interest	\$ 14,678	\$ 14,678
Supplemental Disclosures of Non-cash Information		
Building improvements and equipment purchased on accounts payable	\$ 153,623	\$ -

See Notes to Financial Statements.

## Associated Students of San Diego State University

### Notes to Financial Statements

---

#### Note 1. Nature of Operations and Summary of Significant Accounting Policies

**Nature of operations:** Associated Students of San Diego State University (the Organization or Associated Students) is a California not-for-profit auxiliary organization of The California State University (CSU), organized and operated in accordance with the Education Code of the State of California and the California Code of Regulations, and is a component unit of San Diego State University (the University). The function of the Organization is to provide essential activities that are an integral part of the University's campus programs. Such activities include student government, cultural programs and various other services.

The operations of the Organization combine the activities of two unrestricted funds: General Activities and Student Union. The General Activities fund accounts for activities provided by the student government and its boards and committees, and student organizations. The Student Union fund accounts for the facilities, programs and services provided by the Associated Students, which include Cultural Arts, Aztec Center, Viejas Arena, Aztec Recreation, Mission Bay Aquatic Center, Children's Center, KCR Radio, etc. The Organization extends credit to the University and its auxiliary organizations in the form of unsecured receivables. The Organization also receives contributions from the University and its auxiliary organizations to support the Organization's operations.

**Affiliated organizations:** The Organization is related to other auxiliaries of the University, including Aztec Shops, Ltd. (Shops), The Campanile Foundation and San Diego State University Research Foundation. These auxiliaries and the University periodically provide various services for one another and collaborate on projects.

#### A summary of significant accounting policies is as follows:

**Basis of accounting and reporting:** The financial statements of the Organization have been prepared in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities, Financial Statements of Not-for-Profit Organizations*. At June 30, 2014 and 2013, all of the Organization's net assets were classified as unrestricted. Unrestricted net assets represent funds that are fully available, at the discretion of management and the Associated Students Council, for the Organization to utilize in any of its programs or services. In order to ensure observance of limitations and possible restrictions placed on the use of available resources, the accounts of the Organization are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Funds that have similar objectives and characteristics have been combined into fund groups. Amounts due to or from other funds are eliminated in total in the financial statements.

Contributions, including unconditional promises to give (pledges), are recognized in the year the promise is made, as opposed to when assets are received. Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted contributions. Temporarily restricted net assets are reclassified as unrestricted net assets at such time as the Organization has fulfilled the donor-imposed restriction. Contributions where donor-imposed restrictions both arose and expired in the same fiscal year are reported as unrestricted contributions. As of and for the years ended June 30, 2014 and 2013, all contributions received by the Organization were classified as unrestricted and are included in the applicable activity in program revenue and user fees.

Noncash contributions are recorded at their fair value at the date of donation as established by either appraisal or the value anticipated in the subsequent resale of an item.



**Associated Students of San Diego State University**

**Notes to Financial Statements**

**Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)**

**Allocation of expenses:** The statements of activities summarize expenses according to program costs and other activities. Included in the program costs and other activities are the allocable depreciation, amortization and gains or losses from the disposal of equipment. All other expenses are allocated based upon direct costs related to each program. Indirect costs are included in general and administrative expenses. In the statements of activities, the expenses related to depreciation, amortization and gain or loss from the disposal of equipment have been allocated among the programs and activities presented for the years ended June 30 as follows:

	2014		2013	
	Depreciation and Amortization	Loss From Disposal of Equipment	Depreciation and Amortization	Loss From Disposal of Equipment
General and administrative	\$ 240,806	\$ 3,097	\$ 194,914	\$ -
Program expenses:				
Aztec Recreation	184,102	2,765	187,112	1,616
Children's Center	28,275	-	32,899	-
College councils	-	-	-	-
Cultural Arts	226	-	226	-
Daily Aztec	7,960	-	8,270	-
KCR Radio	977	-	977	-
Imperial Valley Campus	11,927	-	2,258	-
Mission Bay Aquatic Center	61,378	10,020	62,534	-
Student government	238	53	239	-
Student organizations	-	-	-	-
Facility expenses:				
Aztec Center/Scripps Cottage	206,197	91,352	45,124	3,073
Viejas Arena	80,759	2,115	53,359	-
	<u>\$ 822,845</u>	<u>\$ 109,402</u>	<u>\$ 587,912</u>	<u>\$ 4,689</u>

**Cash, certificates of deposit, and cash held for others, student organizations:** The Organization maintains accounts with a financial institution with funds insured by the Federal Deposit Insurance Corporation (FDIC). The Organization's accounts at this institution may, at times, exceed FDIC-insured limits. The Organization has not experienced any losses in such accounts.

**Trade accounts receivable:** Trade and other accounts receivable primarily consist of amounts due from customers in the normal course of the Organization's operations. Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a monthly review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written off when deemed uncollectible. Total bad debt expense for the years ended June 30, 2014 and 2013 amounted to approximately \$63,000 and \$26,000, respectively. Recoveries of trade receivables previously written off are recorded when received. The Organization does not charge interest on past due accounts.

## Associated Students of San Diego State University

### Notes to Financial Statements

---

#### Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

**Short-term investments and certificates of deposit:** Investments, including Local Agency Investment Fund (LAIF), are recorded at their fair value in the statements of financial position, with the exception of certificates of deposit (CD), which are recorded at cost. Investment income or losses (including realized gains and losses on investments, interest and dividends) are included in the statements of activities as increases or decreases in investment income, net.

