

**HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

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

**June 30, 2008**

**With**

**Report of Certified Public Accountants**

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**INDEPENDENT AUDITORS' REPORT**

Humboldt State University Center  
Board of Directors  
Arcata, California

We have audited the accompanying statement of financial position of the Humboldt State University Center Board of Directors as of June 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Humboldt State University Center Board of Directors as of June 30, 2008, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The statement of net assets, the statement of revenues, expenses and changes in net assets, and other information (supplementary information on pages 12 – 18) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Hunter, Hunter & Hunt*

September 11, 2008

HUMBOLDT STATE UNIVERSITY CENTER  
 BOARD OF DIRECTORS  
 STATEMENT OF FINANCIAL POSITION  
 AS OF JUNE 30, 2008

ASSETS

Current Assets:

Cash on hand & commercial accounts	\$	665,392
Deposits held in custody for Humboldt State University Alumni Association		160,389
Unreserved cash in LAIF funds		<u>2,770,650</u>
Total Cash		3,596,431

Accounts and other receivables		313,709
Inventory		1,182,380
Prepaid expenses		12,911
Vendor credit available		<u>47,449</u>

Total Current Assets		<u>5,152,880</u>
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Fixed Assets:

Building & improvements		2,888,914
Equipment, furniture & fixtures		<u>1,818,868</u>
Total		4,707,782

Less: Accumulated depreciation		<u>(3,720,362)</u>
Total Fixed Assets		<u>987,420</u>

Other Assets:

Cash reserved for pension costs and post retirement health benefits		<u>6,429,401</u>
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TOTAL ASSETS	\$	<u><u>12,569,701</u></u>
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LIABILITIES & NET ASSETS

Current Liabilities:

Accounts payable	\$	354,566
Accrued liabilities		510,211
Deposits held in custody for Humboldt State University Alumni Association		160,389
Deferred revenues		<u>97,875</u>

Total Current Liabilities		1,123,041
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Long-term Liabilities:

Net pension cost liability		388,350
Post retirement health benefits		<u>6,041,051</u>

TOTAL LIABILITIES		<u>7,552,442</u>
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Net Assets:

Unrestricted net assets		<u>5,017,259</u>
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TOTAL NET ASSETS		<u>5,017,259</u>
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TOTAL LIABILITIES & NET ASSETS	\$	<u><u>12,569,701</u></u>
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See Accompanying Accountants' Audit Report and Notes

HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

CHANGE IN UNRESTRICTED NET ASSETS

REVENUES & SUPPORT:

Revenues from operations	
Revenues from operations	\$ 14,309,795
Less cost of sales	<u>6,638,893</u>
Net revenues from operations	7,670,902
Return of surplus revenue funds	924,705
Interest	<u>432,863</u>
Total Revenues & Support	<u>9,028,470</u>

EXPENDITURES:

Salaries & wages	3,466,482
Employee benefits	1,365,127
Rent	471,719
Depreciation	192,930
Advertising & promotion	19,430
Repairs & maintenance	546,048
Utilities	200,539
Communications	70,547
Bank service charges	169,751
Outside professional services	32,937
Dues & subscriptions	10,107
Business & professional meetings	23,748
Insurance	81,012
Services from other funds	99,524
Supplies & services	237,799
Event costs	1,235,865
Vehicle	12,065
Special construction project	7,250
(Gain) loss on disposal of equipment, net	( 500)
Other & miscellaneous	<u>170,325</u>
Total Expenditures	<u>8,412,705</u>

INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	615,765
NET ASSETS, BEGINNING OF YEAR	<u>4,401,494</u>
NET ASSETS, END OF YEAR	<u>\$ 5,017,259</u>

See Accompanying Accountants' Audit Report and Notes

HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in unrestricted net assets	\$ 615,765
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Gain on disposal of equipment	( 500)
Depreciation	192,930
(Increase) Decrease in operating assets:	
Receivables, net	222,553
Inventories	( 164,732)
Prepaid expenses	( 3,310)
Vendor credit available	( 14,474)
Reserve for post retirement benefits	( 286,279)
Increase (Decrease) in operating liabilities:	
Accounts payable	106,963
Accrued liabilities	53,146
Deposits held in custody	( 11,575)
Deferred revenues	( 122,579)
Payable to other agencies	( 79,912)
Postretirement health benefits	<u>286,279</u>
Net cash provided by (used by) operating activities	<u>794,275</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment/improvements	( 386,431)
Proceeds on sale of equipment	<u>500</u>
Net cash provided by (used by) investing activities	<u>( 385,931)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	408,344
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,188,087</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,596,431</u>

