

# **The Associated Students, Inc. of California State University San Marcos**

Financial Report  
June 30, 2013

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## Independent Auditor's Report

Board of Directors  
The Associated Students, Inc. of  
California State University San Marcos  
San Marcos, CA

### Report on the Financial Statements

We have audited the accompanying financial statements of The Associated Students, Inc. of California State University San Marcos (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 The Associated Students, Inc. of California State University San Marcos as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in conformity with U.S. GAAP.

**Report on Schedules to be Included in the California State University Systems Financial Report  
(Supplementary Information)**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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.

*McGladrey LLP*

San Diego, CA  
September 24, 2013

The Associated Students, Inc. of California State University San Marcos

Statements of Financial Position  
June 30, 2013 and 2012

<b>Assets</b>	<b>2013</b>	<b>2012</b>
<b>Current Assets</b>		
Cash	\$ 15,181	\$ 17,788
Restricted cash (Note 4)	99,999	88,320
Due from affiliates (Note 4)	681,154	736,262
Inventory	26,327	27,522
Other receivables	-	20,246
<b>Total current assets</b>	<b>822,661</b>	<b>890,138</b>
<b>Noncurrent Assets</b>		
Property and equipment, net (Note 2)	35,302	43,177
Deposits	3,000	3,000
<b>Total noncurrent assets</b>	<b>38,302</b>	<b>46,177</b>
	<b>\$ 860,963</b>	<b>\$ 936,315</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Funds held for others, affiliates (Note 4)	\$ 99,999	\$ 88,320
Accounts payable (Note 4)	37,492	50,984
Obligations under capital lease (Notes 2 and 3)	3,313	3,018
Deferred revenue	81,624	98,202
<b>Total current liabilities</b>	<b>222,428</b>	<b>240,524</b>
Obligations Under Capital Lease, net of current portion (Notes 2 and 3)	6,255	9,568
<b>Total liabilities</b>	<b>228,683</b>	<b>250,092</b>
Commitments (Note 3)		
Net Assets, unrestricted	632,280	686,223
	<b>\$ 860,963</b>	<b>\$ 936,315</b>

See Notes to Financial Statements.

The Associated Students, Inc. of California State University San Marcos

Statements of Activities

Years Ended June 30, 2013 and 2012

	2013	2012
Unrestricted revenue and support:		
Student tuition and fees	\$ 1,136,289	\$ 1,284,386
Less scholarship allowance	(9,790)	(52,000)
<b>Total student tuition and fees</b>	<b>1,126,499</b>	<b>1,232,386</b>
Investment income	6,561	6,222
Other income (Note 4)	59,979	102,117
<b>Total unrestricted revenue and support</b>	<b>1,193,039</b>	<b>1,340,725</b>
Expenses:		
Program services (Notes 3 and 4):		
Committee programs	721,433	556,828
Recreation programs (Note 1)	-	155,627
<b>Total program services</b>	<b>721,433</b>	<b>712,455</b>
Management and general (Note 4)	525,549	559,268
<b>Total expenses</b>	<b>1,246,982</b>	<b>1,271,723</b>
<b>Change in net assets</b>	<b>(53,943)</b>	<b>69,002</b>
Net assets, beginning	686,223	617,221
Net assets, ending	<b>\$ 632,280</b>	<b>\$ 686,223</b>

See Notes to Financial Statements.

The Associated Students, Inc. of California State University San Marcos

Statements of Functional Expenses  
Years Ended June 30, 2013 and 2012

	2013		Total Functional Expenses
	Committee Programs	Management and General	
Accounting and legal	\$ -	\$ 130,687	\$ 130,687
Advertisements	6,330	-	6,330
Bad debts	-	418	418
Bank fees	-	1,896	1,896
Board of Directors retreat	6,371	-	6,371
Contract services	-	(903)	(903)
Contract services—Admin fee, UARSC	-	55,718	55,718
Depreciation	-	10,597	10,597
Equipment rental and maintenance	5,941	11,222	17,163
Insurance	655	11,942	12,597
Interest charges	-	1,050	1,050
Membership and dues	3,882	500	4,382
Office and other supplies	-	19,157	19,157
Other	-	604	604
Payroll processing (Note 4)	451,216	231,192	682,408
Postage	-	592	592
Professional development	-	8,742	8,742
Programming/student activities	229,005	-	229,005
Rent	-	29,552	29,552
Repairs and maintenance	-	385	385
Taxes and licenses	-	431	431
Telephone	406	5,896	6,302
Transportation/conference	17,627	5,871	23,498
	<u>\$ 721,433</u>	<u>\$ 525,549</u>	<u>\$ 1,246,982</u>

