

Associated Students, Inc. of California State University San Marcos

Financial Statements and Supplemental Information
Years Ended June 30, 2017 and 2016



ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS
Financial Statements and Supplemental Information
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Associated Students, Inc. of California State University San Marcos

We have audited the accompanying financial statements of Associated Students, Inc. of California State San Marcos (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, 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; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, Inc. of California State University San Marcos as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 13-21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Aldrich CPAs + Advisors LLP

San Diego, California
September 20, 2017

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS**Statements of Financial Position**

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets:		
Cash	\$ 89,892	\$ 83,452
Restricted cash	168,777	153,231
Due from related parties	<u>806,551</u>	<u>692,891</u>
Total Current Assets	1,065,220	929,574
Property and Equipment, net of accumulated depreciation	32,215	49,258
Deposits	<u>3,000</u>	<u>3,000</u>
Total Assets	<u>\$ 1,100,435</u>	<u>\$ 981,832</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Fund held for others	\$ 168,777	\$ 153,231
Accounts payable	237,387	164,672
Obligations under capital lease, current portion	4,446	4,021
Deferred revenue	<u>186,822</u>	<u>112,014</u>
Total Current Liabilities	597,432	433,938
Obligations under capital lease, net of current portion	<u>14,555</u>	<u>18,996</u>
Total Liabilities	611,987	452,934
Net Assets, unrestricted	<u>488,448</u>	<u>528,898</u>
Total Liabilities and Net Assets	<u>\$ 1,100,435</u>	<u>\$ 981,832</u>

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS**Statements of Activities**

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Unrestricted Revenue and Support:		
Student tuition fees	\$ 1,352,628	\$ 1,316,332
Interest income	9,895	7,906
Other income	<u>194,299</u>	<u>122,131</u>
Total Unrestricted Revenue and Support	1,556,822	1,446,369
Expenses:		
Program services - committee programs	860,587	825,108
Management and general	<u>736,685</u>	<u>723,950</u>
Total Expenses	<u>1,597,272</u>	<u>1,549,058</u>
Change in Net Assets	(40,450)	(102,689)
Net Assets, beginning	<u>528,898</u>	<u>631,587</u>
Net Assets, ending	<u>\$ 488,448</u>	<u>\$ 528,898</u>

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS
Statement of Functional Expenses
Year Ended June 30, 2017

	Program Services	Management and General	Total Expenses
Accounting and legal	\$ -	\$ 158,948	\$ 158,948
Bank fees	-	6,449	6,449
Benefits	-	62,955	62,955
Contract services admin fee, UARSC	-	56,539	56,539
Depreciation	-	17,043	17,043
Insurance	-	9,803	9,803
Interest charges	-	2,164	2,164
Membership and dues	-	2,049	2,049
Office and other supplies	410	12,013	12,423
Other	-	827	827
Payroll	521,671	183,498	705,169
Postage	-	520	520
Professional development	-	3,350	3,350
Programming and student activities	315,454	273	315,727
Other rental and lease equipment	11,410	1,893	13,303
Other taxes and licenses	-	160	160
Rent	-	83,987	83,987
Salaries	-	122,889	122,889
Telephone	-	6,293	6,293
Transportation/conference	11,642	5,032	16,674
	<u>\$ 860,587</u>	<u>\$ 736,685</u>	<u>\$ 1,597,272</u>

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS**Statement of Functional Expenses**

Year Ended June 30, 2016

	Program Services	Management and General	Total Expenses
Accounting and legal	\$ -	\$ 151,538	\$ 151,538
Bank fees	122	2,116	2,238
Benefits	-	57,001	57,001
Contract services	-	2,500	2,500
Contract services admin fee, UARSC	-	56,461	56,461
Depreciation	-	17,585	17,585
Insurance	-	9,650	9,650
Interest	-	801	801
Membership and dues	-	500	500
Office and other supplies	64	14,686	14,750
Other	-	2,452	2,452
Payroll	542,893	171,621	714,514
Postage	-	466	466
Professional development	-	12,719	12,719
Programming and student activities	247,036	5,515	252,551
Other rental and lease equipment	11,713	5,997	17,710
Other taxes and licenses	160	81	241
Rent	-	82,664	82,664
Salaries	-	115,300	115,300
Relocation (Non Faculty)	360	3,955	4,315
Telephone	-	5,795	5,795
Transportation and conference	22,760	4,547	27,307
	<u>\$ 825,108</u>	<u>\$ 723,950</u>	<u>\$ 1,549,058</u>

