

California State University San Marcos Foundation

Financial Report
June 30, 2013

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Independent Auditor's Report

To the Board of Directors
California State University
San Marcos Foundation
San Marcos, CA

Report on the Financial Statements

We have audited the accompanying financial statements of California State University San Marcos Foundation, which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position California State University San Marcos Foundation as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. GAAP.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

San Diego, CA
September 25, 2013

California State University San Marcos Foundation

Statements of Financial Position
June 30, 2013 and 2012

Assets	2013	2012
Current Assets		
Cash and cash equivalents	\$ 70,651	\$ 289,655
Other receivables (Note 2)	556,722	755,147
Due from UARSC (Notes 4 and 8)	7,527,922	8,373,994
Pledges receivable, net (Note 3)	1,043,840	710,340
Total current assets	9,199,135	10,129,136
Pledges Receivable, net (Note 3)	2,269,953	2,047,004
Investments, at fair value (Note 5)	18,430,314	15,068,136
	20,700,267	17,115,140
	\$ 29,899,402	\$ 27,244,276
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 84,874	\$ 112,001
Net Assets (Note 8):		
Unrestricted:		
Board-designated:		
Campus programs	3,950,267	5,002,398
Scholarships	566,790	275,324
Undesignated	218,505	465,400
Donor-restricted endowment fund deficiencies (Note 7)	(218,505)	(465,400)
Total unrestricted	4,517,057	5,277,722
Temporarily restricted (Notes 6 and 7)	6,500,005	5,287,389
Permanently restricted (Notes 6 and 7)	18,797,466	16,567,164
Total net assets	29,814,528	27,132,275
	\$ 29,899,402	\$ 27,244,276

See Notes to Financial Statements.

California State University San Marcos Foundation

Statement of Activities
Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, Gains and Other Support:				
Campus programs	\$ 780,686	\$ -	\$ -	\$ 780,686
Contributions	1,529,754	1,340,634	2,230,302	5,100,690
Interest income	157,802	-	-	157,802
Investment income	-	178,745	-	178,745
Net realized and unrealized gain on investments	699,201	1,041,828	-	1,741,029
Net assets released from restriction (Note 6)	1,348,591	(1,348,591)	-	-
Total revenue, gains and other support	4,516,034	1,212,616	2,230,302	7,958,952
Expenses:				
Program services:				
Campus programs	4,064,475	-	-	4,064,475
Student scholarships	934,247	-	-	934,247
Total program services	4,998,722	-	-	4,998,722
Fundraising	101,619	-	-	101,619
General administration	176,358	-	-	176,358
Total expenses	5,276,699	-	-	5,276,699
Change in net assets before transfer of net assets	(760,665)	1,212,616	2,230,302	2,682,253
Net Assets, beginning	5,277,722	5,287,389	16,567,164	27,132,275
Net Assets, ending	\$ 4,517,057	\$ 6,500,005	\$ 18,797,466	\$ 29,814,528

See Notes to Financial Statements.

California State University San Marcos Foundation

**Statement of Activities
Year Ended June 30, 2012**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, Gains and Other Support:				
Campus programs	\$ 655,905	\$ -	\$ -	\$ 655,905
Contributions	1,053,543	2,000,325	426,886	3,480,754
Interest income	64,455	-	-	64,455
Investment income	-	130,334	-	130,334
Net realized and unrealized loss on investments	(114,342)	(561,162)	-	(675,504)
Net assets released from restriction (Note 6)	1,275,687	(1,275,687)	-	-
Total revenue, gains and other support	2,935,248	293,810	426,886	3,655,944
Expenses:				
Program services:				
Campus programs	2,030,878	-	-	2,030,878
Student scholarships	675,954	-	-	675,954
Total program services	2,706,832	-	-	2,706,832
Fundraising	109,941	-	-	109,941
General administration	125,254	-	-	125,254
Total expenses	2,942,027	-	-	2,942,027
Change in net assets before transfer of net assets	(6,779)	293,810	426,886	713,917
Transfer of Net Assets from UCorp	2,000,000	-	-	2,000,000
Net Assets, beginning	3,284,501	4,993,579	16,140,278	24,418,358
Net Assets, ending	\$ 5,277,722	\$ 5,287,389	\$ 16,567,164	\$ 27,132,275

See Notes to Financial Statements.