See Accompanying Accountants' Audit Report and Notes

**HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Humboldt State University Center Board of Directors (University Center) is presented to assist in understanding University Center's financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

**Organization**

University Center is an auxiliary organization of Humboldt State University (HSU) in Arcata, California, and is a component unit of the California State University. University Center is a nonprofit corporation formed to promote the welfare of HSU and its students and employees. The primary activities of University Center are to develop, finance and operate the College Union, bookstore, and dining services on the HSU campus. During the fiscal year ending June 30, 2008, University Center provided management services to the HSU Advancement Foundation, HSU Alumni Association, and the Northern Humboldt Recreation and Park District. University Center is primarily supported by student fees, bookstore and dining sales, and contracted revenues from students at HSU.

**Basis of Accounting**

Assets and liabilities, and revenues and expenses are recognized on the accrual basis of accounting.

**Accounts Receivable**

University Center provides a reserve for uncollectible accounts that is based upon a review of outstanding receivables. Accounts receivable considered uncollectible are charged against the reserve account in the year they are deemed to be uncollectible. No reserve for uncollectible accounts was deemed necessary as of June 30, 2008.

**Reserved Cash**

The Board of Directors has reserved cash in the amount of \$6,429,401 to be used for pension and postretirement health benefits.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows University Center considers all certificates of deposits and insured money market accounts with a maturity of three months or less, to be cash equivalents

**Deposits Held in Custody**

Funds administered by University Center on behalf of HSU Alumni Association are recorded as deposits held in custody and are recorded as a current liability. University Center is acting as an agent for the transactions of the HSU Alumni Association and accordingly, HSU Alumni Association's financial activities have not been recorded in the accompanying statement of activities.

**Fixed Assets**

Fixed assets are recorded at cost less depreciation calculated by the straight-line method. Building improvements are depreciated over a 5 to 20 year life. Equipment, furniture, and fixtures are depreciated over a 3 to 10 year life.

University Center capitalizes acquisitions of equipment that have a useful life greater than one year and are in excess of \$2,500, improvements in excess of \$10,000, and intangible property in excess of \$5,000.

**HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

At June 30, 2008, \$148,290 of equipment is used by University Center but is not recorded on the statement of financial position because title is held by an outside granting agency. Additionally, University Center uses office facilities and equipment which are the property of the California State University. No lease payments are required for the use of these facilities.

**Inventories**

The bookstore inventory is recorded at cost and maintained on the retail method. The food and beverage inventory is stated at cost, using the first-in, first-out (FIFO) method. At June 30, 2008, the cost of the bookstore inventory was \$1,088,926, and the cost of the food and beverage inventory was \$93,454.

**Pension and Postretirement Health Benefits Liabilities**

University Center recognizes the underfunded status of defined benefit pension and other postretirement plans as a liability in the statement of financial position and recognizes changes in the funded status in the year in which the changes occur in unrestricted net assets.

**Revenue Recognition**

Student Fees - Student union fees are recorded when received from the revenue bond program.

Commercial Revenue - All commercial revenue including, but not limited to, book and supply sales, food sales, and vending, is recorded when earned.

Investment Income - Investment income is recorded at the time it is earned.

**Use of Estimates**

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

**NOTE 2 - CASH AND CASH INVESTMENTS**

Deposits held in custody for HSU Alumni Association includes \$60,389 in cash and cash equivalents and \$100,000 held in a six-month certificate of deposit that matures in August 2008 and earns an annual percentage yield of 3.2%. (See Note 5).

University Center maintains cash in the State of California Local Agency Investment Fund (LAIF), an investment pool. The investment is not insured. However, these funds are invested in accordance with California Government Code Sections 16430 and 16480, the stated investment authority for the Pooled Money Investment Account. At June 30, 2008, cash in LAIF was \$9,200,051. Of this amount, \$6,429,401 is reserved for pension and post retirement health benefits.