**Building improvements and equipment:** Building improvements and equipment are recorded at cost, if purchased, or at the fair value of the contribution, if donated. Building improvements and equipment are depreciated using the straight-line method over the estimated useful lives of the underlying assets, generally five to 15 years. Improvements on leased facilities and facilities under operating agreements are amortized over the lesser of the related lease or operating agreement, or the estimated assets' lives.

Repairs and maintenance to buildings leased from the trustees of CSU are considered expenditures on behalf of the University and, accordingly, are expensed in the year incurred.

**Long-lived assets:** The Organization evaluates the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. The estimated future cash flows are based upon, among other things, assumptions about expected future operating performance and may differ from actual cash flows. Long-lived assets evaluated for impairment are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected future undiscounted cash flows (excluding interest) is less than the carrying value of the assets, the assets will be written down to the estimated fair value in the period in which the determination is made. Management has determined that no impairment of long-lived assets currently exists.

**Vacation and sick leave policy:** The Organization accrues earned vacation based on whether the employee is salaried or hourly and the employee's length of service. Salaried and hourly employees can accrue a maximum of between 272 and 385 hours based on the length of service. Accrued vacation is calculated at the employee's current wage rate. Vacation liabilities of approximately \$327,000 and \$284,000 are included in accrued liabilities at June 30, 2014 and 2013, respectively. The Organization does not accrue for sick leave as the employee is not compensated for unused hours incurred.

**Retirement and postretirement healthcare benefits:** The Organization is a member of the California Public Employees' Retirement System (PERS), a multiemployer pension system that provides a contributory defined benefit pension and postretirement benefit program for its salaried employees. PERS functions as an investment and administrative agent for participating entities within California.

The PERS plan provides retirement, survivor, and death and disability benefits based upon employees' years of service, age and final compensation, and also provides contributions toward medical insurance. Vesting occurs after five years of credited service. Employees who retire at or after age 50 with five or more years of service are entitled to a retirement benefit, payable monthly for the remainder of their lives, and may elect to continue payment of participant premiums for medical benefit coverage. Several survivor benefit options are available that reduce a retiree's unmodified benefit.

PERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the PERS annual financial report may be obtained from the California Public Employees' Retirement System website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

## Associated Students of San Diego State University

### Notes to Financial Statements

---

#### **Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)**

While actuarial information is not available for the Organization, the Organization's pension plan information is included in the University's financial statements on an aggregate basis. The University's financial statements can be obtained from CSU.

The Organization also provides certain postretirement healthcare benefits for all retired employees that meet eligibility requirements through contracts with PERS. The Organization's share of the estimated healthcare costs that will be paid after retirement is generally being accrued by charges to expense over the employees' active service periods to the dates they are fully eligible for benefits.

The Organization obtains an actuarial valuation of the accumulated postretirement health care obligations on a periodic basis (see Note 5).

**Tax deferred annuity plan:** The Organization sponsors a defined contribution retirement plan for eligible hourly employees. For the years ended June 30, 2014 and 2013, the Organization contributed 7 percent of the compensation of qualified employees, amounting to approximately \$178,000 and \$171,000, respectively.

**Revenue recognition:** Activity fees and student union fees are assessed upon student registration. Aztec Recreation fees are primarily assessed as monthly membership fees, which provide students access to recreational facilities operated by the Organization. Aztec Recreation members who choose the option to pay monthly by electronic funds transfer must make a four-month membership commitment. Revenue from the Children's Center is assessed monthly and recognized as services are provided. Daily Aztec revenues are generated from advertising and are recognized as the advertisements are published. Mission Bay Aquatic Center revenues are generated from program participants' fees and recognized in the period that the services are provided. Aztec Center/Scripps Cottage fees are earned from subleased space and on a per-event basis. Viejas Arena revenues are earned at the time events are held.

Included in facility revenues and user fees, the Organization has an exclusive license agreement with Shops that expires on September 30, 2014. The agreement grants Shops an exclusive license to conduct concessions for food, beverages and novelty items bearing the imprint or emblem of the University in the Organization's venues on the campus. The license requires monthly license fees based on various percentages of adjusted gross receipts, as defined, and amounted to approximately \$442,000 and \$283,000 during the years ended June 30, 2014 and 2013, respectively.

**Deferred revenue:** The Organization recognizes revenue related to student activity fees, student program fees and sponsorships during the semester or as the programs and sponsorships are provided. Accordingly, certain student activity fees, student program fees and sponsorships received in advance of the semester or prior to the program are included in deferred revenue.

**Use of estimates:** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates include assessing the collectibility of accounts receivable, the lives and methods for recording depreciation and amortization on property, improvements and equipment, and assumptions used to calculate accrued employee benefits and accrued pension costs. Actual results could differ from the estimates used by management.

## Associated Students of San Diego State University

### Notes to Financial Statements

---

#### Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

**Subsequent events:** The Organization has evaluated subsequent events through September 22, 2014, the date the financial statements were available to be issued, and has determined that there were no subsequent events to recognize or disclose in these financial statements.

**Income taxes:** The Organization applies the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. The Organization files a Form 990 (Return of Organization Exempt from Income Tax) annually. When these returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the tax position taken or the amount of the position that would ultimately be sustained. Examples of tax positions common to the Organization include such matters as the tax-exempt status of each entity and various positions relative to potential sources of unrelated business taxable income (UBIT). UBIT is reported on Form 990-T, as appropriate. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Tax positions are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying statements of financial position, along with any associated interest and penalties that would be payable to the taxing authorities upon examination. As of June 30, 2014, the Organization has addressed uncertainty in its income tax position and has determined there are no unrecognized/derecognized tax benefits requiring an accrual.

