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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

B Check if applicable
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization
HSU ADVANCEMENT FOUNDATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1 HARPST STREET

City or town, state or country, and ZIP + 4
ARCATA, CA 95521

D Employer identification number
94-6077724

E Telephone number
(707) 826-5118

G Gross receipts $ 6,114,218

F Name and address of principal officer
CRAIG WRUCK
1 HARPST STREET
ARCATA, CA 95521

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ HTTP //WWW HUMBOLDT EDU/HSUAF/

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1952

M State of legal domicile CA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
THE HSU ADVANCEMENT FOUNDATION EXISTS TO SUPPORT AND ADVANCE THE MISSION OF HUMBOLDT STATE UNIVERSITY BY SECURING PRIVATE SUPPORT, DEVELOPING AND MANAGING ENTREPRENEURIAL ACTIVITIES, OVERSEEING PHILANTHROPIC ACTIVITIES, AND MANAGING ENDOWED AND OTHER ASSETS AS REQUESTED BY THE UNIVERSITY

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	31
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	20
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	2,308,109	3,658,138
	9	Program service revenue (Part VIII, line 2g)	283,800	283,800
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	900,705	110,528
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,691	305,473
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,495,305	4,357,939
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		0
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶47,393		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	974,117	1,216,865
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	974,117	1,216,865
	19	Revenue less expenses Subtract line 18 from line 12	2,521,188	3,141,074
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	27,555,259	26,418,202
	21	Total liabilities (Part X, line 26)	2,613,790	2,728,754
	22	Net assets or fund balances Subtract line 21 from line 20	24,941,469	23,689,448

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

****** | 2013-04-15
Signature of officer | Date

CRAIG WRUCK EXECUTIVE DIRECTOR
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ DONNA L TAYLOR CPA	Date 2013-04-25	Check if self-employed ▶ ☑	Preparer's taxpayer identification number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ HUNTER HUNTER & HUNT CPAS, 1315 FOURTH ST, EUREKA, CA 95501			EIN ▶
			Phone no ▶ (707) 476-0674

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . ☑

1 Briefly describe the organization's mission

THE HSU ADVANCEMENT FOUNDATION EXISTS TO SUPPORT AND ADVANCE THE MISSION OF HUMBOLDT STATE UNIVERSITY BY SECURING PRIVATE SUPPORT, DEVELOPING AND MANAGING ENTREPRENEURIAL ACTIVITIES, OVERSEEING PHILANTHROPIC ACTIVITIES, AND MANAGING ENDOWED AND OTHER ASSETS AS REQUESTED BY THE UNIVERSITY

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 719,774 including grants of $) (Revenue $ 416,001)

EARNINGS ARE FORWARDED TO SCHOLARSHIP OR CAMPUS PROGRAMS IN COMPLIANCE WITH ENDOWMENT RESTRICTIONS

4b (Code) (Expenses $ 18,407 including grants of $) (Revenue $ 283,800)

PROPERTY IS RENTED TO THE UNIVERSITY

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶$ 738,181

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c	Yes	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b		

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	3		
b	Enter the number of Forms W-2G included in line 1a *Enter -0- if not applicable*	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			4a	No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	No
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	No
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			13a	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the aggregate amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b	

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 31			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 20			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		**5**		No
6	Did the organization have members or stockholders?		**6**		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		**7a**		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		**7b**		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?		**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		**9**		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**		No
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**		No
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**		
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	**12c**		
13	Did the organization have a written whistleblower policy?	**13**		No
14	Did the organization have a written document retention and destruction policy?	**14**		No
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**		No
b	Other officers or key employees of the organization	**15b**		No
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶CA

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

CRAIG WRUCK
1 HARPST STREET
ARCATA, CA 95521
(707) 826-3127

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII . . . .

