

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA POLYTECHNIC STATE UNIVERSITY,  
SAN LUIS OBISPO**

**Financial Statements and Supplementary  
Information for the Year Ended June 30, 2015  
and Independent Auditors' Report**

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**TABLE OF CONTENTS**

	<b>Page</b>
<b>FINANCIAL STATEMENTS</b>	
Independent Auditors' Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Financial Position – University Union	22
Schedule of Activities – University Union	23
GASB Schedule of Net Position	24
GASB Schedule of Revenues, Expenses and Changes in Net Position	25
Other Information	26

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Associated Students, Inc.  
California Polytechnic State University, San Luis Obispo  
San Luis Obispo, California

We have audited the accompanying financial statements of Associated Students, Inc., California Polytechnic State University, San Luis Obispo, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year 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 audit. We conducted our audit 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

## INDEPENDENT AUDITORS' REPORT - Continued

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, Inc., California Polytechnic State University, San Luis Obispo as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Report on Summarized Comparative Information*

We have previously audited the Associated Students, Inc., California Polytechnic State University, San Luis Obispo's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 2, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Associated Students, Inc., California Polytechnic State University, San Luis Obispo.

### *Other Matter*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Financial Position – University Union, Schedule of Activities – University Union, GASB Schedule of Net Position, GASB Schedule of Revenues, and Other Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Financial Position – University Union, Schedule of Activities – University Union, GASB Schedule of Net Position, GASB Schedule of Revenues, and Other Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 Schedule of Financial Position – University Union, Schedule of Activities – University Union, GASB Schedule of Net Position, GASB Schedule of Revenues, and Other Information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Vorlein, Hagen + Co.*

Calabasas, California  
September 8, 2015

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2015**  
**(WITH COMPARATIVE TOTALS FOR 2014)**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 105,897	\$ 290,265
Accounts receivable	153,642	150,747
Other receivables	77,005	65,994
Investments	4,173,500	3,705,770
Deposits and prepaid expenses	222,604	127,843
Inventory	62,749	63,970
Related party receivable	38,263	720,005
Property and equipment, net	<u>1,018,674</u>	<u>1,017,072</u>
 Total assets	 <u>\$ 5,852,334</u>	 <u>\$ 6,141,666</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 281,205	\$ 318,354
Accrued payable and related liabilities	415,044	475,294
Related party payable	236,093	227,745
Post-retirement benefit payable	474,093	313,569
Deferred revenue	217,351	257,319
Funds held for others	<u>1,256,203</u>	<u>1,145,853</u>
Total liabilities	2,879,989	2,738,134
 <b>NET ASSETS</b>		
Unrestricted	<u>2,972,345</u>	<u>3,403,532</u>
Total net assets	<u>2,972,345</u>	<u>3,403,532</u>
 Total liabilities and net assets	 <u>\$ 5,852,334</u>	 <u>\$ 6,141,666</u>

See accompanying auditors' report and notes to financial statements.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(WITH COMPARATIVE TOTALS FOR 2014)**

	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>		
Student activity fees	\$ 5,984,061	\$5,710,124
Operating revenue from student activity fees	6,017,299	9,913,181
Revenue from operations	1,279,999	1,063,254
Government service contracts	175,404	154,006
Contributions and grants	381,213	327,107
Parent fees	853,207	819,891
Investment income	22,238	22,897
Other income	106,981	71,777
Rental income	331,607	361,931
Gain (loss) on sale of fixed assets	(6,558)	(5,183)
Contract settlements	<u>(682,408)</u>	<u>(5,182)</u>
	14,463,043	18,433,803
<b>EXPENSES</b>		
Student program expenses	11,123,082	13,273,211
Children's center expenses	1,699,499	1,623,555
Administrative expenses	1,895,594	1,684,375
Depreciation	<u>176,055</u>	<u>258,459</u>
Total expenses	<u>14,894,230</u>	<u>16,839,600</u>
<b>CHANGE IN NET ASSETS</b>	(431,187)	1,594,203
<b>NET ASSETS - beginning of year</b>	<u>3,403,532</u>	<u>1,809,329</u>
<b>NET ASSETS - end of year</b>	<u>\$ 2,972,345</u>	<u>\$3,403,532</u>