California State University San Marcos Foundation

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

	2013	2012
Cash Flows From Operating Activities		
Increase in net assets	\$ 2,682,253	\$ 713,917
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Contributions restricted for long-term investment	(2,230,302)	(426,886)
Contributions of investments	(1,494,233)	-
Net realized and unrealized (gain) loss on investments	(1,741,029)	675,504
(Increase) decrease in assets:		
Other receivables	198,425	57,030
Due from UARSC	846,072	167,581
Pledges receivable, net	(556,449)	(1,339,964)
Increase (decrease) in liabilities:		
Accounts payable	(27,127)	53,291
Net cash used in operating activities	(2,322,390)	(99,527)
Cash Flows From Investing Activities		
Purchases of investments	(8,522,076)	(1,352,681)
Proceeds from sale of investments	8,395,160	1,202,748
Net cash used in investing activities	(126,916)	(149,933)
Cash Flows From Financing Activities		
Contributions restricted for long-term investment	2,230,302	426,886
Net increase (decrease) in cash and cash equivalents	(219,004)	177,426
Cash and cash equivalents, beginning of year	289,655	112,229
Cash and cash equivalents, end of year	<u>\$ 70,651</u>	<u>\$ 289,655</u>
Supplemental Disclosures of Cash Flow Information		
Transfer of assets from UCorp (Note 8):		
Due from UARSC	\$ -	\$ 2,000,000
Supplemental Disclosure of Noncash Activities:		
Contribution of investments	<u>\$ 1,494,233</u>	<u>\$ -</u>

See Notes to Financial Statements.

California State University San Marcos Foundation

Notes to Financial Statements

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

Nature of operations: California State University San Marcos Foundation (the Foundation) is a nonprofit California corporation and an auxiliary organization of California State University San Marcos (the University), organized and operated in accordance with the California Code of Regulations and the Education Code of the State of California. The Foundation was formed in 2009 to focus on attracting gifts to the University and to assist the University in accumulating and managing endowment, student loan and student scholarship funds.

The Foundation's financial statements are included as a component unit of the University's annual general-purpose financial statements. This is required by accounting principles generally accepted in the United States (U.S. GAAP) applicable to governmental entities.

Affiliated organizations: The Foundation is related to other auxiliaries of the University, including the University Auxiliary and Research Services Corporation (UARSC), San Marcos University Corporation (UCorp) and Associated Students, Inc. Although independent, these auxiliaries and the University periodically provide various services to one another.

A summary of significant accounting policies is as follows:

Basis of accounting and reporting: The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Foundation may spend the funds and accumulated endowment earnings in compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA).
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity, usually for the purpose of generating investment earnings to fund current operations.

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are released to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as unrestricted support in that period.

Cash and cash equivalents: The Foundation maintains accounts at one financial institution with funds insured by the Federal Deposit Insurance Corporation (FDIC). The Foundation's accounts at this institution may, at times, exceed FDIC-insured limits. The Foundation has not experienced any such losses.

California State University San Marcos Foundation

Notes to Financial Statements

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

The Foundation considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents.

Investments: The Foundation has significant investments in equity securities and mutual funds, and is therefore subject to concentrations of credit risk. The investments in equity securities and mutual funds with readily determinable fair values, based on daily share prices and daily provided net asset values, are reported at fair value with gains and losses included in the statements of activities.

Investments in alternative investments represent shares in hedge funds that hold, among other investments, bonds, bank loans, busted converts, mezzanine debt, distressed assets, equity and real estate. The Foundation accounted for its investments in these hedge funds at fair value, using net asset value per share of the hedge funds.