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
See Additional Data Table										

		(D)	(E)	(F)
1b	**Sub-Total** . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . ▶		1,175,300	429,485

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶

Part VIII Statement of Revenue

Section	Line	Description			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,658,138				
	g	Noncash contributions included in lines 1a-1f $ 36,488						
	h	**Total.** Add lines 1a-1f ▶			3,658,138			
Program Service Revenue				Business Code				
	2a	RENT- RELATED ORGANIZATION		531120	283,800			283,800
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	**Total.** Add lines 2a–2f ▶			283,800			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) ▶			528,958	524,769		4,189
	4	Income from investment of tax-exempt bond proceeds ▶						
	5	Royalties ▶						
			(i) Real	(ii) Personal				
	6a	Gross rents						
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss) ▶						
			(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	1,337,849					
	b	Less cost or other basis and sales expenses	1,756,279					
	c	Gain or (loss)	-418,430					
	d	Net gain or (loss) ▶			-418,430	-418,430		
	8a	Gross income from fundraising events (not including $ ______ of contributions reported on line 1c) See Part IV, line 18	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from fundraising events ▶						
	9a	Gross income from gaming activities See Part IV, line 19	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from gaming activities ▶						
	10a	Gross sales of inventory, less returns and allowances	a					
	b	Less cost of goods sold	b					
	c	Net income or (loss) from sales of inventory ▶						
		Miscellaneous Revenue		Business Code				
	11a	OTHER NONOPERATING REVENUE		900099	276,691	276,691		
	b	OTHER OPERATING REVENUE		900099	28,782	28,782		
	c							
	d	All other revenue						
	e	**Total.** Add lines 11a–11d ▶			305,473			
	12	**Total revenue.** See Instructions ▶			4,357,939	411,812		287,989

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question in this Part IX . . . .

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	23,635		23,635	
d Lobbying				
e Professional fundraising *See Part IV, line 17* . .				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	23,899		23,899	
14 Information technology				
15 Royalties . .				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	18,407	18,407		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	12,469		12,469	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a DISTRIBUTION OF EARNINGS	719,774	719,774		
b SERVICES PROVIDED BY HSU	257,485		210,092	47,393
c INVESTMENT FEES	80,850		80,850	
d HOSPITALITY	32,347		32,347	
e				
f All other expenses	47,999		47,999	
25 **Total functional expenses.** Add lines 1 through 24f	1,216,865	738,181	431,291	47,393
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X **Balance Sheet**

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		102,916	1	56,091
	2	Savings and temporary cash investments		1,154,190	2	1,129,440
	3	Pledges and grants receivable, net		1,788,929	3	345,860
	4	Accounts receivable, net			4	257,822
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges			9	
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 474,135			
	b	Less accumulated depreciation	10b	507,500	10c	474,135
	11	Investments—publicly traded securities		18,637,956	11	18,662,674
	12	Investments—other securities See Part IV, line 11		1,217	12	1,217
	13	Investments—program-related See Part IV, line 11		5,228,950	13	5,250,169
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		133,601	15	240,794
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		27,555,259	16	26,418,202
Liabilities	17	Accounts payable and accrued expenses			17	178,959
	18	Grants payable			18	
	19	Deferred revenue			19	14,795
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties		2,535,000	24	2,535,000
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		78,790	25	
	26	**Total liabilities.** Add lines 17 through 25		2,613,790	26	2,728,754
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets			27	
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☑ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds		24,941,469	32	23,689,448
	33	Total net assets or fund balances		24,941,469	33	23,689,448
	34	Total liabilities and net assets/fund balances		27,555,259	34	26,418,202

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	4,357,939
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,216,865
3	Revenue less expenses Subtract line 2 from line 1	3	3,141,074
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	24,941,469
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-4,393,095
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	23,689,448

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ______ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		

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SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HSU ADVANCEMENT FOUNDATION

Employer identification number
94-6077724

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☑ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☑ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☑ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?	**11g(i)**		No
(ii) a family member of a person described in (i) above?	**11g(ii)**		No
(iii) a 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		No

h Provide the following information about the supported organization(s)

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section (see instructions))	**(iv)** Is the organization in col (i) listed in your governing document? Yes	No	**(v)** Did you notify the organization in col (i) of your support? Yes	No	**(vi)** Is the organization in col (i) organized in the U S ? Yes	No	**(vii)** Amount of support?
(A) HUMBOLDT STATE UNIVERSITY	680282413	6	Yes			No	Yes		719,774
Total									719,774