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS**Statements of Cash Flows**

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (40,450)	\$ (102,689)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	17,043	17,585
Changes in operating assets and liabilities:		
Due from related parties	(113,660)	(7,372)
Other receivables	-	16,954
Accounts payable	72,715	65,756
Deferred revenue	74,808	32,391
Net Cash Provided by Operating Activities	<u>10,456</u>	<u>22,625</u>
Cash Flows Used by Investing Activities:		
Purchases of equipment	-	(2,319)
Cash Flows Used by Financing Activities:		
Payments on capital lease obligation	<u>(4,016)</u>	<u>(3,705)</u>
Net Increase in Cash	6,440	16,601
Cash, beginning	<u>83,452</u>	<u>66,851</u>
Cash, ending	<u>\$ 89,892</u>	<u>\$ 83,452</u>
Cash and Restricted Cash, beginning	\$ 236,683	\$ 175,243
Net increase in unrestricted cash	6,440	16,601
Increase in funds held for others	<u>15,546</u>	<u>44,839</u>
Cash and Restricted Cash, ending	<u>\$ 258,669</u>	<u>\$ 236,683</u>
Cash	\$ 89,892	\$ 83,452
Restricted Cash	<u>168,777</u>	<u>153,231</u>
Total Cash and Restricted Cash	<u>\$ 258,669</u>	<u>\$ 236,683</u>
Supplemental Disclosures of Cash Flow Information:		
Cash payments for interest	<u>\$ 2,164</u>	<u>\$ 801</u>
Supplemental Disclosures of Noncash Investing and Financing Activities:		
Property and Equipment financed with long-term debt	<u>\$ -</u>	<u>\$ 24,103</u>

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Notes to Financial Statements

Years Ended June 30, 2017 and 2016

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

The Associated Students, Inc. of California State University San Marcos (Organization) is a non-profit California corporation organized in 1994 as an auxiliary organization to California State University San Marcos (University) operated in accordance with the General Nonprofit Corporation Law of the State of California. The Organization administers various student programs and activities. Student 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.

Related Parties

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

Basis of Presentation

The Organization reports information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

As of June 30, 2017 and 2016, 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.

Use of Estimates

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

Income Taxes

The Organization is a qualified non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Organization follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statements of activities, when applicable. Management has determined that the Organization has no uncertain tax positions as of June 30, 2017 and 2016 and therefore no amounts have been accrued.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Notes to Financial Statements

Years Ended June 30, 2017 and 2016

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of 3 to 5 years.

Fund Held for Others

The Organization holds funds for on-campus clubs to fund club activities. These monies can be drawn upon at any time by the on-campus clubs and are recognized as a liability. These corresponding assets related to these funds are included in restricted cash on the statements of financial position for the years ended June 30, 2017 and 2016.

Revenue

Each matriculated student of the University was required to pay \$50 per semester during the spring, fall, and summer semesters for an associated student body fee for the years ended June 30, 2017 and 2016. Extended education students paid \$50 per semester for the years ended June 30, 2017 and 2016. 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 or deferred revenue. Deferred revenue represents the portion of student activity fees collected for the summer and fall sessions applicable to the next fiscal year.

Fair Value Measurements

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2017 and 2016, due to the relative short maturities of these instruments.

Subsequent Events

The Organization has evaluated subsequent events through September 20, 2017, which is the date the financial statements were available to be issued. Management is not aware of any events that have occurred subsequent to the statement of financial position date that would require adjustments to, or disclosures in the financial statements.

Note 2 – Concentrations of Credit Risk

The Organization maintains a n account at a financial institution with funds insured by the Federal Deposit Insurance Corporation (FDIC). The Organization account at this institution may, at times, exceed FDIC-insured limits of up to \$250,000. The Organization has not experienced any such losses in these accounts.

