

# Associated Students of San Diego State University

Financial Report  
June 30, 2012

## Contents

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Independent Auditor's Report	1
<hr/>	
Financial Statements	
Statements of financial position	2
Statements of activities	3
Statements of cash flows	4
Notes to financial statements	5-19
<hr/>	
Supplementary Information	
Schedule of net assets	20-21
Schedule of revenues, expenses and changes in net assets	22
Other supplementary information	23-36

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## Independent Auditor's Report

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

We have audited the accompanying statements of financial position of Associated Students of San Diego State University (the Organization), a component unit of San Diego State University, as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization'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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 Organization as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the 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 basic financial statements taken 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 basic financial statements. Such information, which is presented in accordance with California State University reporting requirements, is the responsibility of management, was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey LLP*

San Diego, CA  
September 14, 2012

**Associated Students of San Diego State University**

**Statements of Financial Position  
June 30, 2012 and 2011**

<b>Assets</b>	<b>2012</b>	<b>2011</b>
<b>Current Assets</b>		
Cash	\$ 1,258,192	\$ 143,002
Certificates of deposit (Note 2)	198,000	1,089,000
Short-term investments (Note 2)	10,191,261	8,457,743
Receivables, net (Note 3)	779,145	747,379
Prepaid expenses and other	219,246	207,825
Deposits	199,593	189,593
Notes receivable (Note 3)	9,000	9,000
<b>Total current assets</b>	<b>12,854,437</b>	<b>10,843,542</b>
Notes Receivable, noncurrent (Note 3)	13,458	21,208
Building Improvements and Equipment, net (Note 4)	3,565,873	3,456,450
Certificates of Deposit (Note 2)	447,000	645,000
Prepaid Expenses and Other, noncurrent	92,924	123,899
	<b>4,119,255</b>	<b>4,246,557</b>
	<b>\$ 16,973,692</b>	<b>\$ 15,090,099</b>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable (Note 3)	\$ 402,420	\$ 228,141
Accrued liabilities (Note 3)	1,005,292	1,171,767
Note payable to University (Note 3)	363,158	478,414
Deferred revenue	372,405	281,171
<b>Total current liabilities</b>	<b>2,143,275</b>	<b>2,159,493</b>
Accrued Employee Benefit Cost (Note 5)	1,944,002	1,565,180
Accrued Pension Costs (Note 5)	294,183	319,116
<b>Total liabilities</b>	<b>4,381,460</b>	<b>4,043,789</b>
Commitments and Contingencies (Notes 5 and 6)		
Net Assets, unrestricted (Note 7)	12,592,232	11,046,310
	<b>\$ 16,973,692</b>	<b>\$ 15,090,099</b>

See Notes to Financial Statements.

Associated Students of San Diego State University

Statements of Activities  
Years Ended June 30, 2012 and 2011

	2012	2011
<b>Changes in Unrestricted Net Assets</b>		
Revenue and other support (Note 3):		
Activity fees	\$ 2,344,054	\$ 2,360,056
Student Union fees	3,753,455	2,422,791
Investment income (Note 2)	68,016	114,897
Administrative	520,502	319,484
Program revenue and user fees:		
Aztec Recreation	4,850,538	4,725,211
Children's Center	2,135,311	2,157,373
Cultural Arts	257,851	293,214
Daily Aztec	364,749	514,316
Imperial Valley Campus	3,684	195
Mission Bay Aquatic Center	1,964,541	1,858,514
Student government	56,625	47,776
KCR Radio	1,390	1,488
Facility revenue and user fees (Note 6):		
Aztec Center/Scripps Cottage	40,900	616,030
Viejas Arena	4,058,387	3,556,690
<b>Total revenue and other support</b>	<b>20,420,003</b>	<b>18,988,035</b>
Expenses and deductions (Notes 1, 3, 5 and 6):		
General and administrative	2,780,223	2,520,484
Program expenses:		
Aztec Recreation	4,666,456	4,874,634
Children's Center	2,047,800	2,149,989
College councils	24,731	23,586
Cultural Arts	966,533	851,711
Daily Aztec	444,207	521,509
Imperial Valley Campus	65,136	84,999
Mission Bay Aquatic Center	2,128,488	2,077,997
Student government	780,444	853,893
Student organizations	50,865	69,128
KCR Radio	3,162	1,161
Facility expenses:		
Aztec Center/Scripps Cottage	923,267	1,572,096
Viejas Arena	3,968,590	3,716,276
Imperial Valley Campus facilities	24,179	22,336
<b>Total expenses and deductions</b>	<b>18,874,081</b>	<b>19,339,799</b>
<b>Net increase (decrease) in net assets, unrestricted</b>	<b>1,545,922</b>	<b>(351,764)</b>
Net assets, beginning of year	11,046,310	11,398,074
Net assets, end of year	<b>\$ 12,592,232</b>	<b>\$ 11,046,310</b>