The investments of the Foundation are exposed to interest rate and market risk. Economic conditions can impact these risks and resulting fair values can be either positively or adversely affected. If the level of risk increases in the near term, it is possible that the investment balances and the amounts reported in the financial statements could be materially affected by market fluctuations. Although the fair value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Foundation and its beneficiaries.

Pledges receivable: Pledges that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are discounted to their estimated net present value. After pledges are originally recorded, an allowance for uncollectible pledges may be established based on specific circumstances. Contributions, including unconditional promises to give (pledges), are recognized in the year the promise is made as opposed to when the assets are received.

Long-lived assets: The Foundation evaluates the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value of such assets may not be recoverable. The estimated future cash flows are based upon, among other things, assumptions about expected future operating performance and may differ from actual cash flows. Long-lived assets evaluated for impairment are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected future undiscounted cash flows (excluding interest) is less than the carrying value of the assets, the assets will be written down to the estimated fair value in the period which the determination is made. Management has determined that no impairment of long-lived assets currently exists.

Use of estimates: The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates include determining the fair value of investments, determining the allowance for doubtful accounts for receivables, and discounting pledges receivable. Actual results could differ from those estimates used by management.

Revenue recognition: Revenue from campus programs is recognized in the fiscal year in which it is realized or realizable.

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

California State University San Marcos Foundation

Notes to Financial Statements

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

Income taxes: The Foundation is a qualified nonprofit organization that is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. This exemption is for all income taxes except for those assessed on unrelated business income (UBI), if any. In order to maintain that status, the Foundation is precluded from making certain expenditures, principally in support of political parties. Management believes that no such expenditures have been made. The Foundation is not a private foundation.

The Foundation adopted accounting guidance relating to accounting for uncertainty in income taxes, which is primarily codified in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740. The Foundation files a Form 990 (Return of Organization Exempt From Income Tax) annually. When these returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the tax position taken or the amount of the position that would ultimately be sustained. Examples of tax positions common to the Foundation include such matters as the tax-exempt status of the entity and various positions relative to potential sources of UBI. UBI is reported on Form 990-T, as appropriate. The benefit of tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Tax positions are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying statements of financial position, along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Upon the adoption and as of June 30, 2013, the Foundation has addressed uncertainty in its income tax position under the guidance, and there are no unrecognized/derecognized tax benefits requiring an accrual.

Forms 990 filed by the Foundation are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. The Foundation believes Forms 990 and 990-T have been filed appropriately.

Subsequent events: The Foundation has evaluated subsequent events through September 25, 2013, the date the financial statements were available to be issued, and has determined that there were no subsequent events to recognize in these financial statements.

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

California State University San Marcos Foundation

Notes to Financial Statements

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

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

Note 2. Other Receivables

Other receivables consisted of the following at June 30:

	2013	2012
Student loan receivable	\$ 501,285	\$ 650,399
Other	55,437	104,748
	<u>\$ 556,722</u>	<u>\$ 755,147</u>

Note 3. Pledges Receivable

Pledges receivable consisted of the following at June 30:

	2013	2012
Amounts due:		
In one year or less	\$ 1,043,840	\$ 710,340
Between one and five years	1,336,301	1,136,414
More than five years	2,748,061	2,773,061
Gross pledges	5,128,202	4,619,815
Less unamortized present value discount at rates ranging from 2.32% to 4.20%	(1,719,409)	(1,762,471)
Less allowance for uncollectible pledges	(95,000)	(100,000)
Pledges receivable, net	<u>\$ 3,313,793</u>	<u>\$ 2,757,344</u>

Note 4. Restricted Amounts Due From UARSC

The following amounts are included in the amount due from UARSC and are restricted for the following purposes at June 30:

