

**ASSOCIATED STUDENTS OF
HUMBOLDT STATE UNIVERSITY**

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**Including Schedules Prepared for Inclusion
in the Financial Statements of the
California State University**

Year Ended June 30, 2014

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INDEPENDENT AUDITORS' REPORT

The Associated Students Council
Associated Students of Humboldt State University
Arcata, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Associated Students of Humboldt State University, a component unit of Humboldt State University (HSU), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of Associated Students of Humboldt State University as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

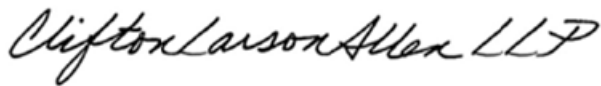
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Associated Students of Humboldt State University's basic financial statements. The schedule of net position, the schedule of revenues, expenses and changes in net position, and other information (supplementary information on pages 16-24) are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of Associated Students of Humboldt State University, referred to above, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2014, on our consideration of Associated Students of Humboldt State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students of Humboldt State University's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Bellevue, Washington
September 12, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Management's Discussion and Analysis

Year Ended June 30, 2014

This section of Associated Students of Humboldt State University (Associated Students) annual financial report presents management's overview and analysis of the financial activities of the Associated Students for the year ended June 30, 2014. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Introduction to the Basic Financial Statements

The annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standard Board (GASB) Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities. This standard is applicable to Associated Students because it is a component unit of Humboldt State University (HSU). Consistent with HSU, Associated Students has adopted the business-type activity (BT) reporting model to represent its activities.

The financial statements include: the Statement of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position and the Statements of Cash Flows. These statements are supported in the annual report by the notes to the financial statements and this section. All sections should be considered together to obtain complete understanding of the financial picture of Associated Students.

Statement of Net Position: The Statement of Net Position includes all assets, liabilities and net position. Assets and liabilities are reported on an accrual basis as of the statement date. They also identify major categories of restrictions on the net assets of Associated Students.

Statement of Revenues, Expenses, and Changes in Net Position: The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year on an accrual basis.

Statement of Cash Flows: The Statement of Cash Flow presents the inflows and outflows of cash, summarized by operating, noncapital financing, capital and related financing, and investing activities. The statement is prepared using the direct method of cash flows, and therefore, present gross rather than net amounts for the year's operating activities.

Statement of Fiduciary Net Assets: The Statement of Fiduciary Net Assets is used to account for resources held for the benefit of parties separate from Associated Students. Fiduciary funds are not reflected in the business-type activity financial statements because resources in those funds are not available to support the Associated Student's programs.

Reporting Entity: The financial statements of HSU will be separated between HSU and its component units. The latter are separate I.R.C. 501(c)(3) non-profit auxiliary organizations whose financial information will be presented in a discrete column and in the footnotes of HSU's financial statements. Consequently, these auxiliaries must comply with the same governmental rulings and present their individual separate audited financial statements in the same format.

Analytical Overview

A summary of key financial statement information is presented below:

| | 2014 | 2013 | Increase (Decrease) | Percent Change |
|---|-------------------|-------------------|--------------------------------|---------------------------|
| Assets: | | | | |
| Current assets | \$ 490,970 | \$ 486,069 | \$ 4,901 | 1.01% |
| Capital assets, net of accumulated depreciation | 453 | 790 | (337) | (42.66%) |
| Total Assets | 491,423 | 486,859 | 4,564 | 0.94% |
| Liabilities: | | | | |
| Current liabilities | 35,765 | 35,817 | (52) | (0.15%) |
| Non-current liabilities | - | - | - | - |
| Total Liabilities | 35,765 | 35,817 | (52) | (0.15%) |
| Net Position: | | | | |
| Net investment in capital assets | 453 | 790 | (337) | (42.66%) |
| Unrestricted | 455,205 | 450,252 | 4,953 | 1.10% |
| Total Net Position | \$ 455,658 | \$ 451,042 | \$4,616 | 1.02% |

Statement of Net Position Variance Analysis between 2014 and 2013

Current assets increased by \$4,901. Current assets include: cash and cash equivalents, unreserved cash in LAIF, accounts receivable, prepaid expenses, and other current assets. Current assets increased due to outstanding accounts receivable.

Capital assets, net, decreased by \$337, which was the result of the depreciation. There was no new capital equipment additions.

The Associated Students has a cash balance of \$132,919 in the checking account and \$273,848 held in LAIF, Local Agency Investment Fund. This combined total of unrestricted cash is \$406,767. The remaining cash balance is 30.27% of the operating revenue of the 2013-14 fiscal year. This balance allows the Associated Students the ability to fund ongoing repair and maintenance projects, the ability to weather an unforeseen circumstance or expense, and provides adequate operating capital.

Current liabilities decreased by \$52. Current liabilities include: accounts payable, unearned revenue, liability to campus programs, and other accrued liabilities. There was only a slight increase in current liabilities.