See Notes to Financial Statements

**Associated Students of San Diego State University**

**Statements of Cash Flows  
Years Ended June 30, 2012 and 2011**

	2012	2011
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 1,545,922	\$ (351,764)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Net periodic postretirement benefit cost	353,889	186,238
Depreciation and amortization	619,931	782,429
Net loss on disposal of equipment	3,083	92,845
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Receivables	(31,766)	357,661
Prepaid expenses and other	19,554	(25,884)
Deposits	(10,000)	(10,000)
Notes receivable	-	(3,000)
Increase (decrease) in liabilities:		
Accounts payable	174,279	(621,227)
Accrued liabilities	(166,475)	221,026
Deferred revenue	91,234	43,956
<b>Net cash provided by operating activities</b>	<b>2,599,651</b>	<b>672,280</b>
Cash Flows From Investing Activities		
Proceeds from matured certificates of deposit	1,089,000	590,000
Purchases of certificates of deposit	-	(150,000)
Purchase of investments	(4,534,040)	(2,739,082)
Redemption of investments	2,800,522	1,000,327
Purchases of equipment	(732,437)	(501,191)
Collections of long-term notes receivable	7,750	(533)
<b>Net cash used in investing activities</b>	<b>(1,369,205)</b>	<b>(1,800,479)</b>
Cash Flows From Financing Activities		
Payments on capital lease obligation	-	(9,605)
Payments on long-term borrowings	(115,256)	(121,586)
<b>Net cash used in financing activities</b>	<b>(115,256)</b>	<b>(131,191)</b>
<b>Net increase (decrease) in cash</b>	<b>1,115,190</b>	<b>(1,259,390)</b>
Cash		
Beginning of year	143,002	1,402,392
End of year	<b>\$ 1,258,192</b>	<b>\$ 143,002</b>
Supplemental Disclosures of Cash Flow Information		
Cash payment for interest	<b>\$ 21,085</b>	<b>\$ 10,414</b>

See Notes to Financial Statements.

## Associated Students of San Diego State University

### Notes to Financial Statements

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#### 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 which 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, 2012 and 2011, all of the Organization's net assets were classified as unrestricted. Unrestricted net assets represent funds which 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, 2012 and 2011, 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:

	2012		2011	
	Depreciation and Amortization	Loss From Disposal of Equipment	Depreciation and Amortization	Loss From Disposal of Equipment
General and administrative	\$ 196,623	\$ -	\$ 210,961	\$ 35
Program expenses:				
Aztec Recreation	204,801	2,139	236,622	16,808
Children's Center	32,795	155	36,862	-
College councils	777	-	847	-
Cultural Arts	642	-	1,081	1,397
Daily Aztec	10,260	-	35,065	-
KCR Radio	990	-	150	-
Imperial Valley Campus	2,393	-	-	-
Mission Bay Aquatic Center	62,855	-	112,571	-
Student government	655	-	1,881	-
Student organizations	156	-	468	-
Facility expenses:				
Aztec Center/Scripps Cottage	56,539	789	80,005	74,605
Viejas Arena	50,445	-	64,384	-
Imperial Valley Campus facilities	-	-	1,532	-
	<u>\$ 619,931</u>	<u>\$ 3,083</u>	<u>\$ 782,429</u>	<u>\$ 92,845</u>