(Continued)

The Associated Students, Inc. of California State University San Marcos

Statements of Functional Expenses (Continued)  
 Years Ended June 30, 2013 and 2012

	2012				
	Program Services			Management and General	Total Functional Expenses
	Committee Programs	Recreation Programs	Total		
Accounting and legal	\$ -	\$ -	\$ -	\$ 116,391	\$ 116,391
Advertisements	8,392	-	8,392	246	8,638
Bad debts	-	-	-	2,512	2,512
Bank fees	18	-	18	1,671	1,689
Board of Directors retreat	1,057	-	1,057	70	1,127
Contract services	-	-	-	4,500	4,500
Contract services—Admin fee, UARSC	-	-	-	60,468	60,468
Depreciation	366	-	366	5,258	5,624
Equipment rental and maintenance	14,409	-	14,409	9,804	24,213
Insurance	-	-	-	12,827	12,827
Interest charges	245	-	245	1,074	1,319
Membership and dues	5,833	-	5,833	500	6,333
Office and other supplies	4,364	-	4,364	20,389	24,753
Other	6	-	6	1,123	1,129
Payroll processing (Note 4)	337,730	139,994	477,724	271,712	749,436
Postage	8	-	8	720	728
Professional development	479	-	479	5,095	5,574
Programming/student activities	172,106	15,633	187,739	1,331	189,070
Rent	-	-	-	33,372	33,372
Repairs and maintenance	-	-	-	500	500
Taxes and licenses	-	-	-	264	264
Telephone	-	-	-	9,239	9,239
Transportation/conference	11,815	-	11,815	202	12,017
	<u>\$ 556,828</u>	<u>\$ 155,627</u>	<u>\$ 712,455</u>	<u>\$ 559,268</u>	<u>\$ 1,271,723</u>

See Notes to Financial Statements.



The Associated Students, Inc. of California State University San Marcos

Statements of Cash Flows  
Years Ended June 30, 2013 and 2012

	2013	2012
Cash Flows From Operating Activities		
Change in net assets	\$ (53,943)	\$ 69,002
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,597	5,624
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Other receivables	20,246	(11,926)
Due from affiliates	55,108	(13,557)
Inventory	1,195	(3,746)
Decrease in liabilities:		
Accounts payable	(13,492)	(16,654)
Deferred revenue	(16,578)	(24,022)
<b>Net cash provided by operating activities</b>	<b>3,133</b>	<b>4,721</b>
Cash Flows From Investing Activities		
Purchases of equipment	(2,722)	(32,793)
Cash Flows From Financing Activities		
Payments on capital lease obligation	(3,018)	(2,750)
<b>Net decrease in cash</b>	<b>(2,607)</b>	<b>(30,822)</b>
Cash, beginning	17,788	48,610
Cash, ending	\$ 15,181	\$ 17,788
Cash and Restricted Cash, beginning	\$ 106,108	\$ 143,852
Net decrease in unrestricted cash	(2,607)	(30,822)
Increase (decrease) in funds held for others	11,679	(6,922)
Cash and Restricted Cash, ending	\$ 115,180	\$ 106,108
Cash, operating	\$ 15,181	\$ 17,788
Restricted Cash	99,999	88,320
<b>Total cash and restricted cash</b>	<b>\$ 115,180</b>	<b>\$ 106,108</b>
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	\$ 1,050	\$ 1,319

See Notes to Financial Statements.

## The Associated Students, Inc. of California State University San Marcos

### Notes to Financial Statements

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

**Nature of operations:** The Associated Students, Inc. of California State University San Marcos (the Organization) is a nonprofit California corporation organized in 1994 as an auxiliary organization to California State University San Marcos (the University) operated in accordance with the General Nonprofit Corporation Law of the State of California. The Organization administers various student programs and activities. Student activity fees and other revenues are collected for the support of student-related programs and for the acquisition of assets that benefit the student body.