See accompanying auditors' report and notes to financial statements.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(WITH COMPARATIVE TOTALS FOR 2014)**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (431,187)	\$ 1,594,203
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	176,055	258,459
(Gain) loss on disposal of property	6,558	5,183
(Increase) decrease in:		
Accounts receivable	(2,895)	(64,859)
Other receivables	(11,011)	(5,087)
Deposits and prepaid expenses	(94,761)	(22,392)
Inventory	1,221	(8,225)
Related party receivable	681,742	790,600
Increase (decrease) in:		
Accounts payable and accrued expenses	(37,149)	203,407
Accrued payroll and related liabilities	(60,250)	12,906
Related party payable	8,348	12,253
Post-retirement benefit payable	160,524	(4,705,793)
Deferred revenue	(39,968)	(14,059)
Contract advances	-	(7,169)
Funds held for others	<u>110,350</u>	<u>50,577</u>
Total adjustments	<u>898,764</u>	<u>(3,494,199)</u>
Net Cash Provided (Used) by Operating Activities	467,577	(1,899,996)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	9,531,998	16,216,811
Purchases of investments	(9,999,728)	(14,126,690)
Property and equipment purchases	<u>(184,215)</u>	<u>(31,076)</u>
Net Cash Provided (Used) by Investing Activities	<u>(651,945)</u>	<u>2,059,045</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of mortgage payable	<u>-</u>	<u>(99,647)</u>
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>(99,647)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(184,368)	59,402
<b>CASH AT BEGINNING OF YEAR</b>	<u>290,265</u>	<u>230,863</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 105,897</u>	<u>\$ 290,265</u>
<b>Non-cash activities:</b>		
Transfer construction in progress to property and equipment	<u>\$ 120,067</u>	<u>\$ 27,773</u>
<b>Supplemental disclosure:</b>		
Interest paid	<u>\$ -</u>	<u>\$ 5,749</u>

See accompanying auditors' report and notes to financial statements.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**1. ORGANIZATION**

*Nature of Activities*

The Associated Students, Inc. (ASI) is a non-profit auxiliary organization of California Polytechnic State University at San Luis Obispo (University). Associated Students, Inc. is operated to provide activities funded by the student government and its Boards, and committees and student organizations, and to provide activities for the University Union facilities, programs and services.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting and Reporting*

The financial statements of the Associated Students, Inc. have been prepared on the accrual basis of accounting in accordance with the accounting instructions for auxiliary organizations as issued by the Office of the Chancellor of the California State University. For reporting purposes, the activities of the Organization have been combined into programs and activities as follows:

**Administrative** - Accounts for the general and administrative expenses not directly allocated to the programs and activities of the Associated Students, Inc.

**Children's Center** - Accounts for the activities of the Children's Center. The center is operated to provide child-care services to students attending the University.

**Student Programs** - Accounts for the various activities and services provided to students attending the University.

**Campus Programs** - Accounts for amounts held in custody for University student organizations and funds designated for purposes as stated by supporting agencies or donors.

The Associated Students, Inc. prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America. The significant accounting and reporting policies used by The Associated Students, Inc. are described below to enhance the usefulness and understandability of the financial statements.

*Financial Statement Presentation*

The financial statements are presented based on Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. ASC Topic 958, Sections 210 and 225 requires classification of the Associated Students, Inc.'s net assets, revenues as well as expenses based on the existence or absence of donor-imposed restrictions. The statement requires presentation of the amounts for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – in the statement of financial position and the amounts of change in each of those classes of net assets in the statement of activities.



**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Net Assets*

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- *Unrestricted net assets.* Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
- *Temporarily restricted net assets.* Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use, as is the unspent appreciation of its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use. Associated Students, Inc. did not have any temporarily restricted net assets at June 30, 2015.
- *Permanently restricted net assets.* Permanently restricted net assets are resources whose use by the Organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. Associated Students, Inc. did not have any permanently restricted net assets at June 30, 2015.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses are reported as decreases in unrestricted net assets.

*Cash Equivalents*

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. At year-end, and throughout the year, the Associated Students, Inc.'s cash balances, deposited in various banks, exceeded federally insured limits. Management believes the Associated Students, Inc. is not exposed to any significant credit risk on cash and cash equivalents.

*Inventories*

Inventories have been valued at the lower of cost, determined on a first-in first-out basis, or market.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Investments*

Investments in marketable securities with readily redeemable fair values and all investments in debt securities are carried at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in restricted net assets in the accompanying statement of activities.

*Accounts and Other Receivables*

Receivables consist of parent fees, commercial and credit card receivable balances at year end. Receivables are primarily unsecured amounts for cost reimbursement or for services performed. Receivables are stated at the amount management expects to collect from outstanding balances. The Associated Students, Inc. considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made. The accounts receivable and other receivables balances at June 30, 2015 were \$153,642 and \$77,005, respectively.