**Cash:** 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, 2012 and 2011 amounted to approximately \$30,000 and \$55,000, 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

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#### 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 (CDs), 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 asset 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 \$283,000 and \$269,000 are included in accrued liabilities at June 30, 2012 and 2011, 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 which 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 Executive Office, 400 P Street, Sacramento, CA 95814.

## Associated Students of San Diego State University

### Notes to Financial Statements

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#### 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, 2012 and 2011, the Organization contributed 7 percent of the compensation of qualified employees, amounting to approximately \$131,000 and \$107,000, 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 expired on June 30, 2012. The Organization is currently in discussions with Shops for a new license agreement. 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 \$361,000 and \$333,000 during the years ended June 30, 2012 and 2011, 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

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

**Subsequent events:** The Organization has evaluated subsequent events through September 14, 2012, the date the financial statements were available to be issued, and has determined that there were no subsequent events to recognize in these financial statements.

**Income taxes:** The Organization adopted the provisions of 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. Upon adoption and as of June 30, 2012, the Organization has addressed uncertainty in its income tax position, and 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 IRS 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, 2007 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, 2012 and 2011.

## Associated Students of San Diego State University

### Notes to Financial Statements

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

**Recent accounting pronouncement:** In September 2011, the FASB issued Accounting Standards Update (ASU) 2011-09, *Retirement Benefits—Multiemployer Plans (Subtopic 715-80): Disclosures about an Employer's Participation in a Multiemployer Plan*. This update expanded and enhanced the existing disclosures related to multiemployer pension and other postretirement benefit plans. The amendments require additional quantitative and qualitative disclosures about an employer's involvement in multiemployer plans, including the significant multiemployer plans in which the Company participates, the level of the Company's participation and contributions, financial health and an indication of funded status, and the nature of the employer commitments to the plan. This guidance is effective for annual periods for fiscal years ending after December 15, 2012. The Organization is in the process of assessing the effect that the implementation of the new guidance will have on its financial position and results of operations. The adoption of this standard is not expected to have a material impact on the Organization's financial position, results of operations or cash flows.

**Reclassification:** Certain items on the financial statements as of and for the year ended June 30, 2011 have been reclassified, with no effect on total net assets, to be consistent with the classifications adopted as of and for the year ended June 30, 2012.

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

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

	2012	2011
CDs:		
Current	\$ 198,000	\$ 1,089,000
Noncurrent	447,000	645,000
	<u>645,000</u>	<u>1,734,000</u>
Investments, current:		
LAIF	10,189,877	8,455,837
GNMA	1,384	1,906
	<u>10,191,261</u>	<u>8,457,743</u>
	<u>\$ 10,836,261</u>	<u>\$ 10,191,743</u>

Investment income, including income from CDs, consisted of approximately \$68,000 and \$115,000 for the years ended June 30, 2012 and 2011, respectively. There was no unrealized income or loss on investments during the years ended June 30, 2012 and 2011.

**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.

## Associated Students of San Diego State University

### Notes to Financial Statements

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

Investments are presented in the financial statements at fair value in accordance with generally accepted accounting principles. 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, 2012, the weighted-average maturity of the securities in the pooled investment program administered by the State's Office was approximately 270 days. 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 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 Pooled Money Investment Board is comprised of 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.

ASC 820 establishes a three-tier fair value hierarchy, which 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, 2012 and 2011, the Organization's investments in LAIF of \$10,189,877 and \$8,455,837, respectively, are categorized as Level 3 investments and the Government National Mortgage Association (GNMA) investments of \$1,384 and \$1,906, respectively, are categorized as Level 2. There were no transfers between the different levels for the years ended June 30, 2012 and 2011.