**NOTE 3 - CONCENTRATION OF CREDIT RISK**

University Center maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The maximum amount of loss due to this risk would be \$507,700 as of June 30, 2008. Management believes the company is not exposed to any significant credit risk related to cash.



**HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

**NOTE 4 - ACCRUED LIABILITIES**

Accrued liabilities as of June 30, 2008, consist of the following:

Salaries and benefits payable	\$ 83,403
Compensated absences	173,619
Other	<u>253,189</u>
Total	<u>\$ 510,211</u>

**NOTE 5 - HSU ALUMNI ASSOCIATION**

University Center has an agreement with HSU Alumni Association to provide accounting and business services. The initial term of the agreement is July 1, 2006 through June 30, 2007, with the option to continue for an additional two years. University Center was paid \$6,600 for the services provided for the year ended June 30, 2008.

The financial position of the HSU Alumni Association as of June 30, 2008, is as follows:

Current assets:	
Cash & cash equivalents	\$ 160,389
Other receivables	<u>10</u>
Total current assets	<u>\$ 160,399</u>
Current liabilities:	
Accounts payable	\$ 2,983
Other payables	127
Deferred revenue	<u>300</u>
Total current liabilities	3,410
Unrestricted net assets	<u>156,989</u>
Total current liabilities and net assets	<u>\$ 160,399</u>

The activities of the HSU Alumni Association for the year ended June 30, 2008, are as follows:

Revenues:	
Revenue from operations	\$ 84,664
Interest revenues	<u>2,561</u>
Total revenues	<u>87,225</u>
Expenditures:	
Outside professional services	3,410
Accounting services	6,600
Distribution to others	17,500
Other general and administrative expenses	<u>41,896</u>
Total expenditures	<u>69,406</u>
Increase in unrestricted net assets	17,819
Beginning net assets	<u>139,170</u>
Ending net assets	<u>\$ 156,989</u>

HSU Alumni Association distributed \$14,500 to HSU Advancement Foundation and \$3,000 to HSU Financial Aid during the year ended June 30, 2008.

**HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

**NOTE 6 - PENSION PLAN**

**Plan Description**

University Center contracts with the California Public Employee's Retirement System (CalPERS) to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

CalPERS acts as a common investment and administrative agent for participating California public entities and reports information to University Center in accordance with reporting standards established by the Governmental Accounting Standards Board. The effects of adopting the reporting provisions of the Financial Accounting Standards Board on the financial statements as of June 30, 2008, versus the information provided by CalPERS have been determined to be immaterial to University Center's financial statements taken as a whole.

All employers with less than 100 employees (such as University Center), are part of a CalPERS cost sharing multiple employer plan, a pooling arrangement whereby risks, rewards, and benefit costs are shared and not attributed individually to any single employer. Plan asset allocations are meaningless unless the plan terminates or moves to another pool. This is because all assets of the pool are used to pay benefits of all members of the pool.

University Center's benefit obligation (the under-funded net pension cost liability) as of June 30, 2008, is \$388,350, based on June 30, 2006, information provided by CalPERS. Information regarding the benefit obligation as of June 30, 2007 and June 30, 2008, is not available. As a result, the amount recorded as the net pension cost liability at June 30, 2008, might not represent the true amount owed to CalPERS should University Center decide to exit the plan. It is considered to be a conservative estimate to rely on the June 30, 2006, information provided by CalPERS.

At June 30, 2006, University Center's share of the fair value of plan assets is \$8,833,977, and the accumulated benefit obligation is \$9,222,327. The following cannot be accurately determined at this time: current year benefits paid, benefits expected to be paid for each of the next five years, and unrecognized components of net periodic benefit cost.

**Funding Policy**

University Center personnel are required to contribute 7.0% of their monthly earnings in excess of \$133.33 per month to CalPERS. By board resolution the University Center is paying 2.85% of the employees' required payment of 7.00%. The University Center is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate was 11.97% of annual payroll for fiscal year 2007-08, 11.455% for fiscal year 2006-07, and 10.811% for 2005-06. The contribution requirements of the plan members are established and may be amended by CalPERS.

The University Center's contributions to CalPERS for the fiscal years ending June 30, 2008, 2007, and 2006, were \$185,031, \$168,521, and \$173,643, respectively.

**HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

**NOTE 7 - INCOME TAXES**

University Center is exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and California Revenue and Taxation Code Section 23701, except for amounts based on unrelated business income. Unrelated business income is derived from contracts at the College of the Redwoods and North Humboldt Recreation and Park District. For the fiscal year ending June 30, 2008, no income tax is due on unrelated business income. Further, the Internal Revenue Service has determined that University Center is not a private foundation within the meaning of IRC Section 509(a).

**NOTE 8 - OPERATING LEASES**

University Center leases its facilities under several operating leases from HSU (See Note 1). Following is a summary of operating leases and renewal options:

	Contingent Annual Rental	Expiration Date	Renewal Options
Jolly Giant Commons - food service facilities	7% of gross sales	June 30, 2010	None
BSS Marketplace	ranges from 6-7% of gross sales	June 30, 2012	5 years
South Campus Marketplace	ranges from 6-7% of gross sales	June 30, 2012	5 years
Giant's Cupboard - food service facility	7% of gross sales	June 30, 2010	None

Following is a summary by property of rental expense under all operating leases:

Jolly Giant Commons (HSU)	\$ 328,282
BSS Marketplace (HSU)	6,838
South Campus Marketplace (HSU)	29,197
Giant's Cupboard (HSU)	106,491
Total	<u>\$ 470,808</u>

**NOTE 9 - POSTRETIREMENT HEALTH BENEFITS**

University Center provides medical coverage through the CalPERS medical plan. Benefited employees hired prior to July 1, 2006, who are eligible to retire from CalPERS, are 100% vested. Benefited employees hired on or after July 1, 2006, are 50% vested at age 50 if they have 10 years of service. With every additional year of service the vesting increases by 5% reaching 100% for employees who are age 50 or older who have at least 20 years of service. The University Center's premium contribution cannot be less than what is defined by CalPERS Section 22892(b).

The following information is based on a measurement date of June 30, 2008, a discount rate of 6.50%, an initial medical trend of 8.2%, an ultimate medical trend of 5.5%, and a grade-down period of 8 years:

**HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

Change in benefit obligation:	
Benefit obligation at end of prior year	\$ 5,754,772
Service cost	107,251
Interest cost	353,816
Actuarial (gain)/loss	(44,541)
Benefits paid	<u>(174,788)</u>
Benefit obligation at end of year	<u>\$ 5,996,510</u>
Change in plan assets:	
Fair value of plan assets at beginning of year	\$ -
Employer contribution	174,788
Benefits paid	<u>(174,788)</u>
Fair value of plan assets at end of year	<u>\$ -</u>
Funded status:	
Benefit obligation at June 30, 2008	\$ (5,996,510)
Unrecognized net transition obligation	-
Unrecognized net actuarial (gain)/loss	<u>(44,541)</u>
Prepaid (accrued) benefit cost	<u>\$ (6,041,051)</u>
Components of net periodic cost:	
Service cost	\$ 107,251
Interest cost	353,816
Amortization of unrecognized transition obligation	-
Recognized net (gains)/ losses	<u>-</u>
Total net period cost	<u>\$ 461,067</u>

Projected net periodic costs of \$524,659 are expected to be accrued during the next fiscal year. Benefits expected to be paid in each of the next five years cannot be accurately determined at this time. It is estimated that the payments for the next five years will be \$195,018, \$211,130, \$233,740, \$260,399, and \$285,372.

**NOTE 10 - RELATED PARTY TRANSACTIONS**

**Management Services**

University Center provides accounting and/or other management services to HSU Alumni Association (See Note 5), HSU Associated Students, and HSU Advancement Foundation. Based on agreements, University Center was paid \$221,480 by HSU Associated Students and \$33,000 by Advancement Foundation for services during the year ended June 30, 2008.

**Leases**

University Center has lease agreements with HSU that are described in Note 8.

HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 11 - FUNCTIONAL ALLOCATION OF EXPENSES**

Expenses by functional classification for the year ended June 30, 2008, are as follows:

Auxiliary Enterprises:	
Bookstore	\$ 1,218,361
Dining	3,144,202
 Program Services & General:	
CenterArts	1,587,403
Center Activities	772,516
General Operations/Facilities & Administration	<u>1,690,223</u>
 Total Expenses	 <u>\$ 8,412,705</u>

## **SUPPLEMENTARY INFORMATION**

**HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS**

Statement of Net Assets

June 30, 2008

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 665,392
Short-term investments	9,200,051
Accounts receivable, net	—
Leases receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	1,556,449
Total current assets	<u>11,421,892</u>
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	987,420
Other assets	—
Total noncurrent assets	<u>987,420</u>
Total assets	<u>12,409,312</u>
Liabilities:	
Current liabilities:	
Accounts payable	354,566
Accrued salaries and benefits payable	83,403
Accrued compensated absences— current portion	173,618
Deferred revenue	97,875
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Due to California State University Risk Management Authority	—
Other liabilities	253,190
Total current liabilities	<u>962,652</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
Deferred revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Depository accounts	—
Other liabilities	6,429,401
Total noncurrent liabilities	<u>6,429,401</u>
Total liabilities	<u>7,392,053</u>
Net assets:	
Invested in capital assets, net of related debt	987,420
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Other	—
	—
	—
	—
	—
Unrestricted	4,029,839
Total net assets	<u>\$ 5,017,259</u>

See the accompanying independent auditors' report and notes to supplementary information.

**HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS**

Statement of Revenues, Expenses, and Changes in Net Assets  
Year Ended June 30, 2008  
(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$0)	\$ 924,705
Grants and contracts, noncapital:	
Federal	—
State and local	—
Nongovernmental	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	14,309,795
Other operating revenues	—
Total operating revenues	<u>15,234,500</u>
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	—
Institutional support	—
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	14,858,668
Depreciation and amortization	192,930
Total operating expenses	<u>15,051,598</u>
Operating income (loss)	<u>182,902</u>
Nonoperating revenues (expenses):	
State appropriations, noncapital	—
Gifts, noncapital	—
Investment income, net	432,863
Endowment income	—
Interest on capital-related debt	—
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>432,863</u>
Income (loss) before other additions	615,765
State appropriations, capital	—
Grants and gifts, capital	—
Additions to permanent endowments	—
Increase (decrease) in net assets	<u>615,765</u>
Net assets:	
Net assets at beginning of year	<u>4,401,494</u>
Net assets at end of year	<u>\$ 5,017,259</u>

See the accompanying independent auditors' report and notes to supplementary information.



**HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS**

Other Information

June 30, 2008

(for inclusion in the California State University)

**1 Restricted cash and cash equivalents at June 30, 2008:**

Portion of restricted cash and cash equivalents related to endowment	\$	—
All other restricted cash and cash equivalents	\$	—
Total restricted cash and cash equivalents	\$	—

**2 Composition of investments at June 30, 2008:**

	Current	Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$	—	\$
State of California Local Agency Investment Fund (LAIF)	9,200,051	—	9,200,051
Met West Short Term Fund	—	—	—
Met West Medium Term Fund	—	—	—
Met West Equity Fund	—	—	—
Debt securities	—	—	—
Equity securities	—	—	—
Fixed income securities (Treasury notes, GNMA's)	—	—	—
Real estate	—	—	—
Certificates of deposit	—	—	—
Notes receivable	—	—	—
Mutual funds	—	—	—
Collateralized mortgage obligations:	—	—	—
Inverse floaters	—	—	—
Interest-only strips	—	—	—
Agency pass-through	—	—	—
Private pass-through	—	—	—
Other investments:	—	—	—
Money market funds	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Total investments	9,200,051	—	9,200,051
Less endowment investments (enter as negative number)	—	—	—
Total investments	\$ 9,200,051	\$	\$ 9,200,051

See the accompanying independent auditors' report and notes to supplementary information.