Net position increased by \$4,616 reflecting the cumulative net change in assets and liabilities for the year.

Operating Results
Years Ended June 30, 2014 and 2013

| | 2014 | 2013 | Change | Percent Change |
|--|-------------------|-------------------|-----------------|-----------------------|
| Operating Revenues: | | | | |
| Instructionally Related Activities Fee | \$ 455,579 | \$ 417,640 | \$ 37,939 | 9.08% |
| Associated Student Body Fee | 812,451 | 781,928 | 30,523 | 3.90% |
| Other Revenues | 62,894 | 86,850 | (23,956) | (27.58%) |
| Total Operating Revenues | 1,330,924 | 1,286,418 | 44,506 | 3.46% |
| Operating Expenses: | | | | |
| Operating Expenses | 1,328,265 | 1,336,729 | (8,464) | (.63%) |
| Depreciation Expense | 337 | 1,017 | (680) | (68.66%) |
| Total Operating Expenses | 1,328,602 | 1,337,746 | (9,144) | (.68%) |
| Operating (Loss) Income | 2,322 | (51,328) | 53,650 | (104.52%) |
| Non-Operating Revenues (Expenses) | | | | |
| Investment Income | 2,294 | 3,294 | (1,000) | (30.36%) |
| Total Non-Operating Revenues (Expenses) | 2,294 | 3,294 | (1,000) | (30.36%) |
| Increase (Decrease) in Net Position | 4,616 | (48,034) | 52,650 | (109.61%) |
| Net Position at Beginning of Year | 451,042 | 499,076 | (48,034) | (9.62%) |
| Net Position at End of Year | \$ 455,658 | \$ 451,042 | \$ 4,616 | 1.02% |

Revenue and Expense Variance Analysis between 2014 and 2013

Operating revenues are from Instructionally Related Activities (IRA) and Associated Students student body organization fees. Other revenues are from student programming entry fees and festival attendance. Revenues increased by \$44,506, mostly due to the increase of instructionally related activities and Associated Student Body Fee when compared to the prior year. Other revenues decreased by \$23,956, mainly due to the decreased revenue from festival attendance. AS increased general subsidy to concerts and Quad events, as a result there were additional free and/or reduced ticket prices for concert attendance.

Operating expenses decreased by \$8,464. Program expenditure savings were mostly incurred in the area of Artist honorarium in concerts. The payment per agreement expenses increased by \$23,210 and was partly the result of an increase in the agreement with the University Center for administrative services.

Investment income was \$2,294 which was a decrease of \$1,000 over the prior year. Investment income is comprised of interest from LAIF, monies held with Local Agency Investment Fund. The decrease from the prior year is primarily due to market fluctuation.

Net assets increased by \$4,616 for the year ended June 30, 2014, as a result of an increase in student body fee revenues outpacing the decrease in operating expenditures.

Factors Impacting Future Periods

The California State University continues to face reduced funding due to the budget situation in the State of California. As such, Humboldt State University continues to face potential challenges in managing its enrollment, especially in areas of recruitment and retention. Lower enrollment numbers would likely have a negative impact on the revenue of Associated Students. Management continues to monitor operating costs in Associated Students and review its operations and make adjustments accordingly.

BASIC FINANCIAL STATEMENTS

ASSOCIATED STUDENTS OF
HUMBOLDT STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2014

ASSETS

Current Assets:

| | |
|-----------------------------------|------------|
| Cash on Hand and Commercial Accts | \$ 132,919 |
| Cash Invested in LAIF | 273,848 |
| Total Cash | 406,767 |

| | |
|-------------------------------------|---------|
| Accounts and Other Receivables, net | 83,645 |
| Prepaid Expenses | 558 |
| Total Current Assets | 490,970 |

| | |
|---------------------|-----|
| Capital Assets, net | 453 |
|---------------------|-----|

| | |
|--------------|---------|
| TOTAL ASSETS | 491,423 |
|--------------|---------|

LIABILITIES

Current Liabilities:

| | |
|---------------------------|--------|
| Accounts Payable | 5,688 |
| Accrued Liabilities | 13,201 |
| Unearned Revenue | 16,876 |
| Total Current Liabilities | 35,765 |

| | |
|-------------------|--------|
| TOTAL LIABILITIES | 35,765 |
|-------------------|--------|

NET POSITION

| | |
|----------------------------------|---------|
| Net Investment in Capital Assets | 453 |
| Unrestricted | 455,205 |
| | 455,658 |

| | |
|--------------------|------------|
| TOTAL NET POSITION | \$ 455,658 |
|--------------------|------------|

See Accompanying Notes.