## Associated Students of San Diego State University

### Notes to Financial Statements

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

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

	2012	2011
Beginning balance	\$ 8,455,837	\$ 6,716,382
Total realized and unrealized gains net, included in change in net assets	34,040	39,455
Net additions, purchases, sales and maturities	1,700,000	1,700,000
Ending balance	<u>\$ 10,189,877</u>	<u>\$ 8,455,837</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.

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

	2012	2011
The Campanile Foundation	\$ 127,733	\$ 99,112
Aztec Shops, Ltd.	530,076	1,071,959
San Diego State University Research Foundation	303,154	235,073
San Diego State University	2,252,261	2,058,674
	<u>\$ 3,213,224</u>	<u>\$ 3,464,818</u>

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

	2012	2011
The Campanile Foundation	\$ 197,570	\$ 300,000
Aztec Shops, Ltd.	235,144	300,580
San Diego State University Research Foundation	251,577	71,750
San Diego State University	1,627,025	1,943,224
	<u>\$ 2,311,316</u>	<u>\$ 2,615,554</u>

## Associated Students of San Diego State University

### Notes to Financial Statements

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

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

	2012	%	2011	%
Other advertising and services	\$ 277,282	35%	\$ 306,615	40%
Customer A	201,658	25%	80,718	11%
Related-party receivables:				
Aztec Shops, Ltd.	2,569	1%	83	0%
KPBS	-		27,600	4%
San Diego State University Research Foundation	71,335	9%	6,934	1%
San Diego State University	241,877	30%	337,184	44%
	<u>794,721</u>		<u>759,134</u>	
Less allowance for doubtful accounts	15,576		11,755	
	<u>\$ 779,145</u>		<u>\$ 747,379</u>	

The Organization entered into a memorandum of understanding entered on July 1, 2010 to lease signage space to KPBS for the period of July 1, 2010 to June 30, 2012 at a rate of \$2,300 per month. As of June 30, 2012, the Organization had no outstanding receivable owed from KPBS as the memorandum has expired and was not renewed.

As of June 30, 2012, accounts payable and accrued liabilities include approximately \$8,000 owed to Shops, approximately \$11,000 owed to The Campanile Foundation, and approximately \$62,000 owed to the University.

As of June 30, 2011, accounts payable and accrued liabilities include approximately \$1,000 owed to Shops and approximately \$315,000 owed to the University.

**Long-term debt:** On June 30, 2010, the Organization entered into a loan agreement with the University to finance implementation of Associated Students-approved Green Love Projects, which provided for borrowings of \$600,000 bearing interest of 3.5 percent per annum. The agreement requires annual payments of \$132,000, inclusive of interest, for four years beginning on January 1, 2011 and one annual payment of \$124,618, inclusive of interest, in the final year of the agreement. The agreement is due to expire on January 1, 2015. The University reserves the right to accelerate debt repayment for any future University purpose at the balance due plus any accrued interest; therefore, the entire balance is classified as a current liability.

## Associated Students of San Diego State University

### Notes to Financial Statements

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

Approximate future minimum principal loan payments, if not accelerated by the University, are due under the loan agreement at June 30, 2012, as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2013	\$ 119,000
2014	123,000
2015	121,000
	<u>\$ 363,000</u>

**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, 2012 and 2011, the Organization received payments of approximately \$4,750 and \$5,500, 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 year ended June 30, 2012, the Organization received payments of approximately \$3,000.