Forms 990 and 990-T filed by the Organization are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. Management believes Forms 990 and 990-T have been filed appropriately. Forms 990 and 990-T filed by the Organization are generally no longer subject to examination for the fiscal years ended June 30, 2009 and prior.

**Tax-exempt status:** The Organization is exempt from federal and state income taxes. In order to maintain that status, the Organization is precluded from making certain expenditures, principally in support of political parties. Management believes that no such expenditures have been made.

**Unrelated business income tax:** The Tax Reform Act of 1969 imposes a corporate income tax on the UBIT of an otherwise tax-exempt organization. A provision, if necessary, for applicable federal and state income taxes is made in accordance with these statutes. There was no income tax expense related to UBIT for the years ended June 30, 2014 or 2013.

**Recent accounting pronouncement:** On May 28, 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers*, which impacts the way in which some entities recognize revenue for certain types of transactions. The new standard will become effective beginning in 2018 for private companies. The Organization is currently assessing the potential impact of this accounting standard and the effect the standard might have on its revenue recognition policy upon adoption.

## Associated Students of San Diego State University

### Notes to Financial Statements

---

#### Note 2. Short-Term Investments, CDs and Fair Value Measurements

Short-term investments and CDs consisted of the following at June 30:

	2014	2013
CDs:		
Current	\$ 795,000	\$ 348,000
Noncurrent	249,000	795,000
	<u>1,044,000</u>	<u>1,143,000</u>
Investments, current:		
LAIF	12,753,801	12,723,841
GNMA	457	835
	<u>12,754,258</u>	<u>12,724,676</u>
	<u>\$ 13,798,258</u>	<u>\$ 13,867,676</u>

Investment income, including income from CDs, consisted of approximately \$41,000 and \$49,000 for the years ended June 30, 2014 and 2013, respectively. There was no unrealized income or loss on investments as of June 30, 2014 or 2013.

**Fair value measurements:** LAIF is an investment pool managed by the California State Treasurer (the State). LAIF's investments are short term and follow the investment requirements of the State. LAIF is allowed by state statutes, bond resolutions and investment policy resolutions to invest in United States government securities, federal agency securities, negotiable CDs, bankers' acceptances, commercial paper, corporate bonds, bank notes, other debt securities, repurchase agreements, reverse repurchase agreements and other investments.

Investments are presented in the financial statements at fair value in accordance with U.S. GAAP. The fair value of securities in the State's pooled investment program generally is based on quoted market prices. The State's Office performs a quarterly fair market valuation of the pooled investment program portfolio. In addition, the State's Office performs a monthly fair market valuation of all securities held against carrying cost. As of June 30, 2014 and 2013, the weighted-average maturity of the securities in the pooled investment program administered by the State's Office was approximately 232 days and 278 days, respectively. Weighted-average maturity is the average number of days, given a dollar-weighted value of individual investments, that the securities in the portfolio have remaining from evaluation date to stated maturity. The default credit risk of LAIF is considered minimal.

The Pooled Money Investment Board (the Board) provides oversight of the State's pooled investment program. The purpose of the Board is to design an effective cash management and investment program, using all monies flowing through the State's Office bank accounts and keeping all available funds invested in a manner consistent with the goals of safety, liquidity and yield. The Board comprises the State Treasurer as chair, the State Controller and the Director of Finance. This Board designates the amounts of money available for investment. The State is charged with making the actual investment transactions for this program. This investment program is not registered with the Securities and Exchange Commission as an investment company.

## Associated Students of San Diego State University

### Notes to Financial Statements

---

#### Note 2. Short-Term Investments, CDs and Fair Value Measurements (Continued)

FASB ASC 820 establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted market prices in active markets.
- Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Level 3 classifications currently include pooled funds that include multiple investments in which the Organization does not have individual ownership of the specific assets and the Organization has an interest in the pooled investment. For these pooled investments, there is no daily pricing on an active exchange but where a substantial portion of a fund's fair value could be determined based on quoted market prices of underlying investments held by the fund and the estimated fair values of certain investments of the underlying investment pool, which may include private placements and other securities for which prices are not readily available, and are determined by the State or sponsor of the respective other investment pool and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized.

As of June 30, 2014 and 2013, the Organization's investments in LAIF of \$12,753,801 and \$12,723,841, respectively, are categorized as Level 3 investments and the Government National Mortgage Association (GNMA) investments of \$457 and \$835, respectively, are categorized as Level 2. There were no transfers between the different levels for the years ended June 30, 2014 or 2013.

The following table reflects a reconciliation of beginning and ending balances for the Organization's total investments in LAIF at June 30:

	2014	2013
Beginning balance	\$ 12,723,841	\$ 10,189,877
Total realized and unrealized gains, net, included in change in net assets	29,960	33,964
Net additions, purchases, sales and maturities	-	2,500,000
Ending balance	<u>\$ 12,753,801</u>	<u>\$ 12,723,841</u>

#### Note 3. Receivables, Long-Term Debt, Long-Term Note and Related Affiliate Balances

The Organization provides services to and receives reimbursements from other auxiliaries of the University, primarily for the rental of facilities in which the Organization operates. In addition, the Organization purchases goods and services from, and may make reimbursements to, other auxiliaries of the University.