ASSOCIATED STUDENTS OF
HUMBOLDT STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2014

Operating Revenues:

| | |
|----------------------------------|------------------|
| Student Activity Fees | \$ 812,451 |
| Programs Revenue | 62,894 |
| Instructional Related Activities | <u>455,579</u> |
| Total Operating Revenues | <u>1,330,924</u> |

Operating Expenses:

| | |
|----------------------------------|------------------|
| Salaries and Wages | 99,210 |
| Employee Benefits | 5,207 |
| Payment per Agreement/Contract | 421,033 |
| Reimbursement to Other Agencies | 65,634 |
| Repairs and Maintenance | 5,888 |
| Communications | 2,997 |
| Travel | 50,998 |
| Insurance | 9,367 |
| Audit | 9,390 |
| Program Expenditures | 202,962 |
| Instructional Related Activities | 455,579 |
| Depreciation | <u>337</u> |
| Total Operating Expenses | <u>1,328,602</u> |

| | |
|-------------------------|--------------|
| Operating (Loss) Income | <u>2,322</u> |
|-------------------------|--------------|

Non-operating Revenues (Expenses):

| | |
|--|--------------|
| Investment Income | <u>2,294</u> |
| Non-operating Revenues (Expenses), Net | <u>2,294</u> |

| | |
|-------------------------------------|-------|
| Increase (Decrease) in Net Position | 4,616 |
|-------------------------------------|-------|

Net Position:

| | |
|-----------------------------------|--------------------------|
| Net Position at Beginning of Year | <u>451,042</u> |
| Net Position at End of Year | <u><u>\$ 455,658</u></u> |

See Accompanying Notes.

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2014

| | |
|---|---------------------------|
| Cash flows from operating activities | |
| Cash received from customers | \$ 1,292,597 |
| Cash payments to suppliers for operations | (931,232) |
| Cash payments to employees for services | (104,417) |
| Cash payments for general and administrative expenses | (289,552) |
| Net cash provided (used) by operating activities | <u>(32,604)</u> |
| Cash flows from capital financing activities | |
| Acquisition of capital assets | <u>-</u> |
| Net cash provided (used) by capital activities | <u>-</u> |
| Cash flows from investing activities | |
| Investment income | <u>2,294</u> |
| Net cash provided (used) by investing activities | <u>2,294</u> |
| Net increase (decrease) in cash and cash equivalents | (30,310) |
| Cash and cash equivalents, beginning of the year | <u>437,077</u> |
| Cash and cash equivalents, end of the year | <u><u>\$ 406,767</u></u> |
| Reconciliation to cash per Statement of Net Position | |
| Cash on hand and commercial accts | \$ 132,919 |
| Cash invested in LAIF | 273,848 |
| Total cash and cash equivalents, end of year | <u><u>\$ 406,767</u></u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income (loss) | <u>\$ 2,322</u> |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | |
| Depreciation | 337 |
| Changes in operating assets and liabilities: | |
| Accounts receivable | (35,210) |
| Prepaid expenses | (1) |
| Accounts payable | (839) |
| Unearned revenue | (3,117) |
| Other liabilities | 3,904 |
| Total adjustments | <u>(34,926)</u> |
| Net cash provided (used) by operating activities | <u><u>\$ (32,604)</u></u> |

See Accompanying Notes.

ASSOCIATED STUDENTS OF
HUMBOLDT STATE UNIVERSITY
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2014

ASSETS

Current Assets:

| | |
|-----------------------|----------------|
| Cash Invested in LAIF | \$ 331,590 |
| Total Cash | <u>331,590</u> |

| | |
|--------------------------------------|-----------------|
| Accounts and Other Receivables | 6,904 |
| Less Allowance for Doubtful Accounts | <u>(1,307)</u> |
| Total Current Assets | <u>337,187</u> |

| | |
|--------------|--------------------------|
| TOTAL ASSETS | \$ <u><u>337,187</u></u> |
|--------------|--------------------------|

LIABILITIES

Current Liabilities:

| | |
|---------------------------|----------------|
| Accounts Payable | \$ 1,124 |
| Accrued Liabilities | 565 |
| Campus Programs | <u>335,498</u> |
| Total Current Liabilities | <u>337,187</u> |

| | |
|-------------------|--------------------------|
| TOTAL LIABILITIES | \$ <u><u>337,187</u></u> |
|-------------------|--------------------------|

See Accompanying Notes.

**ASSOCIATED STUDENTS OF
HUMBOLDT STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Associated Students of Humboldt State University (AS) have been prepared to conform with Accounting Principles Generally Accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The summary of significant accounting policies is presented to assist in understanding the AS financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

Nature of Operations

AS is an auxiliary organization of Humboldt State University (HSU) is a component unit of the Humboldt State University (HSU), and is organized and operated in accordance with the Education Code of the State of California and the California Code of Regulations. The function of the Organization is to provide essential activities which are an integral part of the Humboldt State University Campus Programs. Such activities include student government, cultural programs and various other services.

Related Organizations

The Organization is related to other auxiliaries of Humboldt State University, including the Humboldt State University Center, the Humboldt State University Sponsored Programs Foundation, and the Humboldt State University Advancement Foundation. These auxiliaries and the University periodically provide various services for one another.