	2013	2012
Endowment, uninvested	\$ 1,688,406	\$ 1,776,377
Student loans	408,899	418,121
	<u>\$ 2,097,305</u>	<u>\$ 2,194,498</u>

California State University San Marcos Foundation

Notes to Financial Statements

Note 5. Investments

Investments consisted of the following at June 30:

	2013	2012
Core fixed-income institutional mutual funds	\$ 4,941,562	\$ 3,255,596
Domestic equity securities	3,846,877	2,933,996
Domestic equity mutual funds	3,502,549	3,375,275
International equity mutual funds	4,710,534	2,630,845
Hedge funds	1,428,792	2,872,424
	<u>\$ 18,430,314</u>	<u>\$ 15,068,136</u>

As required by the Fair Value Measurements Topic of the FASB ASC, which establishes a three-tiered fair value hierarchy, the Foundation prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets. Classifications currently include equity securities and mutual funds that have share prices and net asset values provided daily.
- Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly. Classifications currently include institutional mutual funds that have net asset values provided daily.
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions. Classifications currently include hedge funds that do not have daily pricing but for which fair value could be determined based on the most recent report of the net asset value of the fund, and commingled domestic equity mutual funds that do not have daily pricing on an active exchange, but where a substantial portion of a fund's fair value could be determined based on quoted market prices of underlying investments held by the fund.

Investments at fair value according to the fair value hierarchy are as follows at June 30, 2013:

	Total	Level 1	Level 2	Level 3
Core fixed-income institutional mutual funds	\$ 4,941,562	\$ 4,941,562	\$ -	\$ -
Domestic equity securities	3,846,877	3,846,877	-	-
Domestic equity mutual funds	3,502,549	3,502,549	-	-
International equity mutual funds	4,710,534	4,710,534	-	-
Hedge funds	1,428,792	-	-	1,428,792
	<u>\$ 18,430,314</u>	<u>\$ 17,001,522</u>	<u>\$ -</u>	<u>\$ 1,428,792</u>

California State University San Marcos Foundation

Notes to Financial Statements

Note 5. Investments (Continued)

Investments at fair value according to the fair value hierarchy are as follows at June 30, 2012:

	Total	Level 1	Level 2	Level 3
Core fixed-income institutional mutual funds	\$ 3,255,596	\$ 3,255,596	\$ -	\$ -
Domestic equity securities	2,933,996	2,933,996	-	-
Domestic equity mutual funds	3,375,275	3,375,275	-	-
International equity mutual funds	2,630,845	2,630,845	-	-
Hedge funds	2,872,424	-	727,315	2,145,109
	<u>\$ 15,068,136</u>	<u>\$ 12,195,712</u>	<u>\$ 727,315</u>	<u>\$ 2,145,109</u>

The following tables reflect a reconciliation of beginning and ending investment balances in the Foundation's Level 3 investments:

	Domestic Equity Mutual Funds	Hedge Funds
Balance as of June 30, 2011	\$ 1,762,734	\$ 2,284,699
Net additions, purchases, sales and maturities	(1,762,734)	-
Total realized and unrealized losses, net	-	(139,590)
Ending balance, June 30, 2012	-	2,145,109
Net additions, purchases, sales and maturities	-	(903,604)
Total realized and unrealized gains, net	-	187,287
Ending balance, June 30, 2013	<u>\$ -</u>	<u>\$ 1,428,792</u>

The following table reflects a reconciliation of beginning and ending investment balances for the Foundation's total investments for the year ended June 30:

	2013	2012
Beginning balance	\$ 15,068,136	\$ 15,593,707
Contribution of equity securities	1,494,233	-
Net realized and unrealized gains (losses)	1,741,029	(675,504)
Net (sales and maturities) purchases	126,916	149,933
Ending balance	<u>\$ 18,430,314</u>	<u>\$ 15,068,136</u>

Uninvested endowments are included in restricted amounts due from UARSC (see Note 4).