*Prepaid Expenses*

Prepaid deposits and other costs are expensed ratably over their respective terms of agreement.

*Accounting for Contributions*

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

*Contributed Goods and Services*

Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. Contributions of services are recognized if the services received meet any of these criteria: (1) if they create or enhance nonfinancial assets and (2) if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Associated Students, Inc. may receive donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition under Financial Accounting Standards Board FASB ASC 958-605-50-1 have not been satisfied.

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Government Revenue*

Government revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Government revenue from federal agencies is subject to independent audit under the Office of Management and Budget Circular A-133 and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Associated Students, Inc.'s management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Associated Students, Inc.

*Revenue Recognition*

Revenues from government agencies, student fees, operational fees for services provided under such contracts are recognized when earned by Associated Students, Inc.'s. All gifts, bequests, and other public support are included in unrestricted net assets unless specifically restricted by the donor or the terms of the gift or grant instrument. Amounts received in excess of balances earned are recognized as liabilities.

Revenue received where the restriction is met in the same fiscal year is reported under unrestricted net assets.

*Accrued Leave Liability*

Accrued leave benefits are accrued on a monthly basis. Full-time employees accrue vacation time based upon years of service to the Associated Students, Inc. as follows:

<u>Years Employed</u>	<u>Annualized Accrual</u>
0 - 3 years	10 Days
3 - 6 years	15 Days
6 - 10 years	17 Days
10 - 15 years	19 Days
15 - 20 years	21 Days
20 - 25 years	23 Days
25 + years	24 Days

Unused vacation leave will be paid at the time of termination. Total accrued leave liability at June 30, 2015, was \$264,564.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Property and Equipment*

Land, buildings, property, and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land, buildings, and property are capitalized. The minimum dollar amount for capitalizing and depreciating an asset is \$5,000. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	10 - 20 years
Building Improvements	3 - 20 years
Computer Equipment	3 - 8 years
Furniture and Equipment	2 - 20 years

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

*Work In Progress*

Associated Students, Inc. had one work in progress project relating to installation of hydration stations during the year ended June 30, 2015. Related costs are included in work in progress in the Statement of Financial Position under property and equipment at June 30, 2015.

*Income Taxes*

The Associated Students, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

The Associated Students, Inc. has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the year ended June 30, 2015, the Associated Students, Inc. had no material unrecognized tax benefits, tax penalties or interest.

The Associated Students, Inc.'s Forms 990, *Return of Organization Exempt from Income Tax*, for each of the tax years ended June 30, 2014, 2013, and 2012, are subject to examination by the IRS, generally for 3 years after they were filed.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Post-Retirement Benefits*

In accordance with the Financial Accounting Standards Board FASB ASC 715-60 (formerly SFAS No. 106), Employers' Accounting for Post-Retirement Benefits Other Than Pensions, the Associated Students, Inc.'s post-retirement benefits other than pensions are to be accrued when earned rather than when paid.

*Functional Expenses*

Expenses are charged directly to program, activity or administration in general categories based on specific identification. Indirect expenses have been allocated based on salary, square footage and terminal port calculations.

*Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Associated Students, Inc.'s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Associated Students, Inc.'s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

*Reclassifications*

Certain amounts in the 2014 comparative totals have been reclassified to conform with the 2015 reporting format.

*Comparative Totals*

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Associated Students, Inc.'s financial statements for the year ended June 30, 2014 from which the summarized information was derived.

*Fair Value Measurements*

The Associated Students, Inc. reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Fair Value Measurements - Continued*

- *Level 1* - Quoted prices for identical assets or liabilities in active markets to which the Associated Students, Inc. has access on the measurement date.
- *Level 2* - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3* - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents and accounts receivable approximate fair value because of the terms and relatively short maturity of these financial instruments.

The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, the Associated Students, Inc. measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

**3. CASH AND CASH EQUIVALENTS**

The Associated Students, Inc. maintains their cash in bank deposit accounts at various financial institutions. The balances, at times, may exceed federally insured limits.

The estimated fair values of the Associated Students, Inc.'s cash and cash equivalents, none of which are held for trading purposes, approximates its carrying value.

Cash consists of checking and savings accounts. The majority of the savings account is invested in the California Polytechnic State University Trust (CSU Consolidated Investment Pool). Of this amount, \$1,256,203 is held in custody for student organizations and certain campus programs. Interest earned on amounts held in custody for student organizations and campus programs is allocated to the respective organizations.