Basis of Presentation

After reassessing its articles of incorporation and bylaws, and considering that AS is a component unit of Humboldt State University, AS determined that it should apply generally accepted accounting principles applicable to governmental entities.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, as prescribed by the GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The financial statements required by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities* include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. AS has elected to use the proprietary fund reporting model for special-purpose governments engaged only in business-type activities. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. In accordance with the business-type activities reporting model, AS prepares its statement of cash flows using the direct method.

**ASSOCIATED STUDENTS OF
HUMBOLDT STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

Agency funds account for assets held by Associated Students as an agent for other funds. The primary purpose of the fund is to hold the fiduciary net assets for student organizations that are chartered and recognized by HSU.

Revenue Recognition

Student fees, investment income and revenues are recorded when earned.

Allowance for Doubtful Accounts

The organization has established an allowance for bad debt based upon management's estimate as to the collectability of accounts receivable.

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.

Capital Assets

Capital assets are recorded at cost less depreciation calculated by the straight-line method over the assets' estimated useful lives. AS capitalizes purchases over \$5,000. However, sensitive property, defined as any highly desirable and portable item, will be capitalized if the cost is \$1,000 or greater.

In addition, AS uses office facilities and equipment that are the property of the California State University. No lease payments are required for the use of these facilities.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, all cash on hand, commercial accounts, and cash invested in LAIF, are considered cash and cash equivalents.

Income Taxes

AS qualifies as a tax exempt organization under the applicable sections of the Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Classification of Revenues and Expenses

AS considers operating revenues and expenses in the statement of revenues, expenses, and changes in net position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the primary functions of AS. Exchange transactions include charges for services rendered and the acquisition of goods and services.

Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 35. These nonoperating activities include net investment income and changes in campus program fund liabilities.

Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. AS reports two categories of net position, as follows:

**ASSOCIATED STUDENTS OF
HUMBOLDT STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

Net Investment in Capital Assets - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.

Unrestricted Net Position - consists of all other net position that does not meet the definition of the above component and is available for general use by AS.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position.

NOTE 2 - CASH INVESTMENTS

AS maintains cash in the State of California Local Agency Investment Fund (LAIF), an investment pool. The investment is not insured. However, these funds are invested in accordance with California Government Code Sections 16430 and 16480, the stated investment authority for the Pooled Money Investment Account. At June 30, 2014, the uninsured and uncollateralized cash balance was \$605,438.

Custodial credit risk is the risk that in the event of the failure of a counterparty, AS would not be able to recover the value of its investments that are in the possession of an outside party. Financial instruments that potentially subject AS to custodial risk are investments in excess of amounts insured by the FDIC. No policy exists related to custodial risk specifically. The AS investment policy does not prohibit deposits in single institutions that expose AS to custodial credit risk. Management believes the organization is not exposed to any significant credit risk related to cash.

The AS cash investment portfolio consists entirely of investments in LAIF, a voluntary program created by statute as an alternative for California's local governments and special districts that allow affiliates to participate in a major investment portfolio. It is under the administration of the California State Treasurer's Office. There are no significant interest rate risks or credit risks to be disclosed in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*.

NOTE 3 - EXEMPT STATUS

AS is exempt from federal income tax under Internal Revenue Code 501(c)(3), and California franchise tax under California Revenue and Taxation Code Section 23701. Accordingly, no provision for income taxes has been reflected in these financial statements.

Unrelated business income tax: The Tax Reform Act of 1969 imposes a corporate income tax on the unrelated business taxable income (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 year ended June 30, 2014.

**ASSOCIATED STUDENTS OF
HUMBOLDT STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 4 - CAPITAL ASSETS

The change in capital assets for the year ended June 30, 2014, is as follows:

| | <u>Balance 6/30/13</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 6/30/14</u> |
|--------------------------|----------------------------|------------------|------------------|----------------------------|
| Improvements | \$ 35,418 | \$ - | \$ - | \$ 35,418 |
| Equipment | 29,013 | | (9,641) | 19,372 |
| Accumulated Depreciation | <u>(63,641)</u> | <u>(337)</u> | <u>9,641</u> | <u>(54,337)</u> |
| Capital Assets, net | <u>\$ 790</u> | <u>\$ 337</u> | <u>\$ -</u> | <u>\$ 453</u> |

Total depreciation expense of \$337 for 2014 has been charged to operations.

NOTE 5 - STUDENT LOAN FUNDS

Humboldt State University, Office of Financial Aid, administers two student loan funds that were originally funded by the AS in 1972 and 1973. The balances of these loan funds as of June 30, 2014 are as follows:

| | |
|------------------|------------------|
| Loan Fund | \$ 20,217 |
| EOP Loan Fund | <u>7,930</u> |
| Total Loan Funds | <u>\$ 28,147</u> |

These loan funds were removed from the books of the AS effective July 1, 1993. In the unlikely event that the Office of Financial Aid ceases to use the funds for their intended purpose, they must be returned to the AS.