California State University San Marcos Foundation

Notes to Financial Statements

Note 5. Investments (Continued)

The Foundation uses the net asset value to determine the fair value of all the underlying investments that (a) do not have readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following tables list the investments in investment companies as of June 30, 2013 and 2012:

	2013				
	Fair Value	Number of Funds	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund	\$ 810,741	1	\$ -	Quarterly	95 written days
Hedge fund	618,051	1	-	Quarterly	45 written days

	2012				
	Fair Value	Number of Funds	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund	\$ 1,215,389	1	\$ -	Quarterly	45 written days
Hedge fund	929,720	1	-	Quarterly	60 written days
Hedge fund	727,315	1	-	Quarterly	N/A

Note 6. Restrictions on Net Assets

Temporarily restricted net assets consisted of the following at June 30:

	2013	2012
Campus programs:		
Capital improvements	\$ 320,258	\$ 299,815
Campus programs	4,907,809	4,184,874
Student scholarships	1,271,938	802,700
	<u>\$ 6,500,005</u>	<u>\$ 5,287,389</u>

Permanently restricted net assets consisted of the following at June 30:

	2013	2012
Earnings thereon are available for the following purposes:		
Campus programs	\$ 6,194,158	\$ 4,606,805
Student scholarships	11,277,274	10,634,325
Student loans	1,326,034	1,326,034
	<u>\$ 18,797,466</u>	<u>\$ 16,567,164</u>

California State University San Marcos Foundation

Notes to Financial Statements

Note 6. Restrictions on Net Assets (Continued)

Net assets released from time and donor restrictions, by incurring expenses or costs satisfying the restricted purpose or by occurrence of events specified by the donors, were as follows:

	2013	2012
Satisfaction of donor restrictions:		
Capital improvements	\$ -	\$ 22,783
Campus programs	152,255	233,428
Student scholarships	-	1,103
Appropriation of earnings for use:		
Campus programs	196,548	154,811
Student scholarships	236,237	203,201
Satisfaction of time restrictions	763,551	660,361
	<u>\$ 1,348,591</u>	<u>\$ 1,275,687</u>

Note 7. Endowments

The Foundation's endowments consist of 68 individual funds established for a variety of purposes. The endowments are all donor restricted for the purpose of student scholarships, student loans and campus program activities.

The Board of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner that is consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

California State University San Marcos Foundation

Notes to Financial Statements

Note 7. Endowments (Continued)

At June 30, 2013, the endowments' net asset composition by type of fund consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	<u>\$ (218,505)</u>	<u>\$ 1,948,658</u>	<u>\$ 18,797,466</u>	<u>\$ 20,527,619</u>

Changes in endowment net assets for the year ended June 30, 2013 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	<u>\$ (465,400)</u>	<u>\$ 1,160,870</u>	<u>\$ 16,567,164</u>	<u>\$ 17,262,634</u>
Investment return:				
Investment income, net of fees	-	178,745	-	178,745
Net realized and unrealized gains	360,179	1,041,828	-	1,402,007
Total investment return	<u>360,179</u>	<u>1,220,573</u>	<u>-</u>	<u>1,580,752</u>
Contributions	<u>-</u>	<u>-</u>	<u>2,230,302</u>	<u>2,230,302</u>
Appropriation of investment earnings for expenditure	<u>(113,284)</u>	<u>(432,785)</u>	<u>-</u>	<u>(546,069)</u>
Endowment net assets, end of year	<u>\$ (218,505)</u>	<u>\$ 1,948,658</u>	<u>\$ 18,797,466</u>	<u>\$ 20,527,619</u>

The investment management and advisory fees paid were \$90,957 for the year ended June 30, 2013.