The Organization's financial statements are included as a component unit of the University's annual general-purpose financial statements. This is required by government accounting standards that apply to the University.

**Affiliated organizations:** The Organization is related to other auxiliaries of the University, including University Auxiliary and Research Services Corporation (UARSC) and San Marcos University Corporation (UCorp). These auxiliaries and the University periodically provide various services to one another.

#### 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, *Financial Statements of Not-for-Profit Organizations*. At June 30, 2013 and 2012, 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, 2013 and 2012, all contributions received by the Organization were classified as unrestricted and are included in unrestricted revenue and support.

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.

**Cash:** The Organization maintains an account with a financial institution with funds insured by the Federal Deposit Insurance Corporation (FDIC). The Organization's account at this institution may, at times, exceed FDIC-insured limits. The Organization has not experienced any such losses in their account.

## The Associated Students, Inc. of California State University San Marcos

### Notes to Financial Statements

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

**Inventory:** Inventory consists of tickets purchased by the Organization to local theme parks and movie theaters. The tickets are sold to the students so that they can benefit from group discounts. The tickets are recorded at cost.

**Property and equipment:** Acquisitions of property and equipment of \$500 or more are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Expenditures for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of five to 10 years.

**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.

**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. Actual results could differ from those estimates. These estimates include assessing collectibility of receivables and the lives and methods for recording depreciation and amortization of property and equipment.

**Revenue and support:** Each matriculated student of California State University San Marcos was required to pay \$50 per semester during the spring and fall semesters for an associated student body fee for the years ended June 30, 2013 and 2012. Extended education students paid \$50 per semester for the years ended June 30, 2013 and 2012. During the summer semester, each student is required to pay \$50. These payments support the Organization's operations and are collected by the University Business Office and remitted to the Organization, at which time they are recorded as revenue. A portion of the student activity fees, based on anticipated student withdrawals, is maintained by the University Business Office for refunds. Each matriculated student was also required to pay \$35 per semester as a recreation fee. During the year ended June 30, 2012, the Organization received \$12 out of the \$35 on a reimbursement basis, which was recorded as revenue.

On July 1, 2012, recreation services were transferred from the Organization to UCorp, and as such, no recreation fee revenue or related expenses were recorded by the Organization during the year ended June 30, 2013.

Revenue from grants/contracts is recognized to the extent of eligible costs incurred up to an amount not to exceed the total grant/contract authorized. Deferred revenue results from grant awards received that are applicable to the subsequent period.

Program service fees are reported as revenue when earned. Revenue from grants is recognized in program support as expenditures are made.

## The Associated Students, Inc. of California State University San Marcos

### Notes to Financial Statements

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

**Deferred revenue:** The Organization recognizes revenue related to student activity fees during the semester. Accordingly, certain student activity fees received in advance of the semester are included in deferred revenue.

**Fair value of financial instruments:** The carrying amounts of financial instruments are recorded at fair value.

**Functional allocation of expenses:** The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Reclassifications:** Certain items in the 2012 financial statements have been reclassified to conform with the 2013 presentation. These reclassifications had no impact on net assets or the change in net assets.

**Income taxes:** The Organization is a qualified nonprofit organization that is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. This exemption is for all income taxes except for those assessed on unrelated business taxable income (UBI), if any. 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. The Organization is not a private foundation.

The Organization adopted accounting guidance relating to accounting for uncertainty in income taxes, which is primarily codified in FASB ASC 740. 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 the entity and various positions relative to potential sources of UBI. UBI is reported on Form 990-T, as appropriate. The benefit of the 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 the adoption and as of June 30, 2013 and 2012, the Organization has addressed uncertainty in its income tax position under the guidance, 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 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 no longer subject to examination for the fiscal years ended June 30, 2009 and prior.

## The Associated Students, Inc. of California State University San Marcos

### 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 24, 2013, the date the financial statements were available to be issued, and has determined that there were no subsequent events that require disclosure in the financial statements.