The Associated Students, Inc. maintains cash balances at one financial institution located in Central California. The depository balance of this account at June 30, 2015 is \$105,897. Of the depository balance, up to \$250,000 was covered by Federal Depository Insurance.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

**4. INVESTMENTS**

The Associated Students, Inc. measures fair value in accordance with FASB ASC 820-10. FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires the Associated Students, Inc. to develop its own assumptions. The Associated Students, Inc. uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Associated Students, Inc. measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. All assets reported at fair value at June 30, 2015, are Level 1 inputs.

	Fair Value
Short-term investments	<u>\$ 4,173,500</u>
Total investments	<u>\$ 4,173,500</u>

Short-term investments represent a portion of funds held by the Campus on behalf of the Associated Students, Inc. which are redeemable in cash in accordance with Campus Policies. The Campus, in turn, holds the funds in the CSU Consolidated Investment Pool.

As discussed, the Associated Students, Inc. is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Associated Students, Inc.'s valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of June 30, 2015. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value that can be redeemed in the near term. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

	Total	Level 1
Short-term investments	<u>\$ 4,173,500</u>	<u>\$ 4,173,500</u>
	<u>\$ 4,173,500</u>	<u>\$ 4,173,500</u>

At June 30, 2015, the Associated Students, Inc. did not have any investments measured using Level 2 or Level 3 inputs.

The composition of the investment return reported in the statement of activities as follows:

Investment income	<u>\$ 22,238</u>
Total investment return	<u>\$ 22,238</u>

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)**

**5. RELATED PARTY TRANSACTIONS**

Related party receivables consist of the following:

	June 30, 2015
California Polytechnic State University	\$ 24,798
Cal Poly Corporation	13,465
	\$ 38,263

The Associated Students, Inc. considers related party receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

Related party payables consist of the following:

	June 30, 2015
California Polytechnic State University	\$ 206,032
Cal Poly Corporation	30,061
	\$ 236,093

*Business Services Agreement*

On May 31, 1995, Associated Students, Inc., entered into an agreement with California Polytechnic Corporation (previously California Polytechnic State University Foundation) to provide business services to the Associated Students, Inc., and the University Union, a related entity. This agreement was extended through June 30, 2015. Effective July 1, 2014, the Associated Students, Inc. entered into an additional extension to the existing agreement through June 30, 2019. The future minimum payments under this agreement for the periods ended June 30, are as follows:

2015/16	\$ 308,420
2016/17	317,493
2017/18	326,838
2018/19	336,463
	\$ 1,289,214



**ASSOCIATED STUDENTS, INC.  
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)**

**6. PROPERTY AND EQUIPMENT**

Property, plant and equipment consist of the following:

	June 30, 2015
Buildings & Building Improvements	\$ 3,215,804
Equipment, Furniture and Fixtures	1,923,559
Work in Progress	2,034
	5,141,397
Less: Accumulated Depreciation	(4,122,723)
Total	\$ 1,018,674

Depreciation expense as of June 30, 2015 was \$176,055.

**7. EMPLOYEE BENEFITS**

*Defined Benefit Pension Plan*

*Description*

The Associated Students, Inc. contributes to the Public Employees' Retirement System of the State of California (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public agencies in California.

PERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the PERS annual financial report may be obtained from the PERS Executive Office, 400 P Street, Sacramento, California 95814.

All full-time employees are eligible to participate in PERS. Benefits vest after five years of service.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**7. EMPLOYEE BENEFITS - Continued**

*Securities of Associated Students, Inc. Included in Fund Assets*

As of June 30, 2015, no securities of the Associated Students, Inc. or related parties are included in PERS assets.

*Funding Policy*

Active plan members are required to contribute 5.0% of their adjusted salary to PERS and the Associated Students, Inc. is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the PERS Board of Administration. Significant actuarial assumptions used to compute the PERS pension benefit obligation includes an actuarial interest rate of 7.5% per annum and varying projected salary increases based on duration of service and including a 2.75% for inflation factor.

The total pension contribution for June 30, 2015 was \$593,497.

*Actuarially Determined Contribution Requirements and Contribution Made*

PERS uses the Entry Age Normal Actuarial Cost Method which is a projected benefit cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued.