At June 30, 2012, the endowments' net asset composition by type of fund consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	<u>\$ (465,400)</u>	<u>\$ 1,160,870</u>	<u>\$ 16,567,164</u>	<u>\$ 17,262,634</u>

California State University San Marcos Foundation

Notes to Financial Statements

Note 7. Endowments (Continued)

Changes in endowment net assets for the year ended June 30, 2012 consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ (168,698)	\$ 1,949,710	\$ 16,140,278	\$ 17,921,290
Investment return:				
Investment income, net of fees	-	130,334	-	130,334
Net realized and unrealized losses	(114,342)	(561,162)	-	(675,504)
Total investment return	(114,342)	(430,828)	-	(545,170)
Contributions	-	-	426,886	426,886
Appropriation of investment earnings for expenditure	(182,360)	(358,012)	-	(540,372)
Endowment net assets, end of year	\$ (465,400)	\$ 1,160,870	\$ 16,567,164	\$ 17,262,634

The investment management and advisory fees paid were \$84,752 for the year ended June 30, 2012.

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are charged to unrestricted net assets, totaling \$218,505 and \$465,400 for the years ended June 30, 2013 and 2012, respectively. These deficiencies resulted from unfavorable market fluctuations. Endowment funds that had deficiencies in the previous year and have gains in the current year record the gains as unrestricted until the deficiency is restored. Gains of \$360,179 were recorded as unrestricted for the year ended June 30, 2013; there were no gains recorded as unrestricted for the year ended June 30, 2012.

Return objectives and risk parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide funding for programs supported by its endowment and increase the value of the original contributed capital by an amount not less than the annual increase in inflation. In order to meet this objective, the endowment asset portfolio is structured to achieve a compounded annual return, net of investment management expenses, of 5 percent plus the annual rate of inflation (the Target Return). The temporarily restricted endowment asset portfolio is structured to provide liquidity for short-term cash needs and safety of principal while seeking to enhance the portfolio's return. In achieving the Target Return, the Foundation seeks to maintain a level of portfolio risk by allocating investments to core fixed income mutual funds, domestic equity securities, domestic and international equity mutual funds, hedge funds and cash instruments in a ratio similar to other peer university endowments of similar size, as surveyed annually by the National Association of College and University Business Officers.

Investment strategy: The investment strategy of the Foundation is to develop a diversified portfolio of passive investments. For core fixed-income mutual funds and equity funds, the selection of such holdings is based on the merits of long-term ownership without the intent of short-term trading. To achieve the Target Return, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends), less expenses.

California State University San Marcos Foundation

Notes to Financial Statements

Note 7. Endowments (Continued)

Spending policy: The Foundation has a policy of appropriating for expenditure each year a percentage of the prior three-year average endowment balance by taking into account investment performance from the prior year. In establishing this policy, the Foundation considered the long-term expected return on its endowment. For the year ended June 30, 2011, the spending rate was 3 percent for scholarship-only endowments. For the years ended June 30, 2012 and 2013, the Board approved a spending rate of 4 percent on all endowments. The rate is reviewed annually and may or may not change in future years depending on investment performance. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at the average annual rate of inflation. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

Note 8. Transactions With Affiliates

The Foundation has an operating agreement with UARSC to receive certain administrative services, including cash management processes, gift account administration, and accounting and financial reporting assistance. UARSC receives an administrative fee when the Foundation's funds are expended. The due from UARSC asset in the accompanying statements of financial position represents the status of that relationship as of June 30, 2013 and 2012 in terms of balances held by UARSC that are being managed on behalf of the Foundation. The balance due from UARSC on June 30, 2013 and 2012 was \$7,527,922 and \$8,373,994, respectively.

Transfer of funds: During the year ended June 30, 2012, UCorp transferred cash in the amount of \$2,000,000 to UARSC on behalf of the Foundation. The Board approved the nonreciprocal transfer of \$2,000,000 from UCorp to UARSC as a contribution to the University for use toward the advancement of the educational mission of the University.

During the year ended June 30, 2013, the Foundation made a payment of \$900,000 to the University from the President's Discretionary Fund to be used on various campus programs and is included as a campus program expense on the statement of activities.