**ASSOCIATED STUDENTS OF
HUMBOLDT STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSES

Expenses by functional classification are as follows:

| | |
|---|---------------------|
| AS Program Expenses: | |
| Cultural Affairs | \$ 31,488 |
| Student Services | 344,867 |
| Community Services | 55,301 |
| Intramural Recreation | 46,008 |
| Student Government | <u>96,111</u> |
| Total AS Program Expenses | 573,775 |
| Instructional Related Activities (IRA) Expenses | <u>455,579</u> |
| Total Program Expenses | 1,029,354 |
| General and Administrative Expenses | <u>299,248</u> |
| Total Operating Expenses | <u>\$ 1,328,602</u> |

NOTE 7 - UNRESTRICTED NET POSITION

Unrestricted net position consists of the following board designated classifications as of June 30, 2014:

| | |
|-------------------------------------|-------------------|
| General Operating Reserve | \$ 345,306 |
| Facilities/Special Projects Reserve | 55,687 |
| Capital Purchase Reserve | <u>54,212</u> |
| Subtotal | <u>\$ 455,205</u> |

The AS Council approved an expenditure of up to \$11,540 from the Special Projects/Facilities Reserve fund in May 2012 for costs associated with purchase of supplies and materials for a campus community garden shed, bedding materials, fencing and a rainwater catchment system. The funds were not expended as of June 30, 2014.

NOTE 8 - ACCOUNTS AND OTHER RECEIVABLES

Accounts and Other Receivables, as of June 30, 2014, of \$83,645 include unspent student body organization's funds of \$68,898. Statutes 89301-89302 of the Education Code state that the chief fiscal officer of each campus of the California State University shall be custodian of these monies. These funds may be expended by the custodian only upon the submission of an appropriate claim schedule. Accounts and other receivables also include accrued interest of \$334 and other accounts receivable of \$14,413.

**ASSOCIATED STUDENTS OF
HUMBOLDT STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 9 - RELATED PARTY TRANSACTIONS

AS has an agreement with the University Center (UC) for the UC to provide accounting and administrative services. Payment per the agreement/contract includes \$167,410 under this agreement for the year ended June 30, 2014. AS owes UC \$100 as of June 30, 2014, which is included in accounts payable.

For the year ending June 30, 2014, AS paid HSU \$328,691 for a wide range of services, including business management, reimbursement of salary and benefits of HSU personnel working for AS, and other services. AS accounts payable includes \$-0- to HSU as of June 30, 2014.

HSU administers student activity fees and instructional related activities fees and remits them to AS throughout the year. AS accounts receivable includes \$14,477 from HSU as of June 30, 2014. For the year ending June 30, 2014, HSU also paid AS \$12,874 for AS services, space and programs.

OTHER SUPPLEMENTARY INFORMATION

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Schedule of Net Position

June 30, 2014

(for inclusion in the California State University)

| | |
|---|-------------------|
| Assets: | |
| Current assets: | |
| Cash and cash equivalents | \$ 132,919 |
| Short-term investments | 273,848 |
| Accounts receivable, net | 83,645 |
| Leases receivable, current portion | — |
| Notes receivable, current portion | — |
| Pledges receivable, net | — |
| Prepaid expenses and other assets | 558 |
| Total current assets | <u>490,970</u> |
| Noncurrent assets: | |
| Restricted cash and cash equivalents | — |
| Accounts receivable, net | — |
| Leases receivable, net of current portion | — |
| Notes receivable, net of current portion | — |
| Student loans receivable, net | — |
| Pledges receivable, net | — |
| Endowment investments | — |
| Other long-term investments | — |
| Capital assets, net | 453 |
| Other assets | — |
| Total noncurrent assets | <u>453</u> |
| Total assets | <u>491,423</u> |
| Deferred outflows of resources: | |
| Unamortized loss on refunding(s) | — |
| Total deferred outflows of resources | <u>—</u> |
| Liabilities: | |
| Current liabilities: | |
| Accounts payable | 18,889 |
| Accrued salaries and benefits payable | — |
| Accrued compensated absences— current portion | — |
| Unearned revenue | — |
| Capitalized lease obligations – current portion | — |
| Long-term debt obligations – current portion | — |
| Self-insurance claims liability - current portion | — |
| Depository accounts | — |
| Other liabilities | — |
| Total current liabilities | <u>18,889</u> |
| Noncurrent liabilities: | |
| Accrued compensated absences, net of current portion | — |
| Unearned revenue | 16,876 |
| 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 obligator | — |
| Other liabilities | — |
| Total noncurrent liabilities | <u>16,876</u> |
| Total liabilities | <u>35,765</u> |
| Deferred inflows of resources: | |
| Deferred inflows from SCAs, grants, and others | — |
| Total deferred inflows of resources | <u>—</u> |
| Net Position: | |
| Net investment in capital assets | 453 |
| Restricted for: | |
| Nonexpendable – endowments | — |
| Expendable: | |
| Scholarships and fellowships | — |
| Research | — |
| Loans | — |
| Capital projects | — |
| Debt service | — |
| Other | — |
| Unrestricted | 455,205 |
| Total net position | <u>\$ 455,658</u> |