According to this cost method, the normal cost for an employee is the level amount, which would fund the projected benefit if it were paid annually from date of employment until retirement. PERS uses a modification of the Entry Age Cost Method in which the employer's total normal cost is expressed as a level percentage of payroll. PERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement were determined based on an actuarial valuation performed as of June 30, 2013.

The Associated Students, Inc.'s plan is part of the 2% at 55 Risk Pool, as well as the 2% at 60 Risk Pool and the 2% at 62 Risk Pool. Each of these separate pools are cost-sharing multiple-employer defined benefits plans. Benefits for eligible employees hired before June 4, 2011 will be administered as part of the 2% at 55 Risk Pool plan, while benefits for eligible employees hired after June 4, 2011 will be administered as part of the 2% at 60 Risk Pool and employees hired on or after January 1, 2013 will be administered as part of the 2% at 62 Risk Pool. The disclosures below do not relate to newly issued Financial Accounting Standards Board FASB ASC 715 & 958 (formerly FASB 158) *Employers' Accounting for Defined Benefit Pension and Other Retirement Plans* because such guidance is not applicable to multiple-employer defined benefit plans.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**7. EMPLOYEE BENEFITS - Continued**

The Funding History below shows the actuarial accrued liability, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll for the 2% at 55 Risk Pool, as of June 30, 2013, the most recent actuarial study:

<b>Valuation Date</b>	<b>Accrued Liability (AL)</b>	<b>Share of Pool's Market Value of Assets (MVA)</b>	<b>Plan's Share of Pool's Unfunded Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>
06/30/2011	\$14,906,313	\$ 11,257,407	\$ 3,648,906	75.5%	\$ 3,161,794
06/30/2012	15,856,032	11,381,173	4,474,859	71.8%	3,038,062
06/30/2013	16,808,773	12,800,622	4,008,151	76.2%	2,765,706

The Funding History below shows the actuarial accrued liability, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll for the 2% at 60 Risk Pool, as of June 30, 2013, the most recent actuarial study:

<b>Valuation Date</b>	<b>Accrued Liability (AL)</b>	<b>Share of Pool's Market Value of Assets (MVA)</b>	<b>Plan's Share of Pool's Unfunded Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>
06/30/2012	\$ 40,784	\$ 32,551	\$ 8,233	79.8%	\$ 514,795
06/30/2013	116,918	98,580	18,338	84.3%	543,444

The Funding History below shows the actuarial accrued liability, the plan's share of the pool's market value of assets, plan's share of the pool's unfunded liability, funded ratio and the annual covered payroll for the 2% at 62 Risk Pool, as of June 30, 2013, the most recent actuarial study:

<b>Valuation Date</b>	<b>Accrued Liability (AL)</b>	<b>Share of Pool's Market Value of Assets (MVA)</b>	<b>Plan's Share of Pool's Unfunded Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>
06/30/2013	\$ 962	\$ 1,291	\$ (329)	134.2%	\$ 95,034

*Post-Retirement Benefits Other Than Pension Benefits - Health*

In addition to the pension benefits described, the Associated Students, Inc. provides post-retirement health care benefits to all eligible employees.

Employees hired on or prior to June 1, 2011 who retire from the Associated Students, Inc. on or after attaining age 50 with at least 5 years of CalPERS service credits are eligible to receive 100% of the active employees' monthly health contribution.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**7. EMPLOYEE BENEFITS - Continued**

Employees hired after June 1, 2011 who retire from the Associated Students, Inc. on or after attaining the age of 50 with at least 10 years of CalPERS service credits (with a minimum of 5 years of service with ASI) are eligible for 50% of the active employees' monthly health contribution. Retirees in this category receive an additional 5% credit toward the active employees' monthly health contribution for each additional year of service until they reach the maximum vesting schedule of 20 years. Once an employee reaches 20 years of service (with a minimum of 5 years of service with ASI), the retiree is eligible to receive 100% of the active employees' health contribution.

These health care benefits continue for life.

The plan's funding method is the pro-rata unit credit method. The accumulated plan benefit obligation at June 30, 2015 is \$11,410,502.