## Associated Students of San Diego State University

### Notes to Financial Statements

#### Note 3. Receivables, Long-Term Debt, Long-Term Note and Related Affiliate Balances (Continued)

The Organization recorded revenues for services rendered from auxiliaries during the years ended June 30 as follows:

	2014	2013
The Campanile Foundation	\$ 87,320	\$ 208,621
Aztec Shops, Ltd.	981,070	489,691
San Diego State University Research Foundation	229,487	384,060
San Diego State University	2,585,873	2,094,492
	<u>\$ 3,883,750</u>	<u>\$ 3,176,864</u>

The Organization recorded expenses for services received to auxiliaries during the years ended June 30 as follows:

	2014	2013
The Campanile Foundation	\$ 23,920	\$ 30,685
Aztec Shops, Ltd.	418,357	241,500
San Diego State University Research Foundation	327,168	355,077
San Diego State University	1,168,143	1,240,469
	<u>\$ 1,937,588</u>	<u>\$ 1,867,731</u>

The components of the Organization's receivables and customer concentrations as of June 30 are as follows:

	2014	%	2013	%
Other advertising and services	\$ 298,455	20%	\$ 248,759	40%
Customer A	166,074	11%	131,427	22%
Related-party receivables:				
Aztec Shops, Ltd.	44,195	3%	1,110	1%
The Campanile Foundation	4,445	1%	2,073	1%
San Diego State University Research Foundation	8,953	1%	857	1%
San Diego State University	979,826	63%	208,412	35%
	<u>1,501,948</u>		<u>592,638</u>	
Less allowance for doubtful accounts	<u>(17,993)</u>		<u>(17,370)</u>	
	<u>\$ 1,483,955</u>		<u>\$ 575,268</u>	

## Associated Students of San Diego State University

### Notes to Financial Statements

---

#### **Note 3. Receivables, Long-Term Debt, Long-Term Note and Related Affiliate Balances (Continued)**

As of June 30, 2014, accounts payable and accrued liabilities include approximately \$333,000 owed to Shops and approximately \$305,000 owed to the University.

As of June 30, 2013, accounts payable and accrued liabilities include approximately \$12,000 owed to Shops, approximately \$1,000 owed to The Campanile Foundation, and approximately \$69,000 owed to the University.

At June 30, 2014 and 2013, the Organization was holding funds for various student organizations in the amount of \$123,641 and \$107,232, respectively. The Organization has recorded a liability for these funds held for others and has classified the related cash as cash held for others, student organizations in the statements of financial position.

**Long-term notes receivable:** On June 30, 2009, a vendor purchased a boat from the Organization and the Organization executed a noninterest-bearing promissory note in the amount of approximately \$30,000 commencing February 15, 2010. The promissory note requires monthly payments of \$200 for the first six months and monthly payments of approximately \$500 thereafter. The Organization retains ownership of the boat until the boat is paid in full. During the years ended June 30, 2014 and 2013, the Organization received payments of approximately \$2,750 per year. The outstanding balance of the note receivable as of June 30, 2014 and 2013 was \$10,925 and \$13,675, respectively.

On June 30, 2011, a vendor purchased a boat from the Organization and the Organization executed a noninterest-bearing promissory note in the amount of approximately \$9,000 commencing July 15, 2011. The promissory note requires monthly payments of \$250 for 36 months and a payment of the remaining balance is due on the 37th month. The Organization retains ownership of the boat until the boat is paid in full. During the years ended June 30, 2014 and 2013, the Organization received payments of approximately \$2,000 and \$1,750, respectively. The outstanding balance of the note receivable as of June 30, 2014 and 2013 was \$2,283 and \$4,283, respectively.

Future payments from notes receivable at June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 13,208
	<u>\$ 13,208</u>



## Associated Students of San Diego State University

### Notes to Financial Statements

---

#### Note 4. Building Improvements and Equipment

Building improvements in leased facilities and equipment consisted of the following at June 30:

	2014	2013
Building improvements	\$ 576,648	\$ 576,648
Leasehold improvements	2,988,226	2,860,175
Equipment	7,564,088	5,465,252
	11,128,962	8,902,075
Less accumulated depreciation and amortization	(5,784,157)	(5,540,350)
	<u>\$ 5,344,805</u>	<u>\$ 3,361,725</u>

#### Note 5. PERS Benefit Plans

The Organization contracts with PERS to provide its salaried employees retirement and disability benefits, which are paid by the State of California. In addition, employee group health insurance coverage (other) is obtained through PERS, and the contract requires the Organization to pay a minimum portion of the health insurance premiums of retirees after certain required periods of employment. Through June 30, 2003, the PERS retirement and disability plan was an agent multiemployer retirement plan.

Effective July 1, 2003, the Organization began participating in a PERS cost-sharing multiemployer pension plan, whereby other entities with benefits similar to the Organization participate in the same cost-sharing plan. At the date the Organization began participating in the cost-sharing plan, a liability was determined by PERS for each of the cost-sharing plan participants, called a "side-fund liability," which was established to account for each Organization's share of the pool's unfunded liability. The side-fund liability is calculated by PERS annually and includes liability calculations for the subsequent two years using estimated employer payroll and estimated return on plan assets.

The following table sets forth the calculation of the Organization's side-fund liability as of June 30:

	Other Benefits	
	2014	2013
Side-fund liability at beginning of year	\$ 265,028	\$ 294,183
Service cost	251,953	224,806
Actual contributions	(306,152)	(276,894)
Amount allocated to interest on side-fund liability	21,375	22,933
Side-fund liability at end of year	<u>\$ 232,204</u>	<u>\$ 265,028</u>

Service cost was calculated using 11.6 percent and 11.0 percent of actual payroll for the years ended June 30, 2014 and 2013, respectively. Contribution rates to PERS were 14.1 percent and 13.6 percent of actual payroll for the years ended June 30, 2014 and 2013, respectively. Interest on side-fund earnings was calculated using PERS actual investment return, net of fees of 12 percent and 0 percent for the years ended June 30, 2014 and 2013, respectively. Actual payroll was \$1,889,800 and \$1,984,060 for the years ended June 30, 2014 and 2013, respectively.