**Recent accounting pronouncements:** In October 2012, the FASB issued Accounting Standards Update (ASU) 2012-05, *Statement of Cash Flows (Topic 230)—Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*. This Update requires, with certain exceptions, a not-for-profit (NFP) to classify in the statement of cash flows cash received from donated financial assets as an operating activity if those donated financial assets were directed without any NFP-imposed limitations for sale and were converted nearly immediately into cash. Effective prospectively for fiscal years, and interim periods within those years, beginning after June 15, 2013. Retrospective application to all prior periods presented upon the date of adoption is permitted. Early adoption from the beginning of the fiscal year of adoption is permitted. For fiscal years beginning before October 22, 2012, early adoption is permitted only if an NFP's financial statements for those fiscal years and interim periods within those years have not yet been made available for issuance. Certain transition disclosures are required. The adoption of this Update is not expected to have a material impact on the Organization's financial position, results of operations or cash flows.

In April 2013, the FASB issued ASU 2013-06, *Not-for-Profit Entities (Topic 958)—Services Received From Personnel of an Affiliate*. These amendments are effective on a prospective basis for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. A recipient NFP entity may apply the amendments using a modified retrospective approach under which all prior periods presented upon the date of adoption should be adjusted, but no adjustment should be made to the beginning balance of net assets of the earliest period presented. Early adoption is permitted. The adoption of this Update is not expected to have a material impact on the Organization's financial position, results of operations or cash flows.

#### Note 2. Property and Equipment

Property and equipment consist of the following at June 30:

	2013	2012
Furniture and fixtures	\$ 16,876	\$ 19,076
Machinery and equipment	84,456	81,734
	101,332	100,810
Less accumulated depreciation	(66,030)	(57,633)
	<u>\$ 35,302</u>	<u>\$ 43,177</u>

The total cost basis of equipment under capital leases as of June 30, 2013 and 2012 was \$16,197. Accumulated depreciation associated with this asset as of June 30, 2013 and 2012 was \$8,638 and \$4,859, respectively.

#### Note 3. Commitments

**Operating leases:** The Organization leases office space from the University with annual rent of \$29,552. The lease expires in June 2014. Total rent for each of the years ended June 30, 2013 and 2012 was \$29,552 and \$33,372, respectively.

## The Associated Students, Inc. of California State University San Marcos

### Notes to Financial Statements

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#### Note 3. Commitments (Continued)

The Organization leases equipment under noncancelable leases expiring at various times through November 2014. The Organization also leases equipment under month-to-month lease agreements. Rent expense associated with equipment leases was \$9,908 and \$23,322 for the years ended June 30, 2013 and 2012, respectively.

Future minimum lease payments for these operating leases at June 30, 2013 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2014	\$ 36,464
2015	4,771
2016	3,578
	<u>\$ 44,813</u>

**Capital leases:** The Organization has acquired certain equipment under capital leases. The future minimum lease payments at June 30, 2013 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2014	\$ 4,068
2015	4,068
2016	2,712
	<u>10,848</u>
Less the amount representing interest (9.35% average effective interest rate)	<u>(1,280)</u>
Present value of minimum lease payments	9,568
Less current portion	<u>(3,313)</u>
Obligations under capital lease, net of current portion	<u>\$ 6,255</u>

#### Note 4. Transactions With Affiliates

The Organization received accounting and other personnel services and reimbursed costs from the University during the years ended June 30, 2013 and 2012. Fees paid to the University for these services during the years ended June 30, 2013 and 2012 totaled \$159,866 and \$171,270, respectively. Related accounts payable for reimbursed services due to the University at June 30, 2013 and 2012 totaled \$5,751 and \$6,306, respectively. Payments received from the University for services, space and programs during the years ended June 30, 2013 and 2012 totaled \$16,203 and \$154,578, respectively. The amounts were included in other income and expenses in the statements of activities.

The Organization had a receivable due from the University for cost reimbursements at June 30, 2012 of \$9,469. There was no receivable from the University for cost reimbursements at June 30, 2013. The amount was included in due from affiliates in the statements of financial position.