See the accompanying auditors' report and note to supplementary information

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2014

(for inclusion in the California State University)

Revenues:

Operating revenues:

| | |
|--|-------------------------|
| Student tuition and fees (net of scholarship allowances of \$_____) | \$ 812,451 |
| 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 \$_____) | 518,473 |
| Other operating revenues | — |
| Total operating revenues | <u>1,330,924</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 | 1,328,265 |
| Depreciation and amortization | 337 |
| Total operating expenses | <u>1,328,602</u> |
| Operating income (loss) | <u>2,322</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 | 2,294 |
| Endowment income (loss), net | — |
| Interest Expenses | — |
| Other nonoperating revenues (expenses) | — |
| Net nonoperating revenues (expenses) | <u>2,294</u> |
| Income (loss) before other additions | 4,616 |
| State appropriations, capital | — |
| Grants and gifts, capital | — |
| Additions (reductions) to permanent endowments | — |
| Increase (decrease) in net position | <u>4,616</u> |

Net position:

| | |
|---|--------------------------|
| Net position at beginning of year, as previously reported | 451,042 |
| Restatements | — |
| Net position at beginning of year, as restated | <u>451,042</u> |
| Net position at end of year | <u><u>\$ 455,658</u></u> |

See the accompanying auditors' report and note to supplementary information.

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY
 Other Information
 June 30, 2014
 (for inclusion in the California State University)

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

| | | |
|---|-------------|-----------|
| Portion of restricted cash and cash equivalents related to endowments | \$ - | |
| All other restricted cash and cash equivalent: | - | |
| Total restricted cash and cash equivalents | <u>\$ -</u> | OK |

2.1 Composition of investments at June 30, 2014:

| | 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) | 273,848 | - | 273,848 | - | - | - | 273,848 |
| Wachovia Short Term Fund | - | - | - | - | - | - | - |
| Wachovia Medium Term Fund | - | - | - | - | - | - | - |
| Wachovia Equity Fund | - | - | - | - | - | - | - |
| CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF) | - | - | - | - | - | - | - |
| Common Fund - Short Term Fund | - | - | - | - | - | - | - |
| Common Fund - Other: | - | - | - | - | - | - | - |
| Debt securities | - | - | - | - | - | - | - |
| Equity securities | - | - | - | - | - | - | - |
| Fixed income securities (Treasury notes, GNMA's) | - | - | - | - | - | - | - |
| Land and other real estate | - | - | - | - | - | - | - |
| Certificates of deposit | - | - | - | - | - | - | - |
| Notes receivable | - | - | - | - | - | - | - |
| Mutual funds | - | - | - | - | - | - | - |
| Money Market funds | - | - | - | - | - | - | - |
| Collateralized mortgage obligations | - | - | - | - | - | - | - |
| Inverse floaters | - | - | - | - | - | - | - |
| Interest-only strips | - | - | - | - | - | - | - |
| Agency pass-through | - | - | - | - | - | - | - |
| Partnership interests (includes private pass-through) | - | - | - | - | - | - | - |
| Alternative investment | - | - | - | - | - | - | - |
| Hedge funds | - | - | - | - | - | - | - |
| Other major investments | - | - | - | - | - | - | - |
| Add description | - | - | - | - | - | - | - |
| Add description | - | - | - | - | - | - | - |
| Add description | - | - | - | - | - | - | - |
| Add description | - | - | - | - | - | - | - |
| Add description | - | - | - | - | - | - | - |
| Add description | - | - | - | - | - | - | - |
| Total investments | <u>273,848</u> | <u>-</u> | <u>273,848</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>273,848</u> |
| Less endowment investments (enter as negative number) | - | - | - | - | - | - | - |
| Total investments | <u>273,848</u> | <u>-</u> | <u>273,848</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>273,848</u> |
| | | | OK | | | OK | OK |

OK

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

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2013 : | - | - | - | - | - | - | - |
|---|---|---|---|---|---|---|---|