Supplemental Schedules

California State University San Marcos Foundation
Schedule of Net Position
June 30, 2013
(for inclusion in the California State University)

Assets:		
Current assets:		
Cash and cash equivalents	\$	70,651
Short-term investments		-
Accounts receivable, net		7,583,359
Leases receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		1,043,840
Prepaid expenses and other assets		-
Total current assets		<u>8,697,850</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		501,285
Pledges receivable, net		2,269,953
Endowment investments		18,430,314
Other long-term investments		-
Capital assets, net		-
Other assets		-
Total noncurrent assets		<u>21,201,552</u>
Total assets		<u>29,899,402</u>
Deferred outflows of resources:		
Unamortized loss on refunding(s)		-
Total deferred outflows of resources		<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable		84,874
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>84,874</u>
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		-
Self-insurance claims liabilities, net of current portion		-
Depository accounts		-
Other postemployment benefits obligation		-
Other liabilities		-
Total noncurrent liabilities		<u>-</u>
Total liabilities		<u>84,874</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		-
Restricted for:		
Nonexpendable – endowments		18,797,466
Expendable:		
Scholarships and fellowships		1,271,938
Research		-
Loans		-
Capital projects		320,258
Debt service		-
Other		4,907,809
Unrestricted		<u>4,517,057</u>
Total net position	\$	<u>29,814,528</u>

California State University San Marcos Foundation
Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2013
(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$0)	\$	-
Grants and contracts, noncapital:		
Federal		-
State		-
Local		-
Nongovernmental		-
Sales and services of educational activities		780,686
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)		-
Other operating revenues		-
Total operating revenues		<u>780,686</u>
Expenses:		
Operating expenses:		
Instruction		-
Research		-
Public service		198,558
Academic support		2,039,478
Student services		835,904
Institutional support		1,268,512
Operation and maintenance of plant		-
Student grants and scholarships		934,247
Auxiliary enterprise expenses		-
Depreciation and amortization		-
Total operating expenses		<u>5,276,699</u>
Operating income (loss)		<u>(4,496,013)</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		2,870,388
Investment income (loss), net		178,745
Endowment income (loss), net		1,741,029
Interest expenses		-
Other nonoperating revenues (expenses)		157,802
Net nonoperating revenues (expenses)		<u>4,947,964</u>
Income (loss) before other additions		451,951
State appropriations, capital		-
Grants and gifts, capital		-
Additions (reductions) to permanent endowments		2,230,302
Increase (decrease) in net position		<u>2,682,253</u>
Net position:		
Net position at beginning of year, as previously reported		27,132,275
Restatements		-
Net position at beginning of year, as restated		<u>27,132,275</u>
Net position at end of year	\$	<u>29,814,528</u>

California State University San Marcos Foundation
Other Information
Year Ended June 30, 2013
(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2013:

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		-
Total restricted cash and cash equivalents	\$	-

2.1 Composition of investments at June 30, 2013:

	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)	-	-	-	-	-	-	-
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 - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	3,846,877	3,846,877	3,846,877
Fixed-income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	13,154,645	13,154,645	13,154,645
Money market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:							
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Partnership interests (includes private pass-through)	-	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	1,428,792	1,428,792	1,428,792
Other major investments:							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	-	-	-	-	18,430,314	18,430,314	18,430,314
Less endowment investments (enter as negative number)	-	-	-	-	(18,430,314)	(18,430,314)	(18,430,314)
Total investments	-	-	-	-	-	-	-

California State University San Marcos Foundation
 Other Information
 Year Ended June 30, 2013
 (for inclusion in the California State University)

2.2 Investments held by the University under contractual agreements at June 30, 2013:
 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, 2013 related to:

- Add description

Amount
\$ -
-
-
-
-
-
-
-

Total restricted current investments at June 30, 2013

\$ -

2.4 Restricted noncurrent investments at June 30, 2013 related to:

- Endowment investment
 - Unrestricted—endowment funds below principal
 - Temporarily restricted—endowment funds
- Add description
- Add description
- Add description
- Add description