Note 3 – Property and Equipment

Property and equipment consist of the following:

	<u>2017</u>	<u>2016</u>
Equipment	\$ 115,010	\$ 115,011
Less accumulated depreciation	<u>(82,795)</u>	<u>(65,752)</u>
	<u>\$ 32,215</u>	<u>\$ 49,259</u>

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Notes to Financial Statements

Years Ended June 30, 2017 and 2016

Note 3 – Property and Equipment, continued

The total cost basis of equipment under capital leases as of June 30, 2017 and 2016 was \$24,103. Accumulated depreciation associated with these assets as of June 30, 2017 and 2016 was \$5,260 and \$1,086, respectively.

Note 4 – Operating Leases

The Organization entered into a lease with UCorp as of January 2014 to lease spaces in the Student Union, which expired June 30, 2017 and was subsequently renewed with the University. As consideration for the leased space from UCorp, the Organization operates student programs with the space leased in the Student Union. This relationship is recognized as in-kind revenue and expense shown within other income and management and general expenses on the statements of activities. Total in-kind rent revenue and expense for the years ended June 30, 2017 and 2016 was \$83,987 and \$82,664, respectively.

The Organization leased equipment under non-cancelable leases which expired at various times through March 2016. The Organization also leased equipment under month-to-month lease agreements. Rent expense associated with equipment leases was \$0 and \$3,188 for the years ended June 30, 2017 and 2016, respectively.

Note 5 – Capital leases

The Organization has acquired certain equipment under capital leases. The future minimum lease payments are due as follows:

<u>Year Ending June 30,</u>	
2018	\$ 6,175
2019	6,174
2020	6,174
2021	4,329
Thereafter	<u>-</u>
Total minimum lease payments	22,852
Less amount representing interest (10.3%)	<u>(3,851)</u>
Present value of net minimum lease payments	19,001
Less current portion	<u>(4,446)</u>
Capital lease obligation, net of current portion	<u>\$ 14,555</u>

Note 6 – Transactions with Related Parties

The Organization receives services from and provides services to the University and related parties including UCorp and UARSC. In July 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.

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Notes to Financial Statements

Years Ended June 30, 2017 and 2016

Note 6 – Transactions with Related Parties, continued

The Organization holds assets for various student organizations as well. Therefore, related party transactions include payables, receivables, payments to and payments from these organizations.

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 due from related parties.

Related party transactions are as follows:

<u>Related Party</u>	<u>Description</u>	<u>Reported in</u>	<u>2017</u>	<u>2016</u>
Expenses to:				
University	Accounting, personnel services, and reimbursed costs	Various expenses	\$ 456,037	\$ 383,378
UARSC	Payroll processing, administrative	Payroll and admin fee	760,596	779,725
Foundation	Student program costs	Various expenses	3,128	750
UCorp	Student program costs and other	Various expenses	84,158	57,595
			<u>\$ 1,303,919</u>	<u>\$ 1,221,448</u>
Revenues from:				
University	Services, space, and programs	Other income	\$ 140,326	\$ 17,819
University	Proportionate share of investment return	Investment income	9,895	7,906
Foundation	Various student organizations	Other income	13,007	21,589
UARSC	Student program costs	Other income	8,016	8,931
UCorp	Student program costs	Other income	37,587	2,552
			<u>\$ 208,831</u>	<u>\$ 58,798</u>
Due from:				
University	Pooled investment account, Level 1 investments	Due from related party	\$ 789,983	\$ 688,743
University	Cost reimbursements	Due from related party	250	4,148
UCorp	Accrued salaries, other expenses	Due from related party	16,118	-
Foundation	Cost reimbursements	Due from related party	200	-
			<u>\$ 806,551</u>	<u>\$ 692,891</u>
Due to:				
University	Reimbursed services	Accounts payable	\$ 67,933	\$ 20,974
UCorp	Student program costs and other	Accounts payable	1,020	965
UARSC	Payroll processing and administration fees	Accounts payable	139,404	115,787
			<u>\$ 208,357</u>	<u>\$ 137,726</u>

ASSOCIATED STUDENTS, INC. OF CALIFORNIA STATE UNIVERSITY SAN MARCOS

Notes to Financial Statements

Years Ended June 30, 2017 and 2016

Note 7 – 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.