Plan expense is as follows:

	<u>June 30, 2015</u>
Current Service Cost	\$ 504,888
Interest	483,234
Expected return on plan assets	(750,875)
Amortization	<u>141,160</u>
	<u>\$ 378,407</u>

*Post-Retirement Benefits Disclosure*

Obligations and Funded Status at June 30, 2015 consists of the following:

Benefit obligation:	
Amendments	\$ N/A
Benefits paid	234,957
Benefit obligation at end of year	11,410,502
Plan assets	
Employer contribution	313,569
Plan participants' contributions	-
Fair value of plan assets at end of year	10,936,409
Funded status	
Funded status at end of year	(474,093)
Unrecognized net transition obligation	-
Unrecognized prior service costs	-
Unrecognized net actuarial (gain)/loss	3,532,193
Prepaid (accrued) benefit cost	3,058,100

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**7. EMPLOYEE BENEFITS - Continued**

*Post-Retirement Benefits Disclosure - Continued*

Measurement date	<u>June 30, 2015</u>
Assumptions	
Weighted-average assumptions used to determine benefit obligations at June 30, 2015	
Discount rate	4.6%
Expected long-term return on plan assets	7.00%
Rate of compensation increase	N/A
Health care cost trend rate assumed for next year	6.20%
Expected retiree payments over the next 10 years:	
2015/16	\$ 230,609
2016/17	253,523
2017/18	282,422
2018/19	317,104
2019/20	351,509
Thereafter – Next 5 years	2,203,126

The Associated Students, Inc. participates in and contributed \$313,569 to the Auxiliary Multiple Employer VEBA, a multiple employer VEBA for auxiliaries of the California State University System.

**8. FUNDS HELD FOR OTHERS**

Funds held for others at year end were \$1,256,203 and is held in custody for student organizations and certain campus programs. (Note 3)

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

**9. OPERATING LEASES**

Rental expense for the year ended June 30, 2015 was \$16,484. The following table summarizes the minimum future equipment rental fees payable under these noncancellable leases for the periods ending June 30:

2016	\$ 8,493
2017	7,766
2018	6,088
2019	1,902
2020	<u>507</u>
	<u>\$ 24,756</u>

**10. CONTRACT SETTLEMENTS**

During the year ended June 30, 2015 certain funds previously committed by and receivable from California Polytechnic State University, San Luis Obispo, related to student activity fees, were rescinded by California Polytechnic State University, San Luis Obispo. Accordingly, such amounts approximating \$671,000 were reflected in Contract Settlements at June 30, 2015.

**11. COMMITMENTS AND CONTINGENCIES**

The Associated Students, Inc. has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the contracts, it is believed that any required reimbursements will not be material.

**12. CONCENTRATION RISK**

The majority of the Associated Students, Inc.'s contributions and grants are received from corporations, foundations, and individuals located in the greater San Luis Obispo metropolitan area and from agencies of the state of California and San Luis Obispo County. As such, Associated Students, Inc.'s ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the state of California. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for Associated Students, Inc.'s services.

The Associated Students, Inc.'s investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to Associated Students, Inc.'s financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

**13. SUBSEQUENT EVENTS**

The Associated Students, Inc. has evaluated events subsequent to June 30, 2015, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 8, 2015, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**SUPPLEMENTARY INFORMATION**



**UNIVERSITY UNION**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**SCHEDULE OF FINANCIAL POSITION**  
**JUNE 30, 2015**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,900	\$ 2,400
Accounts receivable	13,425	9,890
Investments	527,492	453,298
Deposits and prepaid expenses	26,566	23,370
Inventory	62,087	63,970
Related party receivable	29,369	712,107
Property and equipment, net	<u>669,206</u>	<u>721,985</u>
 Total assets	 <u>\$1,330,045</u>	 <u>\$ 1,987,020</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 193,272	\$ 222,702
Accrued payable and related liabilities	224,746	192,641
Related party payable	177,926	205,302
Post-retirement benefit payable	298,679	110,311
Deferred revenue	<u>92,309</u>	<u>94,078</u>
 Total liabilities	 986,932	 825,034
 <b>NET ASSETS</b>		
Unrestricted	<u>343,113</u>	<u>1,161,986</u>
Total net assets	<u>343,113</u>	<u>1,161,986</u>
 Total liabilities and net assets	 <u>\$1,330,045</u>	 <u>\$ 1,987,020</u>