Amount
\$ 17,109,060
(218,505)
1,539,759
-
-
-
-
18,430,314

Total restricted noncurrent investments at June 30, 2013

\$ 18,430,314

California State University San Marcos Foundation
Other Information
Year Ended June 30, 2013
(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2013:

	Balance June 30, 2012	Prior Period Adjustments	Reclassifications	Balance June 30, 2012 (Restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2013
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
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 improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	-	-	-	-	-	-	-	-
Total capital assets	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-
Total capital assets, net	\$ -	-	-	-	-	-	-	-

California State University San Marcos Foundation
Other Information
Year Ended June 30, 2013
(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2013:

Depreciation and amortization expense related to capital assets	\$	-	
Amortization expense related to other assets		-	
Total depreciation and amortization	\$	-	

4 Long-term liabilities activity schedule:

	Balance June 30, 2012	Prior Period Adjustments	Reclassifications	Balance June 30, 2012 (Restated)	Additions	Reductions	Balance June 30, 2013	Current Portion	Long-Term Portion
Accrued compensated absences	\$ -	-	-	-	-	-	-	-	-
Capitalized lease obligations:									
Gross balance	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	-	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ -	-	-	-	-	-	-	-	-

California State University San Marcos Foundation
Other Information
Year Ended June 30, 2013
(for inclusion in the California State University)

5 Future minimum lease payments - capital lease obligations:

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
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	-	-	-
	<hr/>	<hr/>	<hr/>
Total minimum lease payments			-
Less amounts representing interest			<hr/>
Present value of future minimum lease payments			-
Less: current portion			<hr/>
Capitalized lease obligation, net of current portion			<u><u>\$ -</u></u>

California State University San Marcos Foundation
 Other Information
 Year Ended June 30, 2013
 (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	\$ -	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019 - 2023	-	-	-	-	-	-	-	-	-
2024 - 2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

California State University San Marcos Foundation
Other Information
Year Ended June 30, 2013
(for inclusion in the California State University)

7 Calculation of net position

	<u>Auxiliary Organizations</u>		<u>Total Auxiliaries</u>
	<u>GASB</u>	<u>FASB</u>	
7.1 Calculation of net position - Net investment in capital assets			
Capital assets, net of accumulated depreciation	\$ -	-	-
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>-</u>	<u>-</u>
7.2 Calculation of net position - Restricted for nonexpendable - endowments			
Portion of restricted cash and cash equivalents related to endowments	\$ -	-	-
Endowment investments	-	18,430,314	18,430,314
Other adjustments: (please list)			
Portion of restricted uninvested amounts due from UARSC related to endowments	-	2,097,305	2,097,305
Unappropriated temporarily restricted endowment earnings	-	(1,948,658)	(1,948,658)
Amount of endowments underwater below principal	-	218,505	218,505
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>18,797,466</u>	<u>18,797,466</u>

California State University San Marcos Foundation
 Other Information
 Year Ended June 30, 2013
 (for inclusion in the California State University)

8 Transactions with related entities

	Amount
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	900,000
Payments received from University for services, space and programs	-
Gifts-in-kind to the University from Auxiliary Organizations	-
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	-
Accounts (payable to) University (enter as negative number)	-
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University	-
Other amounts receivable from University	-

9 Other Postemployment Benefits Obligation (OPEB)

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

California State University San Marcos Foundation
 Other Information
 Year Ended June 30, 2013
 (for inclusion in the California State University)

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

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

	Net Position Class	Amount
		Dr. (Cr.)
Net position as of June 30, 2012, as previously reported	\$	27,132,275
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, 2012, as restated	\$	27,132,275

California State University San Marcos Foundation
 Other Information
 Year Ended June 30, 2013
 (for inclusion in the California State University)

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

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