Approximate future payments from notes receivable at June 30, 2012 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2013	\$ 9,000
2014	9,000
2015	4,500
	<u>\$ 22,500</u>



## Associated Students of San Diego State University

### Notes to Financial Statements

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#### Note 4. Building Improvements and Equipment

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

	2012	2011
Building improvements	\$ 576,648	\$ 576,648
Leasehold improvements	2,423,414	2,047,734
Equipment	5,419,404	5,466,017
	<u>8,419,466</u>	<u>8,090,399</u>
Less accumulated depreciation and amortization	(5,193,657)	(4,755,996)
Construction in process	340,064	122,047
	<u>\$ 3,565,873</u>	<u>\$ 3,456,450</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	
	2012	2011
Side-fund liability at beginning of year	\$ 319,116	\$ 340,805
Service cost	209,751	172,783
Actual contributions	(262,532)	(221,564)
Amount allocated to interest on side-fund liability	27,848	27,092
Side-fund liability at end of year	<u>\$ 294,183</u>	<u>\$ 319,116</u>

Service cost was calculated using 10.9 percent and 9.9 percent of actual payroll for the years ended June 30, 2012 and 2011, respectively. Contribution rates to PERS were 13.6 percent and 12.6 percent of actual payroll for the years ended June 30, 2012 and 2011, respectively. Interest on side-fund earnings was calculated using PERS actual investment return, net of fees of 20 percent and 11 percent for the years ended June 30, 2012 and 2011, respectively. Actual payroll was \$1,877,926 and \$1,772,577 for the years ended June 30, 2012 and 2011, respectively.

## Associated Students of San Diego State University

### Notes to Financial Statements

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

**Postretirement health care benefit plan:** In addition, the Organization contracts with PERS to provide its salaried employees group health insurance through PERS under a postretirement health care 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 health care benefit plan requires retirees and active employees to pay a portion of the monthly health insurance premium cost. For the years ended June 30, 2012 and 2011, the Organization paid employees' health insurance premiums as they came due.

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

	Other Benefits	
	2012	2011
Projected benefit obligation	\$ 1,944,002	\$ 1,565,180
Plan assets, at fair value	-	-
Deficiency of plan assets (under) projected benefit obligation	(1,944,002)	(1,565,180)
Accrued employee benefit cost	\$ (1,944,002)	\$ (1,565,180)
Benefit cost	\$ 176,352	\$ 160,645
Employer contribution	\$ 51,128	\$ 49,284

Weighted-average assumptions used in the computation of the health care premiums as of June 30, 2012 and 2011 include a discount rate of 4.0 percent and 5.3 percent, respectively.

The Organization estimates that its premiums for postretirement health care benefits will be approximately \$194,000 for the year ending June 30, 2013.

#### Note 6. Commitments and Contingencies

**Operating agreements and leases:** Under a master operating agreement, which expires on June 30, 2014 and includes two five-year extension options, the Organization operates the Aztec Center, Viejas Arena, Aztec Recreation Center, Aquaplex 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, 2012 and 2011, the Organization incurred approximately \$1,717,000 and \$1,961,000, 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

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

Under a master operating agreement, which expires on June 30, 2014 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, 2012 and 2011, the Organization incurred approximately \$308,000 and \$255,000, 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, 2012 and 2011, the Organization incurred approximately \$103,000 and \$91,000, 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, 2012 and 2011, 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 \$149,000 during each of the years ended June 30, 2012 and 2011. The Organization recognized approximately \$56,000 and \$49,000 of rent expense under a parking lot lease with the University during the years ended June 30, 2012 and 2011, respectively.

Approximate future minimum lease payments due under noncancelable operating leases at June 30, 2012 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2013	\$ 149,000
2014	149,000
	<u>\$ 298,000</u>

**Subleases:** The Organization subleases concessions to Shops through June 2012 for a contingent rental fee. Sublease rental income, which is included in facility revenue and user fees, amounted to approximately \$5,000 and \$264,000 for the years ended June 30, 2012 and 2011, respectively.

## Associated Students of San Diego State University

### Notes to Financial Statements

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

**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 the Arena and other campus venues through June 30, 2017 under agreements entered into by the University with individual sponsors.