**UNIVERSITY UNION  
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO  
SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>		
Operating revenue from student activity fees	\$6,017,299	\$9,913,181
Revenue from operations	1,024,767	958,816
Contributions and grants	-	6,625
Related party reimbursements	856,977	1,239,273
Investment income	8,260	5,640
Other income	66,384	61,709
Rental income	287,964	361,931
Gain (loss) on sale of fixed assets	(6,558)	(5,183)
Contract settlements	<u>(681,309)</u>	<u>(7,777)</u>
	7,573,784	12,534,215
<b>EXPENSES</b>		
Personnel costs	5,869,248	8,632,719
Insurance	158,294	156,412
Utilities	536,719	591,378
Depreciation	122,056	166,950
Operation and maintenance of plant	630,250	484,342
Other program and service costs	<u>1,076,090</u>	<u>1,340,428</u>
Total expenses	<u>8,392,657</u>	<u>11,372,229</u>
<b>CHANGE IN NET ASSETS</b>	(818,873)	1,161,986
<b>NET ASSETS - beginning of year</b>	<u>1,161,986</u>	<u>-</u>
<b>NET ASSETS - end of year</b>	<u>\$ 343,113</u>	<u>\$1,161,986</u>

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**GASB SCHEDULE OF NET POSITION**  
**JUNE 30, 2015**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 105,897
Short-term investments	4,173,500
Accounts receivable, net	268,910
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	222,604
Total current assets	4,770,911
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	1,018,674
Other assets	62,749
Total noncurrent assets	1,081,423
Total assets	5,852,334
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension obligation	—
Total deferred outflows of resources	—
Liabilities:	
Current liabilities:	
Accounts payable	281,205
Accrued salaries and benefits payable	150,480
Accrued compensated absences— current portion	264,564
Unearned revenue	217,351
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Claims Liability for losses and LAE - current portion	—
Depository accounts	1,256,203
Other liabilities	—
Total current liabilities	2,169,803
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
Unearned revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims Liability for losses and LAE, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	474,093
Pension obligation	—
Other liabilities	236,093
Total noncurrent liabilities	710,186
Total liabilities	2,879,989
Deferred inflows of resources:	
Unamortized gain on debt refunding	—
Non-exchange transactions	—
Service concession arrangements	—
Net pension obligation	—
Total deferred inflows of resources	—
Net Position:	
Net investment in capital assets	1,018,674
Restricted for:	
Nonexpendable – endowments	
Expendable:	—
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	1,953,671
Total net position	\$ 2,972,345

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**GASB SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$_____)	\$ 5,984,061
Grants and contracts, noncapital:	
Federal	31,782
State	143,622
Local	—
Nongovernmental	374,898
Sales and services of educational activities	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)	—
Other operating revenues	7,900,127
Total operating revenues	<u>14,434,490</u>

Expenses:

Operating expenses:

Instruction	—
Research	—
Public service	—
Academic support	—
Student services	11,068,933
Institutional support	—
Operation and maintenance of plant	3,649,242
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	176,055
Total operating expenses	<u>14,894,230</u>
Operating income (loss)	<u>(459,740)</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	6,315
Investment income (loss), net	22,238
Endowment income (loss), net	—
Interest Expenses	—
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>28,553</u>
Income (loss) before other additions	<u>(431,187)</u>

State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	<u>(431,187)</u>

Net position:

Net position at beginning of year, as previously reported	3,403,532
Restatements	—
Net position at beginning of year, as restated	<u>3,403,532</u>
Net position at end of year	<u>\$ 2,972,345</u>

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>1</b>	<b>Restricted cash and cash equivalents at June 30, 2015:</b>	
	Portion of restricted cash and cash equivalents related to endowments	\$ -
	All other restricted cash and cash equivalents	<u>-</u>
	Total restricted cash and cash equivalents	<u>\$ -</u>



**ASSOCIATED STUDENTS, INC.  
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)**

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2015 :	4,173,500	-	4,173,500	-	-	-	4,173,500
<b>2.3 Restricted current investments at June 30, 2015 related to:</b>	<u>Amount</u>						
Add description	\$ —						
Add description	—						
Add description	—						
Add description	—						
Add description	—						
Add description	—						
Add description	—						
<b>Total restricted current investments at June 30, 2015</b>	<u>\$ —</u>						
<b>2.4 Restricted noncurrent investments at June 30, 2015 related to:</b>	<u>Amount</u>						
Endowment investment	\$ —						
Add description	—						
Add description	—						
Add description	—						
Add description	—						
Add description	—						
Add description	—						
Add description	—						
<b>Total restricted noncurrent investments at June 30, 2015</b>	<u>\$ —</u>						