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

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

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

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

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Other Information

June 30, 2014

(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2014

| | Balance June 30, 2013 | Prior period Adjustments | Reclassifications | Balance June 30, 2013 (restated) | Additions | Reductions | Transfers of Completed CWIP | Balance June 30, 2014 |
|--|--------------------------|-----------------------------|-------------------|--|-----------|------------|-----------------------------------|--------------------------|
| Nondepreciable/nonamortizable capital assets: | | | | | | | | |
| Land and land improvement | \$ - | - | - | - | - | - | - | - |
| Works of art and historical treasures | - | - | - | - | - | - | - | - |
| Construction work in progress (CWIP) | - | - | - | - | - | - | - | - |
| Intangible assets: | | | | | | | | |
| Rights and easements | - | - | - | - | - | - | - | - |
| Patents, copyrights and trademarks | - | - | - | - | - | - | - | - |
| Internally generated intangible assets in progress | - | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Other intangible assets: | | | | | | | | |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| Total intangible assets | - | - | - | - | - | - | - | - |
| Total nondepreciable/nonamortizable capital assets | - | - | - | - | - | - | - | - |
| Depreciable/amortizable capital assets: | | | | | | | | |
| Buildings and building improvement | - | - | - | - | - | - | - | - |
| Improvements, other than building | 35,418 | - | - | 35,418 | - | - | - | 35,418 |
| Infrastructure | - | - | - | - | - | - | - | - |
| Leasehold improvement: | | | | | | | | |
| Personal property: | | | | | | | | |
| Equipment | 29,013 | - | - | 29,013 | - | (9,641) | - | 19,372 |
| Library books and materials | - | - | - | - | - | - | - | - |
| Intangible assets: | | | | | | | | |
| Software and websites | - | - | - | - | - | - | - | - |
| Rights and easements | - | - | - | - | - | - | - | - |
| Patents, copyright and trademark: | | | | | | | | |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Other intangible assets: | | | | | | | | |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| Total intangible assets | - | - | - | - | - | - | - | - |
| Total depreciable/amortizable capital assets | 64,431 | - | - | 64,431 | - | (9,641) | - | 54,790 |
| Total capital assets | 64,431 | - | - | 64,431 | - | (9,641) | - | 54,790 |
| Less accumulated depreciation/amortization: | | | | | | | | |
| Buildings and building improvement | (35,418) | - | - | (35,418) | - | - | - | (35,418) |
| Improvements, other than building | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - |
| Leasehold improvement: | | | | | | | | |
| Personal property: | | | | | | | | |
| Equipment | (28,223) | - | - | (28,223) | (337) | 9,641 | - | (18,919) |
| Library books and materials | - | - | - | - | - | - | - | - |
| Intangible assets: | | | | | | | | |
| Software and websites | - | - | - | - | - | - | - | - |
| Rights and easements | - | - | - | - | - | - | - | - |
| Patents, copyright and trademark: | | | | | | | | |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Other intangible assets: | | | | | | | | |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| Total intangible assets | - | - | - | - | - | - | - | - |
| Total accumulated depreciation/amortization | (63,641) | - | - | (63,641) | (337) | 9,641 | - | (54,337) |
| Total capital assets, net | \$ 790 | - | - | 790 | (337) | - | - | 453 |
| | | | OK | | | | OK | OK |

See accompanying auditors' report and note to supplementary information

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY
 Other Information
 June 30, 2014
 (for inclusion in the California State University)

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

| | | |
|---|---------------|-----------|
| Depreciation and amortization expense related to capital assets | \$ 337 | |
| Amortization expense related to other asset | <u>—</u> | |
| Total depreciation and amortization | <u>\$ 337</u> | OK |

4 Long-term liabilities activity schedule:

| | Balance June 30, 2013 | Prior period adjustments | Reclassifications | Balance June 30, 2013 (restated) | Additions | Reductions | Balance June 30, 2014 | Current portion | Long-term portion | | |
|--|--------------------------|-----------------------------|-------------------|--|-----------|------------|--------------------------|--------------------|----------------------|----|----|
| Accrued compensated absences | \$ — | — | — | — | — | — | — | — | — | OK | OK |
| Capitalized lease obligations: | | | | | | | | | | | |
| Gross balance | — | — | — | — | — | — | — | — | — | | |
| Unamortized premium / (discount) on capitalized lease obligation | — | — | — | — | — | — | — | — | — | | |
| Total capitalized lease obligations | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | OK | OK |
| Long-term debt obligations: | | | | | | | | | | | |
| Revenue Bonds | — | — | — | — | — | — | — | — | — | OK | |
| 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> | OK | OK |
| Total long-term liabilities | <u>\$ —</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | | |

5 Future minimum lease payments - capital lease obligations:

| | 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 minimum lease payments | | | <u>—</u> | |
| Less amounts representing interest | | | <u>—</u> | |
| Present value of future minimum lease payments | | | <u>—</u> | |
| Less: current portion | | | <u>—</u> | OK |
| Capitalized lease obligation, net of current portion | | | <u>\$ —</u> | OK |

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY
 Other Information
 June 30, 2014
 (for inclusion in the California State University)