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 the 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 their 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, 2012 and 2011, the Organization recognized revenue of approximately \$302,000 and \$296,000, respectively, under the sponsorship agreements, of which approximately \$19,000 was remitted to the University and recognized in facility expenses for each of 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, 2012 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2013	\$ 389,000
2014	396,000
2015	403,000
2016	438,000
2017	253,000
Thereafter	379,000
	<u><u>\$ 2,258,000</u></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 the Arena through January 31, 2013. Under the terms of the agreement, the Organization will receive a quarterly guaranteed payment of \$100,000. During the years ended June 30, 2012 and 2011, the Organization recognized revenue of \$400,000. The approximate future income from rental compensation for the year ending June 30, 2013 is \$233,000.

**Associated Students of San Diego State University**

**Notes to Financial Statements**

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**Note 7. Net Assets, Unrestricted**

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

	<u>2012</u>	<u>2011</u>
General activities	\$ 40,509	\$ 801,407
Various programs	2,391,616	1,359,663
Equipment replacement	4,103,538	2,880,067
Future facility	2,490,696	2,548,723
Building improvements and equipment, net	3,565,873	3,456,450
	<u>\$ 12,592,232</u>	<u>\$ 11,046,310</u>

## **Supplementary Information**

**Associated Students of San Diego State University**

**Schedule of Net Assets**

**June 30, 2012**

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

**Assets**

<b>Current Assets</b>	
Cash and cash equivalents	\$ 1,258,192
Short-term investments	10,389,261
Accounts receivable, net	779,145
Leases receivable, current portion	-
Notes receivable, current portion	9,000
Pledges receivable, net	-
Prepaid expenses and other assets	418,839
<b>Total current assets</b>	<u>12,854,437</u>
<b>Noncurrent Assets</b>	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Leases receivable, net of current portion	-
Notes receivable, net of current portion	13,458
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	447,000
Capital assets, net	3,565,873
Other assets	92,924
<b>Total noncurrent assets</b>	<u>4,119,255</u>
<b>Total assets</b>	<u>\$ 16,973,692</u>

**Liabilities**

<b>Current Liabilities</b>	
Accounts payable	\$ 402,420
Accrued salaries and benefits payable	331,586
Accrued compensated absences, current portion	283,446
Deferred revenue	372,405
Capitalized lease obligations, current portion	-
Long-term debt obligations, current portion	363,158
Self-insurance claims liability, current portion	-
Depository accounts	-
Other liabilities	390,260
<b>Total current liabilities</b>	<u>2,143,275</u>
<b>Noncurrent Liabilities</b>	
Accrued compensated absences, net of current portion	-
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	1,944,002
Other liabilities	294,183
<b>Total noncurrent liabilities</b>	<u>2,238,185</u>
<b>Total liabilities</b>	<u>\$ 4,381,460</u>

(Continued)

**Associated Students of San Diego State University**

**Schedule of Net Assets (Continued)**

**June 30, 2012**

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

**Net Assets**

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Invested in capital assets, net of related debt	\$ 3,202,715
Restricted for:	
Nonexpendable—endowments	-
Expendable:	-
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	<u>9,389,517</u>
<b>Total net assets</b>	<u><u>\$ 12,592,232</u></u>



**Associated Students of San Diego State University**

**Schedule of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2012  
(for inclusion in the California State University)**

Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$0)	\$ 6,097,509
Grants and contracts, noncapital:	
Federal	60,761
State	155,481
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	14,038,236
Other operating revenues	-
<b>Total operating revenues</b>	<u>20,351,987</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	18,202,090
Depreciation and amortization	650,906
<b>Total operating expenses</b>	<u>18,852,996</u>
<b>Operating income</b>	<u>1,498,991</u>
Nonoperating revenues:	
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	68,016
Endowment income	-
Interest expense	(21,085)
Other nonoperating revenues (expenses)	-
<b>Net nonoperating revenues</b>	<u>46,931</u>
<b>Income before other additions</b>	<u>1,545,922</u>
State appropriations, capital	
-	-
Grants and gifts, capital	
-	-
Additions (reductions) to permanent endowments	
-	-
<b>Increase in net assets</b>	<u>1,545,922</u>
Net assets:	
Net assets at beginning of year, as previously reported	11,046,310
Restatements	-
Net assets at beginning of year, as restated	<u>11,046,310</u>
Net assets at end of year	<u>\$ 12,592,232</u>

**Associated Students of San Diego State University**

**Other Supplementary Information**

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**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	<u>\$</u>	<u>-</u>

Associated Students of San Diego State University

Other Supplementary Information

2.1—Composition of investments at June 30, 2012:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of California Local Agency Investment Fund (LAIF)	10,189,877	-	10,189,877	-	-	-	10,189,877
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)	1,384	-	1,384	-	-	-	1,384
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	198,000	-	198,000	447,000	-	447,000	645,000
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	10,389,261	-	10,389,261	447,000	-	447,000	10,836,261
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	\$ 10,389,261	\$ -	\$ 10,389,261	\$ 447,000	\$ -	\$ 447,000	\$ 10,836,261

**Associated Students of San Diego State University**

**Other Supplementary Information**

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**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:**

	<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, 2012</b>	<u><u>\$           -</u></u>

**Associated Students of San Diego State University**

**Other Supplementary Information**

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**2.4—Restricted noncurrent investments at June 30, 2012 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 noncurrent investments at June 30, 2012</b>	<u><u>\$ -</u></u>

Associated Students of San Diego State University

Other Supplementary Information

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

	Balance June 30, 2011	Prior Period Adjustments	Reclassifications	Balance June 30, 2011 (Restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2012
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	122,047	-	-	122,047	271,636	-	(53,619)	340,064
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	122,047	-	-	122,047	271,636	-	(53,619)	340,064
Depreciable/amortizable capital assets:								
Buildings and building improvements	576,648	-	-	576,648	-	-	-	576,648
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	2,047,734	-	-	2,047,734	322,061	-	53,619	2,423,414
Personal property:								
Equipment	5,149,412	-	-	5,149,412	120,143	(185,353)	-	5,084,202
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	316,605	-	-	316,605	18,597	-	-	335,202
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
Total intangible assets	316,605	-	-	316,605	18,597	-	-	335,202
Total depreciable/amortizable capital assets	8,090,399	-	-	8,090,399	460,801	(185,353)	53,619	8,419,466
Total capital assets	8,212,446	-	-	8,212,446	732,437	(185,353)	-	8,759,530
Less accumulated depreciation/amortization:								
Buildings and building improvements	(576,648)	-	-	(576,648)	-	-	-	(576,648)
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(326,219)	-	-	(326,219)	(156,910)	-	-	(483,129)
Personal property:								
Equipment	(3,773,978)	-	-	(3,773,978)	(429,811)	182,270	-	(4,021,519)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	(79,151)	-	-	(79,151)	(33,210)	-	-	(112,361)
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
Total intangible assets	(79,151)	-	-	(79,151)	(33,210)	-	-	(112,361)
Total accumulated depreciation/amortization	(4,755,996)	-	-	(4,755,996)	(619,931)	182,270	-	(5,193,657)
Total capital assets, net	\$ 3,456,450	\$ -	\$ -	\$ 3,456,450	\$ 112,506	\$ (3,083)	\$ -	\$ 3,565,873

**Associated Students of San Diego State University**

**Other Supplementary Information**

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

Depreciation and amortization expense related to capital assets	\$	619,931
Amortization expense related to other assets		<u>30,975</u>
Total depreciation and amortization	\$	<u><u>650,906</u></u>