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

3.1 Composition of capital assets at June 30, 2015:

	Balance June 30, 2014	Prior period Adjustments	Reclassifications	Balance June 30, 2014 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2015
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	11,505	-	-	11,505	120,006	(9,410)	(120,067)	2,034
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total nondepreciable/nonamortizable capital assets</b>	<b>11,505</b>	<b>-</b>	<b>-</b>	<b>11,505</b>	<b>120,006</b>	<b>(9,410)</b>	<b>(120,067)</b>	<b>2,034</b>
Depreciable/amortizable capital assets:								
Buildings and building improvements	3,211,242	-	-	3,211,242	-	(92,214)	96,776	3,215,804
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	2,092,057	-	-	2,092,057	73,618	(265,407)	23,291	1,923,559
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total depreciable/amortizable capital assets</b>	<b>5,303,299</b>	<b>-</b>	<b>-</b>	<b>5,303,299</b>	<b>73,618</b>	<b>(357,621)</b>	<b>120,067</b>	<b>5,139,363</b>
<b>Total capital assets</b>	<b>5,314,804</b>	<b>-</b>	<b>-</b>	<b>5,314,804</b>	<b>193,624</b>	<b>(367,031)</b>	<b>-</b>	<b>5,141,397</b>



**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

Less accumulated depreciation/amortization:								
Buildings and building improvements	(2,484,145)	-	-	(2,484,145)	(110,738)	265,407	-	(2,329,476)
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(1,813,587)	-	-	(1,813,587)	(65,317)	85,657	-	(1,793,247)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(4,297,732)	-	-	(4,297,732)	(176,055)	351,064	-	(4,122,723)
Total capital assets, net	\$ 1,017,072	-	-	1,017,072	17,569	(15,967)	-	1,018,674

**3.2 Detail of depreciation and amortization expense for the year ended June 30, 2015:**

Depreciation and amortization expense related to capital assets	\$ 176,055
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 176,055

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

4 Long-term liabilities activity schedule:

	Balance June 30, 2014	Prior period adjustments	Reclassifications	Balance June 30, 2014 (restated)	Additions	Reductions	Balance June 30, 2015	Current portion	Long-term portion
Accrued compensated absences	\$ 236,716	—	—	236,716	289,926	(262,078)	264,564	264,564	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	-	-	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	-	-	—	—	—
Total capitalized lease obligations	—	—	—	—	-	-	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	-	-	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	-	-	—	—	—
Commercial Paper	—	—	—	—	-	-	—	—	—
Note Payable related to SRB	—	—	—	—	-	-	—	—	—
Other:									
Add description	—	—	—	—	-	-	—	—	—
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	\$ 236,716	—	—	236,716	289,926	(262,078)	264,564	264,564	—

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

**5 Future minimum lease payments - capital lease obligations:**

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

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

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:								
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020 - 2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-
2055 - 2059	-	-	-	-	-	-	-	-	-
2060 - 2064	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

**7 Calculation of net position**

	<u>Auxiliary Organizations</u>		<u>Total</u>
	<u>GASB</u>	<u>FASB</u>	<u>Auxiliaries</u>
<b>7.1 Calculation of net position - Net investment in capital assets</b>			
Capital assets, net of accumulated depreciation	\$ —	1,018,674	1,018,674
Capitalized lease obligations - current portion	—	—	—
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations - current portion	—	—	—
Long-term debt obligations, net of current portion	—	—	—
Portion of outstanding debt that is unspent at year-end	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net position - net investment in capital asset	<u>\$ —</u>	<u>1,018,674</u>	<u>1,018,674</u>
<b>7.2 Calculation of net position - Restricted for nonexpendable - endowments</b>			
Portion of restricted cash and cash equivalents related to endowments	\$ —	—	—
Endowment investments	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net position - Restricted for nonexpendable - endowments per SNP	<u>\$ —</u>	<u>—</u>	<u>—</u>

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)**

**8 Transactions with Related Entities**

	<b>Amount</b>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ —
Payments to University for other than salaries of University personnel	1,960,963
Payments received from University for services, space, and programs	502,951
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)	(206,032)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	24,798
Other amounts receivable from University	—

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)**

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

Annual required contribution (ARC)	\$ 709,050
Contributions during the year	<u>(548,526)</u>
Increase (decrease) in net OPEB obligation (NOO)	160,524
NOO - beginning of year	<u>313,569</u>
NOO - end of year	<u>\$ 474,093</u>

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

**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	—



**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

<b>11 The nature and amount of the prior period adjustment(s) recorded to beginning net position</b>		
	<u>Net Position</u>	<u>Amount</u>
	<u>Class</u>	<u>Dr. (Cr.)</u>
Net position as of June 30, 2014, as previously reported		\$ 3,403,532
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, 2014, as restated		<u>\$ 3,403,532</u>

**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)	—	—