Note 8 – Contingencies

From time to time, the Organization is subject to litigation as a result of its ongoing activities. Management believes that the outcomes of such litigation will not have a material adverse effect on the Organization's financial position, results of operations or liquidity.

SUPPLEMENTAL INFORMATION

Associated Students, Inc. of California State University San Marcos
Schedule of Net Position
June 30, 2017
(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 89,892
Short-term investments	-
Accounts receivable, net	806,551
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
Total current assets	<u>896,443</u>
Noncurrent assets:	
Restricted cash and cash equivalents	168,777
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	32,215
Other assets	3,000
Total noncurrent assets	<u>203,992</u>
Total assets	<u>1,100,435</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension obligation	-
Others	-
Total deferred outflows of resources	<u>-</u>
Liabilities:	
Current liabilities:	
Accounts payable	212,794
Accrued salaries and benefits	-
Accrued compensated absences, current portion	24,593
Unearned revenue	186,822
Capitalized lease obligations, current portion	4,446
Long-term debt obligations, current portion	-
Claims Liability for losses and LAE - current portion	-
Depository accounts	-
Other liabilities	168,777
Total current liabilities	<u>597,432</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	14,555
Long-term debt obligations, net of current portion	-
Claims Liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Other postemployment benefits obligation	-
Pension obligation	-
Other liabilities	-
Total noncurrent liabilities	<u>14,555</u>
Total liabilities	<u>611,987</u>
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	<u>-</u>
Net Position:	
Net investment in capital assets	13,214
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	475,234
Total net position	<u>\$ 488,448</u>

Associated Students, Inc. of California State University San Marcos
Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2017
(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$0)	\$ 1,352,628
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 \$_____)	-
Other operating revenues	194,299
Total operating revenues	<u>1,546,927</u>
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	315,454
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	1,264,775
Depreciation and amortization	17,043
Total operating expenses	<u>1,597,272</u>
Operating income (loss)	<u>(50,345)</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 (loss), net	9,895
Endowment income (loss), net	-
Interest expenses	-
Other nonoperating revenues (expenses)	-
Net nonoperating revenues (expenses)	<u>9,895</u>
Income (loss) before other revenues (expenses)	<u>(40,450)</u>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	<u>(40,450)</u>
Net position:	
Net position at beginning of year, as previously reported	528,898
Restatements	-
Net position at beginning of year, as restated	<u>528,898</u>
Net position at end of year	<u>\$ 488,448</u>

See independent auditors' report.

Associated Students, Inc. of California State University San Marcos
 Other Information
 June 30, 2017
 (for inclusion in the California State University)

	<u>Amount</u>
2.3 Restricted current investments at June 30, 2017 related to:	
Add description	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Total restricted current investments at June 30, 2017	<u><u>\$ -</u></u>

	<u>Amount</u>
2.4 Restricted noncurrent investments at June 30, 2017 related to:	
Endowment investment	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Total restricted noncurrent investments at June 30, 2017	<u><u>\$ -</u></u>

Associated Students, Inc. of California State University San Marcos

Other Information

June 30, 2017

(for inclusion in the California State University)

2.5 Fair value hierarchy in investments at June 30, 2017:

	Fair Value Measurements Using				Net Asset Value (NAV)
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF \$	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Mutual funds	-	-	-	-	-
Money Market funds	-	-	-	-	-
Repurchase agreements	-	-	-	-	-
Commercial paper	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Equity securities	-	-	-	-	-
Exchange traded funds (ETFs)	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools (excluding SWIFT)					
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Other major investments:					
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Total investments	-	-	-	-	-

See independent auditors' report.