Excess money of the Organization is held by the University in a pooled investment account. The amount held on behalf of the Organization and its proportional share of investment income is included in accounts receivable, affiliate. At June 30, 2013 and 2012, the amount held by the University in the pooled investment account was \$678,238 and \$724,744, respectively. This account is made up of Level 1 investments in its entirety. The Organization's proportionate share of the investment return for the years ended June 30, 2013 and 2012 was \$6,561 and \$6,222, respectively.

## The Associated Students, Inc. of California State University San Marcos

### Notes to Financial Statements

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#### **Note 4. Transactions With Affiliates (Continued)**

At June 30, 2013 and 2012, the Organization was holding funds for various student organizations in the amount of \$99,999 and \$88,320, respectively. The Organization has recorded a liability for these funds held for others and has classified the related cash as restricted in the statements of financial position.

On July 1, 2010, the Organization entered into a payroll and employment services agreement with UARSC under which all of the Organization's personnel became employees of UARSC. The Organization pays UARSC the costs and fees of providing payroll and benefits along with an administrative fee. The original term of the agreement was one year, but it renews automatically unless either party gives three months' written notice. Amounts paid to UARSC for payroll processing, administrative fees and supplies during the year ended June 30, 2013 totaled \$682,408, \$55,718 and \$0, respectively. Amounts paid to UARSC for payroll processing, administrative fees and supplies during the year ended June 30, 2012 totaled \$755,800, \$60,468 and \$0, respectively. At June 30, 2013 and 2012, the Organization had a payable due to UARSC in the amount of \$31,239 and \$43,112, respectively. The amounts were included in accounts payable in the statements of financial position.

The Organization had a receivable due from UARSC for cost reimbursements at June 30, 2013 and 2012 in the amount of \$2,916 and \$2,049, respectively. The amount was included in due from affiliates in the statements of financial position.

## **Supplemental Schedules**



**The Associated Students, Inc. of California State University San Marcos**

Schedule of Net Position

June 30, 2013

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 15,181
Short-term investments	-
Accounts receivable, net	681,154
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	26,327
Total current assets	<u>722,662</u>
Noncurrent assets:	
Restricted cash and cash equivalents	99,999
Accounts receivable, net	-
Leases receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	35,302
Other assets	3,000
Total noncurrent assets	<u>138,301</u>
Total assets	<u>860,963</u>
Deferred outflows of resources:	
Unamortized loss on refunding(s)	-
Total deferred outflows of resources	<u>-</u>
Liabilities:	
Current liabilities:	
Accounts payable	37,492
Accrued salaries and benefits payable	-
Accrued compensated absences, current portion	-
Unearned revenue	81,624
Capitalized lease obligations, current portion	3,313
Long-term debt obligations, current portion	-
Self-insurance claims liability, current portion	-
Depository accounts	-
Other liabilities	99,999
Total current liabilities	<u>222,428</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	6,255
Long-term debt obligations, net of current portion	-
Self-insurance claims liabilities, net of current portion	-
Depository accounts	-
Other postemployment benefits obligation	-
Other liabilities	-
Total noncurrent liabilities	<u>6,255</u>
Total liabilities	<u>228,683</u>
Deferred inflows of resources:	
Deferred inflows from SCAs, grants, and others	-
Total deferred inflows of resources	<u>-</u>

**The Associated Students, Inc. of California State University San Marcos**

Schedule of Net Position (Continued)

June 30, 2013

(for inclusion in the California State University)

Net Position:		
Net investment in capital assets	\$	25,734
Restricted for:		
Nonexpendable – endowments		-
Expendable:		
Scholarships and fellowships		-
Research		-
Loans		-
Capital projects		-
Debt service		-
Other		-
Unrestricted		606,546
Total net position	\$	<u><u>632,280</u></u>

**The Associated Students, Inc. of California State University San Marcos**  
Schedule of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2013  
(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$9,790)	\$ 1,126,499
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	59,979
Other operating revenues	-
Total operating revenues	<u>1,186,478</u>
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	229,005
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	1,007,380
Depreciation and amortization	10,597
Total operating expenses	<u>1,246,982</u>
Operating loss	<u>(60,504)</u>
Nonoperating revenues (expenses):	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income, net	6,561
Endowment income (loss), net	-
Interest expenses	-
Other nonoperating revenues (expenses)	-
Net nonoperating revenues	<u>6,561</u>
Loss before other additions	<u>(53,943)</u>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Decrease in net position	<u>(53,943)</u>
Net position:	
Net position at beginning of year, as previously reported	686,223
Restatements	-
Net position at beginning of year, as restated	<u>686,223</u>
Net position at end of year	<u>\$ 632,280</u>