**HUMBOLDT STATE UNIVERSITY CENTER  
BOARD OF DIRECTORS**  
Other Information  
June 30, 2008  
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**3 Composition of capital assets at June 30, 2008:**

	Balance June 30, 2007	Prior period Adjustments	Reclassifications	Balance 30-Jun-07 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2008
Nondepreciable capital assets:								
Land and land improvements	\$ —	—	—	\$ —	—	—	—	\$ —
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	73,541	—	—	73,541	—	—	(73,541)	—
Total nondepreciable capital assets	73,541	—	—	73,541	—	—	(73,541)	—
Depreciable capital assets:								
Buildings and building improvements	2,509,162	—	—	2,509,162	310,197	—	69,555	2,888,914
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	1,775,936	—	—	1,775,936	76,234	(37,288)	3,986	1,818,868
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets	—	—	—	—	—	—	—	—
Total depreciable capital assets	4,285,098	—	—	4,285,098	386,431	(37,288)	73,541	4,707,782
Total cost	4,358,639	—	—	4,358,639	386,431	(37,288)	—	4,707,782
Less accumulated depreciation:								
Buildings and building improvements	(2,049,541)	—	—	(2,049,541)	(97,102)	—	—	(2,146,643)
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	(1,515,179)	—	—	(1,515,179)	(95,828)	37,288	—	(1,573,719)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation	(3,564,720)	—	—	(3,564,720)	(192,930)	37,288	—	(3,720,362)
Net capital assets	\$ 793,919	—	—	\$ 793,919	\$ 193,501	\$ —	\$ —	\$ 987,420

**Detail of depreciation and amortization expense for the year ended June 30, 2008:**

Depreciation and amortization expense related to cap	\$ 192,930
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 192,930

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

	Balance June 30, 2007	Prior period adjustments	Reclassifications	Balance June 30, 2007 (restated)	Additions	Reductions	Balance June 30, 2008	Long-term portion	Current portion
Accrued compensated absences	\$ 161,491	—	—	\$ 161,491	12,127	—	\$ 173,618	—	\$ 173,618
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	—	—	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	—	—	—	—	—
Commercial Paper	—	—	—	—	—	—	—	—	—
Other:									
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Unamortized loss on refunding	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ 161,491	—	—	\$ 161,491	12,127	—	\$ 173,618	—	\$ 173,618

**5 Future minimum lease payments:**

Year ending June 30:	Principal	Interest	Principal and Interest
2008	—	\$ —	—
2009	—	—	—
2010	—	—	—
2011	—	—	—
2012	—	—	—
2013 - 2017	—	—	—
2018 - 2022	—	—	—
2023 - 2027	—	—	—
2028 - 2032	—	—	—
2033 - 2037	—	—	—
2038 - 2042	—	—	—
2043 - 2047	—	—	—
2048 - 2052	—	—	—
2053 - 2057	—	—	—
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>	—	—	\$ —

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**6 Long-term debt obligation schedule**

Year ending June 30:	Revenue Bonds		All other long-term debt obligations				Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	—	—	—	—	—	—	—	—
2009	—	—	—	—	—	—	—	—
2010	—	—	—	—	—	—	—	—
2011	—	—	—	—	—	—	—	—
2012	—	—	—	—	—	—	—	—
2013 - 2017	—	—	—	—	—	—	—	—
2018 - 2022	—	—	—	—	—	—	—	—
2023 - 2027	—	—	—	—	—	—	—	—
2028 - 2032	—	—	—	—	—	—	—	—
2033 - 2037	—	—	—	—	—	—	—	—
2038 - 2042	—	—	—	—	—	—	—	—
2043 - 2047	—	—	—	—	—	—	—	—
2048 - 2052	—	—	—	—	—	—	—	—
2053 - 2057	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—

**7 Calculation of net assets - Invested in capital assets, net of related debt**

	Auxiliary Organizations		Total	
	GASB	FASB	Auxiliaries	
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:				
(description)	—	—	—	—
(description)	—	—	—	—
(description)	—	—	—	—
(description)	—	—	—	—
(description)	—	—	—	—
Net assets - invested in capital assets, net of related debt	\$ —	\$ 987,420	\$ 987,420	\$ 987,420

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

	Net Asset	
	Class	Amount
		Dr. (Cr.)
Net assets as of June 30, 2007, as previously reported	\$	—
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 assets as of June 30, 2007, as restated	\$	—

**Provide a detailed breakdown of the journal entries booked to record each prior period adjustments:**

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

See the accompanying independent auditors' report and notes to supplementary information.

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NOTE TO SUPPLEMENTARY INFORMATION  
June 30, 2008**

**NOTE 1 – SUPPLEMENTARY SCHEDULES**

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