## Associated Students of San Diego State University

### Notes to Financial Statements

---

#### Note 5. PERS Benefit Plans (Continued)

**Postretirement healthcare benefit plan:** In addition, the Organization contracts with PERS to provide its salaried employees group health insurance through PERS under a postretirement healthcare benefit plan. The contract requires the Organization to pay a minimum portion of the health insurance premiums of retirees after certain required periods of employment. The postretirement healthcare benefit plan requires retirees and active employees to pay a portion of the monthly health insurance premium cost. For the years ended June 30, 2014 and 2013, the Organization paid employees' health insurance premiums as they came due.

The following table sets forth the funded status of the postretirement healthcare benefits and the amounts recognized in the accompanying statements of financial position as of June 30:

	Other Benefits	
	2014	2013
Projected benefit obligation	\$ 1,787,948	\$ 2,059,928
Plan assets, at fair value	-	-
Deficiency of plan assets (under) projected benefit obligation	(1,787,948)	(2,059,928)
Accrued employee benefit cost	\$ (1,787,948)	\$ (2,059,928)
Benefit cost	\$ 185,842	\$ 191,528
Employer contribution	\$ 48,971	\$ 50,256

Weighted-average assumptions used in the computation of the healthcare premiums as of June 30, 2014 and 2013 include a discount rate of 4.5 percent and 4.0 percent, respectively.

The Organization estimates that its premiums for postretirement healthcare benefits will be approximately \$204,000 for the year ending June 30, 2015.

#### Note 6. Commitments and Contingencies

##### Operating agreements and leases:

**Rental expenses:** Under a master operating agreement, which expires on June 30, 2016 and includes two five-year extension options, the Organization operates the Aztec Center, Viejas Arena, Aztec Recreation Center, Mission Bay Aquatic Center and Children's Center for the benefit of the student body on behalf of the University. The use of the facilities are governed by the terms of the agreement, and the agreement requires the Organization to promote, staff, insure, repair, maintain and improve the facilities when needed, and cover the cost of utilities program expenses, including the costs to operate these facilities. For the years ended June 30, 2014 and 2013, the Organization incurred approximately \$2,125,000 and \$1,625,000, respectively, of employee-related costs, insurance, repair, maintenance, facility improvements and utilities costs, which are included in the programs' expenses and deductions and facility expenses.

## Associated Students of San Diego State University

### Notes to Financial Statements

---

#### Note 6. Commitments and Contingencies (Continued)

Under a separate master operating agreement, which expires on June 30, 2016 and includes two five-year extension options, the Organization operates the Open Air Theatre, Scripps Cottage, Daily Aztec and a portion of the Peterson Gym for the benefit of the student body on behalf of the University. The use of the facilities is governed by the terms of the agreement, and the agreement requires the Organization to promote, staff, insure, repair, maintain and improve the facilities when needed, and cover the cost of utilities program expenses, including the costs to operate these facilities. For the years ended June 30, 2014 and 2013, the Organization incurred approximately \$329,000 and \$285,000, respectively, of employee-related costs, insurance, repair, maintenance, facility improvements and utilities costs, which are included in the programs' expenses and deductions and facility expenses.

The Organization operates the Mission Bay Aquatic Center for the benefit of the student body on behalf of the University and the community of the City of San Diego. During 2009 the Organization amended its contract and entered into a long-term agreement with the City of San Diego for the Mission Bay Aquatic Center. The operating agreement runs through August 31, 2023, has a 10-year renewal option and requires payment of an annual fee based on gross income from certain activities, as defined in the agreement, conducted during the previous 12 months. The use of the facilities is governed by the terms of the agreement, and the agreement requires the Organization to promote, staff, insure, repair, maintain and improve the facility when needed, and cover the cost of utilities. For the years ended June 30, 2014 and 2013, the Organization incurred approximately \$122,000 and \$116,000, respectively, of employee-related costs, insurance, repair, maintenance and utilities costs, which are included in the program's expenses and deductions.

In a prior year, the Organization entered into a usage agreement for certain athletic facilities owned by the University for the purpose of conducting intramural programs for students through June 2020. The usage fee charge is negotiated annually, by July 1 for the upcoming year. The Organization paid \$20,000 to the University in each of the years ended June 30, 2014 and 2013, which was recorded as a component of Aztec Recreation program expenses.

The Organization leases administrative space under a master lease agreement from the University and recognized rent expense of approximately \$143,000 and \$149,000 during the years ended June 30, 2014 and 2013, respectively. The Organization recognized approximately \$56,000 of rent expense under a parking lot lease with the University during the years ended June 30, 2014 and 2013. The approximate future minimum lease payments due under noncancelable operating leases at June 30, 2014 are \$148,000 for each of the years ending June 30, 2015 and 2016, for total future minimum lease payments of \$296,000.