**The Associated Students, Inc. of California State University San Marcos**

Other Information

June 30, 2013

(for inclusion in the California State University)

<b>1</b>	<b>Restricted cash and cash equivalents at June 30, 2013:</b>		
	Portion of restricted cash and cash equivalents related to endowments	\$	-
	All other restricted cash and cash equivalents		<u>99,999</u>
	Total restricted cash and cash equivalents	\$	<u><u>99,999</u></u>



**The Associated Students, Inc. of California State University San Marcos**  
 Other Information  
 June 30, 2013  
 (for inclusion in the California State University)

<b>2.3 Restricted current investments at June 30, 2013 related to:</b>	<u>Amount</u>
Add description	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
	<u>-</u>
Total restricted current investments at June 30, 2013	\$ <u><u>-</u></u>

<b>2.4 Restricted noncurrent investments at June 30, 2013 related to:</b>	<u>Amount</u>
Endowment investment	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
	<u>-</u>
Total restricted noncurrent investments at June 30, 2013	\$ <u><u>-</u></u>

**The Associated Students, Inc. of California State University San Marcos**  
**Other Information**  
**June 30, 2013**  
(for inclusion in the California State University)

**3.1 Composition of capital assets at June 30, 2013:**

	Balance June 30, 2012	Prior Period Adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2013
<b>Nondepreciable/nonamortizable capital assets:</b>								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
<b>Intangible assets:</b>								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total nondepreciable/nonamortizable capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciable/amortizable capital assets:</b>								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
<b>Personal property:</b>								
Equipment	100,810	-	-	100,810	2,722	(2,200)	-	101,332
Library books and materials	-	-	-	-	-	-	-	-
<b>Intangible assets:</b>								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total depreciable/amortizable capital assets</b>	<b>100,810</b>	<b>-</b>	<b>-</b>	<b>100,810</b>	<b>2,722</b>	<b>(2,200)</b>	<b>-</b>	<b>101,332</b>
<b>Total capital assets</b>	<b>100,810</b>	<b>-</b>	<b>-</b>	<b>100,810</b>	<b>2,722</b>	<b>(2,200)</b>	<b>-</b>	<b>101,332</b>
<b>Less accumulated depreciation/amortization:</b>								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
<b>Personal property:</b>								
Equipment	(57,633)	-	-	(57,633)	(10,597)	2,200	-	(66,030)
Library books and materials	-	-	-	-	-	-	-	-
<b>Intangible assets:</b>								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total accumulated depreciation/amortization</b>	<b>(57,633)</b>	<b>-</b>	<b>-</b>	<b>(57,633)</b>	<b>(10,597)</b>	<b>2,200</b>	<b>-</b>	<b>(66,030)</b>
<b>Total capital assets, net</b>	<b>\$ 43,177</b>	<b>-</b>	<b>-</b>	<b>43,177</b>	<b>(7,875)</b>	<b>-</b>	<b>-</b>	<b>35,302</b>

**The Associated Students, Inc. of California State University San Marcos**  
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**3.2 Detail of depreciation and amortization expense for the year ended June 30, 2013:**

Depreciation and amortization expense related to capital assets	\$	10,597
Amortization expense related to other assets		<u>-</u>
Total depreciation and amortization	\$	<u><u>10,597</u></u>

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

	Balance June 30, 2012	Prior Period Adjustments	Reclassifications	Balance June 30, 2012 (Restated)	Additions	Reductions	Balance June 30, 2013	Current Portion	Long-Term Portion
Accrued compensated absences	-	-	-	-	-	-	-	-	-
Capitalized lease obligations:									
Gross balance	12,586	-	-	12,586	-	(3,018)	9,568	3,313	6,255
Unamortized premium / (discount) on capitalized lease obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	<u>12,586</u>	<u>-</u>	<u>-</u>	<u>12,586</u>	<u>-</u>	<u>(3,018)</u>	<u>9,568</u>	<u>3,313</u>	<u>6,255</u>
Long-term debt obligations:									
Revenue Bonds	-	-	-	-	-	-	-	-	-
Other bonds (non-Revenue Bonds)	-	-	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	-	-	-
Note Payable related to SRB	-	-	-	-	-	-	-	-	-
Other:									
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unamortized bond premium / (discount)	-	-	-	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>\$ 12,586</u>	<u>-</u>	<u>-</u>	<u>12,586</u>	<u>-</u>	<u>(3,018)</u>	<u>9,568</u>	<u>3,313</u>	<u>6,255</u>