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4 Long-term liabilities activity schedule:

	Balance			Balance			Balance	Current portion	Long-term portion
	June 30, 2016	Prior period adjustments	Reclassifications	June 30, 2016 (restated)	Additions	Reductions			
Accrued compensated absences	\$ 19,994	-	-	19,994	4,599	-	24,593	24,593	-
Claims Liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-	-
Capitalized lease obligations:									
Gross balance	23,017	-	-	23,017	-	(4,016)	19,001	4,446	14,555
obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	23,017	-	-	23,017	-	(4,016)	19,001	4,446	14,555
Long-term debt obligations:									
Auxiliary revenue bonds	-	-	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	-	-	-
Note Payable related to SRB	-	-	-	-	-	-	-	-	-
Others: (list by type)									
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-	-
Unamortized bond premium / (discount)	-	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	-	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 43,011	-	-	43,011	4,599	(4,016)	43,594	29,039	14,555

5 Future minimum lease payments - capital lease obligations:

	Capitalized lease obligations related to SRB			All other capitalized lease obligations			Total capitalized lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2018	-	-	-	4,446	1,729	6,175	4,446	1,729	6,175
2019	-	-	-	4,925	1,249	6,174	4,925	1,249	6,174
2020	-	-	-	5,457	717	6,174	5,457	717	6,174
2021	-	-	-	4,173	156	4,329	4,173	156	4,329
2022	-	-	-	-	-	-	-	-	-
2023 - 2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-	-	-	-
2058 - 2062	-	-	-	-	-	-	-	-	-
2063 - 2067	-	-	-	-	-	-	-	-	-
Total minimum lease payments	-	-	-	19,001	3,851	22,852	19,001	3,851	22,852
Less amounts representing interest	-	-	-	-	-	-	-	-	(3,851)
Present value of future minimum lease payments	-	-	-	-	-	-	-	-	19,001
Unamortized net premium (discount)	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-	19,001
Less: current portion	-	-	-	-	-	-	-	-	(4,446)
Capitalized lease obligation, net of current portion	-	-	-	-	-	-	-	-	\$ 14,555

6 Long-term debt obligation schedule

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2018	\$ -	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023 - 2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-	-	-	-
2058 - 2062	-	-	-	-	-	-	-	-	-
2063 - 2067	-	-	-	-	-	-	-	-	-
Total minimum payments	-	-	-	-	-	-	-	-	-
Less amounts representing interest	-	-	-	-	-	-	-	-	-
Present value of future minimum payments	-	-	-	-	-	-	-	-	-
Unamortized net premium (discount)	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-	-
Less: current portion	-	-	-	-	-	-	-	-	-
Long-term debt obligations, net of current portion	-	-	-	-	-	-	-	-	\$ -

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7 Calculation of net position

7.1 Calculation of net position - net investment in capital assets

Capital assets, net of accumulated depreciation	\$	32,215
Capitalized lease obligations, current portion		(4,446)
Capitalized lease obligations, net of current portion		(14,555)
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		-
Add description		-
Net position - net investment in capital asset	\$	<u>13,214</u>

7.2 Calculation of net position - Restricted for nonexpendable - endowments

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		-
Add description		-
Net position - Restricted for nonexpendable - endowments per SNP	\$	<u>-</u>

8 Transactions with related entities

		<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$	180,259
Payments to University for other than salaries of University personnel		228,819
Payments received from University for services, space, and programs		42,984
Gifts-in-kind to the University from discretely presented component units		-
Gifts (cash or assets) to the University from discretely presented component units		-
Accounts (payable to) University (enter as negative number)		(67,933)
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		<u>-</u>
Increase (decrease) in net OPEB obligation (NOO)		-
Other adjustments		-
NOO - beginning of year		-
NOO - end of year	\$	<u>-</u>

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10 Pollution remediation liabilities under GASB Statement No. 49:

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

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

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 2016, as previously reported		\$ 528,898
Prior period adjustments:		
1 (list description of each adjustment)		-
2 (list description of each adjustment)		-
3 (list description of each adjustment)		-
4 (list description of each adjustment)		-
5 (list description of each adjustment)		-
6 (list description of each adjustment)		-
7 (list description of each adjustment)		-
8 (list description of each adjustment)		-
9 (list description of each adjustment)		-
10 (list description of each adjustment)		-
Net position as of June 30, 2016, as restated		\$ 528,898

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)	-	-