**Rental income:** During the year ended June 30, 2014, the Organization entered into a memorandum of understanding to lease retail food space at Aztec Student Union to Shops. Effective July 1, 2014, the memorandum of understanding was finalized into an agreement. The lease term is an initial 10 years, which expires on June 30, 2024, with the Organization having the option to extend for two additional five-year periods. Rental income is \$600,000 annually and subject to negotiation at the end of each lease year. The Organization also funded \$250,000 of tenant improvements to Shops, which is being amortized straight-line over the initial 10 years of the lease. The unamortized rent receivable balance at June 30, 2014 is \$241,667.

**Sponsorship revenues:** In December 2006, the Organization entered into a sponsorship agreement with the University, granting the University the right to rent signage space for the benefit of the Organization. Under the terms of the agreement, the Organization will receive sponsorship revenue related to Viejas Arena and other campus venues through June 30, 2017 under agreements entered into by the University with individual sponsors.

## Associated Students of San Diego State University

### Notes to Financial Statements

---

#### Note 6. Commitments and Contingencies (Continued)

During the year ended June 30, 2009, the University and the Organization signed an amendment to the December 2006 sponsorship agreement. Under the terms of the amendment, the Organization will receive sponsorship revenue related to Viejas Arena through June 30, 2019 under the agreement entered into by the University with the sponsor. As the Organization paid for a portion of these costs incurred, the University will reimburse the Organization for such costs until they are fully reimbursed under the stipulation the Organization fulfills its commitment to the sponsorship agreement with the University. The University will deduct all costs incurred relating to the sponsorship revenue earned and distribute 50 percent of the remaining balance to the Organization.

During the years ended June 30, 2014 and 2013, the Organization recognized revenue of approximately \$365,000 and \$358,000, respectively, under the sponsorship agreements, of which approximately \$38,000 each year was remitted to the University and recognized in facility expenses for the years then ended. The associated revenues are included in facility revenue and user fees.

Approximate future income from sponsorship revenue agreements at June 30, 2014 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2015	\$ 403,000
2016	438,000
2017	426,000
2018	184,000
2019	195,000
	<u>\$ 1,646,000</u>

**Booking agreement:** During the year ended June 30, 2007, the Organization entered into a booking agreement with a third party to receive rental compensation for the ability to use Viejas Arena through January 31, 2013. On February 1, 2013, the agreement was renewed through December 31, 2017. Under the terms of the agreement, the Organization will receive a quarterly guaranteed payment of \$100,000. During each of the years ended June 30, 2014 and 2013, the Organization recognized revenue of \$400,000.

Approximate future income from rental compensation at June 30, 2014 is as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2015	\$ 400,000
2016	400,000
2017	400,000
2018	200,000
	<u>\$ 1,400,000</u>

**Contingencies:** The Organization is subject to legal proceedings and claims that arise in the normal course of business. While the outcome of the proceedings and claims cannot be predicted with certainty, management does not believe that the outcome of any of these matters will have a material adverse effect on the Organization's financial position and results of operations.

**Associated Students of San Diego State University**

**Notes to Financial Statements**

---

**Note 7. Net Assets, Unrestricted**

The Organization has designated all of its unrestricted net assets at June 30 as follows:

	<u>2014</u>	<u>2013</u>
General activities	\$ 1,172,459	\$ -
Various programs	2,634,779	3,120,413
Equipment replacement	5,389,660	5,481,789
Future facility	2,593,216	2,564,227
Building improvements and equipment, net	5,344,806	3,361,725
	<u>\$ 17,134,920</u>	<u>\$ 14,528,154</u>

## **Supplementary Information**

**Associated Students of San Diego State University**

**Schedule of Net Position**

**June 30, 2014**

**(for inclusion in the California State University)**

**Assets**

<b>Current Assets</b>	
Cash and cash equivalents	\$ 812,679
Short-term investments	13,549,258
Accounts receivable, net	1,483,955
Leases receivable, current portion	-
Notes receivable, current portion	13,208
Pledges receivable, net	-
Prepaid expenses and other assets	522,726
<b>Total current assets</b>	<b>16,381,826</b>
<b>Noncurrent Assets</b>	
Restricted cash and cash equivalents	123,641
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	249,000
Capital assets, net	5,344,805
Other assets	247,641
<b>Total noncurrent assets</b>	<b>5,965,087</b>
<b>Total assets</b>	<b>\$ 22,346,913</b>
<b>Deferred Outflows of Resources:</b>	
Unamortized loss on refunding(s)	\$ -
<b>Total deferred outflows of resources</b>	<b>\$ -</b>

(Continued)

**Associated Students of San Diego State University**

**Schedule of Net Position (Continued)**

**June 30, 2014**

**(for inclusion in the California State University)**

**Liabilities**

<b>Current Liabilities</b>	
Accounts payable	\$ 756,774
Accrued salaries and benefits payable	389,142
Accrued compensated absences, current portion	327,294
Unearned revenue	460,592
Capitalized lease obligations, current portion	-
Long-term debt obligations, current portion	-
Self-insurance claims liability, current portion	-
Depository accounts	-
Other liabilities	1,134,399
<b>Total current liabilities</b>	<u>3,068,201</u>
<b>Noncurrent Liabilities</b>	
Accrued compensated absences, net of current portion	-
Unearned revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Self-insurance claims liabilities, net of current portion	-
Depository accounts	123,641
Other postemployment benefits obligation	1,787,947
Other liabilities	232,204
<b>Total noncurrent liabilities</b>	<u>2,143,792</u>
<b>Total liabilities</b>	<u>\$ 5,211,993</u>
<b>Deferred Inflows of Resources:</b>	
Deferred inflows from SCAs, grants, and others	\$ -
<b>Total deferred inflows of resources</b>	<u>\$ -</u>