**The Associated Students, Inc. of California State University San Marcos**  
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**5 Future minimum lease payments - capital lease obligations:**

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
Year ending June 30:			
2014	\$ 3,313	755	4,068
2015	3,636	432	4,068
2016	2,619	93	2,712
2017	-	-	-
2018	-	-	-
2019 - 2023	-	-	-
2024 - 2028	-	-	-
2029 - 2033	-	-	-
2034 - 2038	-	-	-
2039 - 2043	-	-	-
2044 - 2048	-	-	-
2049 - 2053	-	-	-
2054 - 2058	-	-	-
2059 - 2063	-	-	-
	<u>9,568</u>	<u>1,280</u>	<u>10,848</u>
Total minimum lease payments	\$ 9,568	1,280	10,848
Less amounts representing interest			<u>(1,280)</u>
Present value of future minimum lease payments			9,568
Less current portion			<u>(3,313)</u>
Capitalized lease obligation, net of current portion		\$	<u><u>6,255</u></u>

**The Associated Students, Inc. of California State University San Marcos**  
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6 Long-term debt obligation schedule

	Revenue Bonds			All Other Long-Term Debt Obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
	Year ending June 30:								
2014	\$ -	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019 - 2023	-	-	-	-	-	-	-	-	-
2024 - 2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

**The Associated Students, Inc. of California State University San Marcos**  
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**7 Calculation of net position**

	<u>Auxiliary Organizations</u>		<u>Total Auxiliaries</u>
	<u>GASB</u>	<u>FASB</u>	
<b>7.1 Calculation of net position - Net investment in capital assets</b>			
Capital assets, net of accumulated depreciation	\$ -	35,302	35,302
Capitalized lease obligations, current portion	-	(3,313)	(3,313)
Capitalized lease obligations, net of current portion	-	(6,255)	(6,255)
Long-term debt obligations, current portion	-	-	-
Long-term debt obligations, net of current portion	-	-	-
Portion of outstanding debt that is unspent at year-end	-	-	-
Other adjustments: (please list)			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net position - net investment in capital asset	<u>\$ -</u>	<u>25,734</u>	<u>25,734</u>

<b>7.2 Calculation of net position - Restricted for nonexpendable - endowments</b>			
Portion of restricted cash and cash equivalents related to endowments	\$ -	-	-
Endowment investments	-	-	-
Other adjustments: (please list)			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net position - Restricted for nonexpendable - endowments per SNP	<u>\$ -</u>	<u>-</u>	<u>-</u>

**The Associated Students, Inc. of California State University San Marcos**  
 Other Information  
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**8 Transactions with related entities**

	<b>Amount</b>
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	159,866
Payments received from University for services, space and programs	16,203
Gifts-in-kind to the University from Auxiliary Organizations	-
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	-
Accounts (payable to) University (enter as negative number)	(5,751)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University	-
Other amounts receivable from University	-

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

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

**The Associated Students, Inc. of California State University San Marcos**  
 Other Information  
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**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	-
	<hr/>
Total pollution remediation liabilities	-
Less current portion	<hr/>
	-
Pollution remediation liabilities, net of current portion	<u><u>\$ -</u></u>

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

	<u>Net Position</u>	<u>Amount</u>
	<u>Class</u>	<u>Dr. (Cr.)</u>
Net position as of June 30, 2012, as previously reported		\$ 686,223
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)		<hr/>
		-
Net position as of June 30, 2012, as restated		<u><u>\$ 686,223</u></u>

**The Associated Students, Inc. of California State University San Marcos**  
 Other 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:

	Debit	Credit
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)	-	-