**Associated Students of San Diego State University**

**Other Supplementary Information**

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

	Balance	Prior Period	Balance			Balance	Current	Long-Term
	June 30, 2011	Adjustments	June 30, 2011	Additions	Reductions	June 30, 2012	Portion	Portion
			(Restated)					
Accrued compensated absences	\$ 268,684	\$ -	\$ 268,684	\$ 397,712	\$ (382,950)	\$ 283,446	\$ 283,446	\$ -
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:								
San Diego State University Note Payable	478,414	-	478,414	-	(115,256)	363,158	363,158	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Total long-term debt obligations	478,414	-	478,414	-	(115,256)	363,158	363,158	-
Unamortized bond premium / (discount)	-	-	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	478,414	-	478,414	-	(115,256)	363,158	363,158	-
Total long-term liabilities	\$ 747,098	\$ -	\$ 747,098	\$ 397,712	\$ (498,205)	\$ 646,605	\$ 646,605	\$ -



Associated Students of San Diego State University

Other Supplementary Information

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5. Future minimum lease payments—capital lease obligations:

Year ending June 30:	Principal	Interest	Principal and Interest
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>			<b>\$ -</b>

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	Principal	Interest	Principal and	Principal	Interest	Principal and
			Interest			Interest			Interest
2013	\$ -	\$ -	\$ -	\$ 119,289	\$ 12,711	\$ 132,000	\$ 119,289	\$ 12,711	\$ 132,000
2014	-	-	-	123,465	8,535	132,000	123,465	8,535	132,000
2015	-	-	-	120,404	4,214	124,618	120,404	4,214	124,618
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018 - 2022	-	-	-	-	-	-	-	-	-
2023 - 2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-	-	-	-
2058 - 2062	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ 363,158	\$ 25,460	\$ 388,618	\$ 363,158	\$ 25,460	\$ 388,618

**Associated Students of San Diego State University**

**Other Supplementary Information**

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**7.1—Calculation of net assets—Invested in capital assets, net of related debt:**

	<u>Auxiliary Organizations</u>		<u>Total Auxiliaries</u>
	<u>GASB</u>	<u>FASB</u>	
Capital assets, net of accumulated depreciation	\$ -	3,565,873	3,565,873
Capitalized lease obligations, current portion	-	-	-
Capitalized lease obligations, net of current portion	-	-	-
Long-term debt obligations, current portion	-	(363,158)	(363,158)
Long-term debt obligations, net of current portion	-	-	-
Portion of outstanding debt that is unspent at year-end	-	-	-
Other:			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net assets—invested in capital assets, net of related debt	\$ <u>-</u>	<u>3,202,715</u>	<u>3,202,715</u>

**Associated Students of San Diego State University**

**Other Supplementary Information**

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**7.2—Calculation of net assets—Restricted for nonexpendable—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 assets—Restricted for nonexpendable—endowments per SNA</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**8. Transactions with related entities**

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants and other programs	\$ -
Payments to University for other than salaries of University personnel	1,627,025
Payments received from University for services, space and programs	2,252,261
Gifts-in-kind to the University from Auxiliary Organizations	-
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	-
Accounts (payable to) University	(61,981)
Other amounts (payable to) University	(363,158)
Accounts receivable from University	230,394
Other amounts receivable from University	11,483

**Associated Students of San Diego State University**

**Other Supplementary Information**

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

Annual required contribution (ARC)	\$ 429,950
Contributions during the year	<u>(51,128)</u>
Increase (decrease) in net OPEB obligation (NOO)	378,822
NOO - beginning of year	<u>1,565,180</u>
NOO - end of year	<u><u>\$ 1,944,002</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**

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

	<u>Net Asset</u> <u>Class</u>	<u>Amount</u> <u>Dr. (Cr.)</u>
Net assets as of June 30, 2011, as previously reported	\$	11,046,310
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, 2010, as restated	\$	<u><u>11,046,310</u></u>

**Associated Students of San Diego State University**

**Other Supplemental Information**

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