(Continued)



**Associated Students of San Diego State University**

**Schedule of Net Position (Continued)**

**June 30, 2014**

**(for inclusion in the California State University)**

**Net Position**

---

Net Investment in Capital Assets	\$ 5,344,805
Restricted for:	
Nonexpendable—endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	<u>11,790,115</u>
<b>Total net position</b>	<u><u>\$ 17,134,920</u></u>

**Associated Students of San Diego State University**

**Schedule of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2014  
(for inclusion in the California State University)**

---

Revenue:		
Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$0)	\$	8,015,804
Grants and contracts, noncapital:		
Federal		59,517
State		149,896
Local		33,500
Nongovernmental		-
Sales and services of educational activities		-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)		14,878,852
Other operating revenues		-
<b>Total operating revenues</b>		<u>23,137,569</u>
Expenses:		
Operating expenses:		
Instruction		-
Research		-
Public service		-
Academic support		-
Student services		-
Institutional support		-
Operation and maintenance of plant		-
Student grants and scholarships		-
Auxiliary enterprise expenses		19,703,255
Depreciation and amortization		853,820
<b>Total operating expenses</b>		<u>20,557,075</u>
<b>Operating income</b>		<u>2,580,494</u>

(Continued)

**Associated Students of San Diego State University**

**Schedule of Revenues, Expenses and Changes in Net Position (Continued)**  
**Year Ended June 30, 2014**  
**(for inclusion in the California State University)**

<hr/>	
Nonoperating revenues (expenses):	
State appropriations, noncapital	\$ -
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income, net	40,950
Endowment income, net	-
Interest expense	(14,678)
Other nonoperating revenues (expenses)	-
<b>Net nonoperating revenues (expenses)</b>	<u>26,272</u>
<b>Income before other additions</b>	<u>2,606,766</u>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
<b>Increase in net position</b>	<u>2,606,766</u>
Net position:	
Net position at beginning of year, as previously reported	14,528,154
Restatements	
Net position at beginning of year, as restated	<u>14,528,154</u>
Net position at end of year	<u>\$ 17,134,920</u>

**Associated Students of San Diego State University**

**Other Supplementary Information**

---

**1. Restricted cash and cash equivalents at June 30, 2014:**

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		<u>123,641</u>
Total restricted cash and cash equivalents	\$	<u><u>123,641</u></u>

**Associated Students of San Diego State University**

**Other Supplementary Information**

**2.1 Composition of investments at June 30, 2014:**

	<u>Current Unrestricted</u>	<u>Current Restricted</u>	<u>Total Current</u>	<u>Noncurrent Unrestricted</u>	<u>Noncurrent Restricted</u>	<u>Total Noncurrent</u>	<u>Total</u>
State of California Surplus Money Investment Fund (SMIF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of California Local Agency Investment Fund (LAIF)	12,753,801	-	12,753,801	-	-	-	12,753,801
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF)	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMA's)	457	-	457	-	-	-	457
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	795,000	-	795,000	249,000	-	249,000	1,044,000
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Money market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:							
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Partnership interest (includes private pass-through)	-	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Other major investments:							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	<u>13,549,258</u>	<u>-</u>	<u>13,549,258</u>	<u>249,000</u>	<u>-</u>	<u>249,000</u>	<u>13,798,258</u>
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	<u>\$ 13,549,258</u>	<u>\$ -</u>	<u>\$ 13,549,258</u>	<u>\$ 249,000</u>	<u>\$ -</u>	<u>\$ 249,000</u>	<u>\$ 13,798,258</u>

**Associated Students of San Diego State University**

**Other Supplementary Information**

---

**2.2 Investments held by the University under contractual agreements at June 30, 2014:**

	<u>Current Unrestricted</u>	<u>Current Restricted</u>	<u>Total Current</u>	<u>Noncurrent Unrestricted</u>	<u>Noncurrent Restricted</u>	<u>Total Noncurrent</u>	<u>Total</u>
Portion of investments in Note 2.1 held by the University under contractual agreements at June 30, 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**2.3 Restricted current investments at June 30, 2014 related to:**

	<u>Amount</u>
Add description	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
<b>Total restricted current investments at June 30, 2014</b>	<u><u>\$ -</u></u>

Associated Students of San Diego State University

Other Supplementary Information

---

2.4 Restricted noncurrent investments at June 30, 2014 related to:

	<u>Amount</u>
Endowment investment	
Add description	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
<b>Total restricted noncurrent investments at June 30, 2014</b>	<u><u>\$ -</u></u>

Associated Students of San Diego State University

Other Supplementary Information

3.1 Composition of capital assets at June 30, 2014:

	Balance June 30, 2013	Prior Period Adjustments	Reclassifications	Balance June 30, 2013 (Restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2014
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	576,648	-	-	576,648	-	-	-	576,648
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	2,860,175	-	-	2,860,175	128,051	-	-	2,988,226
Personal property:								
Equipment	4,981,823	-	-	4,981,823	2,686,954	(698,772)	-	6,970,005
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	483,429	-	-	483,429	124,117	(13,463)	-	594,083
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
Total intangible assets	483,429	-	-	483,429	124,117	(13,463)	-	594,083
Total depreciable/amortizable capital assets	8,902,075	-	-	8,902,075	2,939,122	(712,235)	-	11,128,962
Total capital assets	8,902,075	-	-	8,902,075	2,939,122	(712,235)	-	11,128,962
Less accumulated depreciation/amortization:								
Buildings and building improvements	(576,648)	-	-	(576,648)	-	-	-	(576,648)
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(727,019)	-	-	(727,019)	(308,305)	-	-	(1,035,324)
Personal property:								
Equipment	(3,944,726)	-	-	(3,944,726)	(468,417)	567,266	-	(3,845,877)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	(291,957)	-	-	(291,957)	(46,123)	11,772	-	(326,308)
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
Total intangible assets	(291,957)	-	-	(291,957)	(46,123)	11,772	-	(326,308)
Total accumulated depreciation/amortization	(5,540,350)	-	-	(5,540,350)	(822,845)	579,038	-	(5,784,157)
Total capital assets, net	\$ 3,361,725	\$ -	\$ -	\$ 3,361,725	\$ 2,116,277	\$ (133,197)	\$ -	\$ 5,344,805