6 Long-term debt obligation schedule

| | Revenue Bonds | | | All other long-term debt obligations | | | Total | | | |
|----------------------|---------------|----------|------------------------|--------------------------------------|----------|------------------------|-----------|----------|------------------------|----|
| | Principal | Interest | Principal and Interest | Principal | Interest | Principal and Interest | Principal | Interest | Principal and Interest | |
| Year ending June 30: | | | | | | | | | | |
| 2014 | \$ - | - | - | - | - | - | - | - | - | OK |
| 2015 | - | - | - | - | - | - | - | - | - | |
| 2016 | - | - | - | - | - | - | - | - | - | |
| 2017 | - | - | - | - | - | - | - | - | - | |
| 2018 | - | - | - | - | - | - | - | - | - | |
| 2019 - 2023 | - | - | - | - | - | - | - | - | - | |
| 2024 - 2028 | - | - | - | - | - | - | - | - | - | |
| 2029 - 2033 | - | - | - | - | - | - | - | - | - | |
| 2034 - 2038 | - | - | - | - | - | - | - | - | - | |
| 2039 - 2043 | - | - | - | - | - | - | - | - | - | |
| 2044 - 2048 | - | - | - | - | - | - | - | - | - | |
| 2049 - 2053 | - | - | - | - | - | - | - | - | - | |
| 2054 - 2058 | - | - | - | - | - | - | - | - | - | |
| 2059 - 2063 | - | - | - | - | - | - | - | - | - | |
| Total | \$ - | - | - | - | - | - | - | - | - | OK |

7 Calculation of net position

| | Auxiliary Organizations | | Total | |
|--|-------------------------|------|-------------|----|
| | GASB | FASB | Auxiliaries | |
| 7.1 Calculation of net position - Net investment in capital assets | | | | |
| Capital assets, net of accumulated depreciation | \$ 453 | — | 453 | OK |
| Capitalized lease obligations - current portion | — | — | — | OK |
| Capitalized lease obligations, net of current portion | — | — | — | OK |
| Long-term debt obligations - current portion | — | — | — | OK |
| Long-term debt obligations, net of current portion | — | — | — | OK |
| Portion of outstanding debt that is unspent at year-end | — | — | — | |
| Other adjustments: (please list) | | | | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Net position - net investment in capital asset | \$ 453 | — | 453 | |
| | | | OK | |
| 7.2 Calculation of net position - Restricted for nonexpendable - endowments | | | | |
| Portion of restricted cash and cash equivalents related to endowments | \$ — | — | — | OK |
| Endowment investments | — | — | — | OK |
| Other adjustments: (please list) | | | | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Add description | — | — | — | |
| Net position - Restricted for nonexpendable - endowments per SNP | \$ — | — | — | |
| | | | OK | |

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Other Information

June 30, 2014

(for inclusion in the California State University)

8 Transactions with Related Entities

| | <u>Amount</u> |
|---|---------------|
| Payments to University for salaries of University personnel working on contracts, grants, and other program | \$ 105,045 |
| Payments to University for other than salaries of University personnel | 223,646 |
| Payments received from University for services, space, and program | 12,874 |
| Gifts-in-kind to the University from Auxiliary Organization | — |
| Gifts (cash or assets) to the University from recognized Auxiliary Organization | — |
| Accounts (payable to) University (enter as negative number) | (7,816) |
| Other amounts (payable to) University (enter as negative number) | — |
| Accounts receivable from University | — |
| Other amounts receivable from University | 14,477 |

9 Other Postemployment Benefits Obligation (OPEB)

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

OK

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> |

See accompanying auditors' report and note to supplementary information

ASSOCIATED STUDENTS OF HUMBOLDT STATE UNIVERSITY

Other Information

June 30, 2014

(for inclusion in the California State University)

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, 2013, as previously reported | | \$ 451,042 | OK |
| Prior period adjustments | | | |
| 1 (list description of each adjustment) | | — | |
| 2 (list description of each adjustment) | | — | |
| 3 (list description of each adjustment) | | — | |
| 4 (list description of each adjustment) | | — | |
| 5 (list description of each adjustment) | | — | |
| 6 (list description of each adjustment) | | — | |
| 7 (list description of each adjustment) | | — | |
| 8 (list description of each adjustment) | | — | |
| 9 (list description of each adjustment) | | — | |
| 10 (list description of each adjustment) | | — | |
| Net position as of June 30, 2013, as restated | | <u>\$ 451,042</u> | OK |

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

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

OK

**ASSOCIATED STUDENTS OF
HUMBOLDT STATE UNIVERSITY
NOTE TO SUPPLEMENTARY INFORMATION
June 30, 2014**

NOTE 1 – SUPPLEMENTARY SCHEDULES

As an auxiliary organization of the California State University (CSU), Associated Students of Humboldt State University (AS) is required to include audited supplementary information in its financial statements in the form and content specified by CSU. As a result, there are differences in reporting format between the AS financial statements and the supplementary schedules for CSU.

ADDITIONAL INFORMATION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Associated Students Council
Associated Students of Humboldt State University
Arcata, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of Associated Students of Humboldt State University, a component unit of Humboldt State University (HSU), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Associated Students of Humboldt State University's basic financial statements, and have issued our report thereon dated September 12, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Associated Students of Humboldt State University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Associated Students of Humboldt State University's internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students of Humboldt State University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

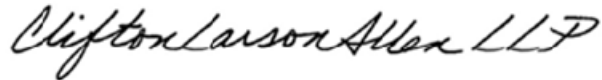
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Associated Students of Humboldt State University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Bellevue, Washington
September 12, 2014