**Associated Students of San Diego State University**

**Other Supplementary Information**

---

**3.2 Detail of depreciation and amortization expense for the year ended June 30, 2014:**

Depreciation and amortization expense related to capital assets	\$	822,845
Amortization expense related to other assets		<u>30,975</u>
Total depreciation and amortization	\$	<u><u>853,820</u></u>

**Associated Students of San Diego State University**

**Other Supplementary Information**

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

	Balance June 30, 2013	Prior Period Adjustments	Reclassifications	Balance June 30, 2013 (Restated)	Additions	Reductions	Balance June 30, 2014	Current Portion	Long-Term Portion
Accrued compensated absences	\$ 283,953	\$ -	\$ -	\$ 283,953	\$ 400,202	\$ (356,860)	\$ 327,295	\$ 327,295	\$ -
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	-	-	-	-	-	-	-	-	-
Note Payable related to SRB	-	-	-	-	-	-	-	-	-
Other:									
San Diego State University Note Payable	-	-	-	-	-	-	-	-	-
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>\$ 283,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,953</u>	<u>\$ 400,202</u>	<u>\$ (356,860)</u>	<u>\$ 327,295</u>	<u>\$ 327,295</u>	<u>\$ -</u>

Associated Students of San Diego State University

Other Supplementary Information

---

5. Future minimum lease payments—capital lease obligations:

Year ending June 30:	Principal	Interest	Principal and Interest
2015	\$ -	\$ -	\$ -
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020 - 2024	-	-	-
2025 - 2029	-	-	-
2030 - 2034	-	-	-
2035 - 2039	-	-	-
2040 - 2044	-	-	-
2045 - 2049	-	-	-
2050 - 2054	-	-	-
2055 - 2059	-	-	-
2060 - 2064	-	-	-
Total minimum lease payments			-
Less amounts representing interest			-
Present value of future minimum lease payments			-
Less: current portion			-
Capitalized lease obligation, net of current portion		\$	-

Associated Students of San Diego State University

Other Supplementary Information

6. Long-term debt obligation schedule:

Year Ending June 30:	Revenue Bonds			All Other Long-Term Debt Obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
	2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020 - 2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-
2055 - 2059	-	-	-	-	-	-	-	-	-
2060 - 2064	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Associated Students of San Diego State University**

**Other Supplementary Information**

---

**7.1 Calculation of net position—Net investment in capital assets:**

	<u>Auxiliary Organizations</u>		<u>Total Auxiliaries</u>
	<u>GASB</u>	<u>FASB</u>	
Capital assets, net of accumulated depreciation	\$ -	\$ 5,344,806	\$ 5,344,806
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:	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Net position—net investment in capital asset	<u>\$ -</u>	<u>\$ 5,344,806</u>	<u>\$ 5,344,806</u>

**Associated Students of San Diego State University**

**Other Supplementary Information**

---

**7.2 Calculation of net position—Restricted for nonexpendable—endowments:**

	<u>Auxiliary Organizations</u>		<u>Total Auxiliaries</u>
	<u>GASB</u>	<u>FASB</u>	
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	-	-	-
<b>Net position—Restricted for nonexpendable—endowments per SNP</b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>

**8. Transactions with related entities**

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants and other programs	\$ 398,930
Payments to University for other than salaries of University personnel	769,213
Payments received from University for services, space and programs	2,585,873
Gifts-in-kind to the University from Auxiliary Organizations	-
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	-
Accounts (payable to) University	(304,928)
Other amounts (payable to) University	-
Accounts receivable from University	966,334
Other amounts receivable from University	13,492

**Associated Students of San Diego State University**

**Other Supplementary Information**

---

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

Annual required contribution (ARC)	\$ (223,010)
Contributions during the year	<u>(48,971)</u>
Increase (decrease) in net OPEB obligation (NOO)	(271,981)
NOO—beginning of year	<u>2,059,928</u>
NOO—end of year	<u><u>\$ 1,787,947</u></u>

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

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

**Associated Students of San Diego State University**

**Other Supplementary Information**

---

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

	<u>Net Position Class</u>	<u>Amount Dr. (Cr.)</u>
Net position as of June 30, 2013, as previously reported		\$ 14,528,154
Prior period adjustments:		
1 (list description of each adjustment)		-
2 (list description of each adjustment)		-
3 (list description of each adjustment)		-
4 (list description of each adjustment)		-
5 (list description of each adjustment)		-
6 (list description of each adjustment)		-
7 (list description of each adjustment)		-
8 (list description of each adjustment)		-
9 (list description of each adjustment)		-
10 (list description of each adjustment)		-
Net position as of June 30, 2013, as restated		<u><u>\$ 14,528,154</u></u>



**Associated Students of San Diego State University**

**Other Supplementary Information**

---

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

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