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) | 12 |

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) | 14 |

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 | 15 |

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in IRC 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	**(a)** 2007	**(b)** 2008	**(c)** 2009	**(d)** 2010	**(e)** 2011	**(f)** Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	**(a)** 2007	**(b)** 2008	**(c)** 2009	**(d)** 2010	**(e)** 2011	**(f)** Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	**15**	
16 Public support percentage from 2010 Schedule A, Part III, line 15	**16**	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	**17**	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	**18**	

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation
PART I, LINE 11H (A) DISTRIBUTIONS OF EARNINGS WERE MADE TO CAMPUS ORGANIZATIONS

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MIKE STOCKSTILL MEMBER	1 00	X						0	0	0
ALISTAIR MCCRONE PRES EMER-HS	1 00	X						0	0	0
CHUCK PETRUSHA MEMBER	1 00	X						0	0	0
JASON RAMOS MEMBER	1 00	X						0	0	0
DUNCAN ROBINS MEMBER	1 00	X						0	0	0
ROBIN BAILIE DIRECTOR AF	1 00						X	0	68,061	35,516

Additional Data

Software ID:
Software Version:
EIN: 94-6077724
Name: HSU ADVANCEMENT FOUNDATION

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ROLLIN RICHMOND PRESIDENT HS	1 00	X						0	297,870	141,267
ROBERT SNYDER PROVOST - HS	1 00	X						0	211,156	61,022
BURT NORDSTROM SECRETARY	1 00	X						0	193,184	62,148
FRANK WHITLATCH INTERIM VP H	10 00	X						0	141,424	50,774
LAURA JACKSON ASSOC VP HSU	10 00	X						0	126,420	38,228
MARY GLENN FACULTY REP	1 00	X						0	113,218	40,296
GARY RYNEARSON FACULTY REP	1 00	X						0	13,885	201
TJ MONTGOMERY SRUDENT REP	1 00	X						0	7,383	4
ELLYN HENDERSON STUDENT REP	1 00	X						0	2,222	29
RACHEL BROWNELL STUDENT REP	1 00	X						0	477	0
REGINA BENZONELLI MEMBER	1 00	X						0	0	0
HEATHER BERNIKOFF-RABOY MEMBER	1 00	X						0	0	0
GARY BLATNICK CHAIRMAN	1 00	X						0	0	0
STEVEN BROWN MEMBER	1 00	X						0	0	0
RICHARD CUNEO MEMBER	1 00	X						0	0	0
KEN DAVLIN VICE CHAIR	1 00	X						0	0	0
JUDITH DVORAK MEMBER	1 00	X						0	0	0
MICHAEL FIELDING MEMBER	1 00	X						0	0	0
GEORGE SCHMIDBAUER MEMBER	1 00	X						0	0	0
LAURA FISHER MEMBER	1 00	X						0	0	0
NICK FRANK TREASURER	1 00	X						0	0	0
DAN JOHNSON MEMBER	1 00	X						0	0	0
ALISA JUDGE MEMBER	1 00	X						0	0	0
DAVID KALB MEMBER	1 00	X						0	0	0
LISA KLYCE MEMBER	1 00	X						0	0	0

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SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HSU ADVANCEMENT FOUNDATION

Employer identification number
94-6077724

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☑ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☑ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ ______

4 Number of states where property subject to conservation easement is located ▶ ______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☑ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ ______

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☑ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

(ii) Assets included in Form 990, Part X ▶ $ ______

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

b Assets included in Form 990, Part X ▶ $ ______

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☑ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☑ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☑ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	20,348,587	16,628,796	13,294,890	16,055,768	
b Contributions	1,380,470	1,386,293	2,640,296	467,139	
c Investment earnings or losses	-363,782	2,947,660	1,043,488	-2,636,719	
d Grants or scholarships					
e Other expenditures for facilities and programs	978,150	614,162	349,878	591,298	
f Administrative expenses					
g End of year balance	20,387,125	20,348,587	16,628,796	13,294,890	

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ► 21 000 %

b Permanent endowment ► 78 000 %

c Term endowment ► 1 000 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		No

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	474,135			474,135
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ►				474,135

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) LAND AND OTHER REAL ESTATE	5,250,169	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	5,250,169	

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	4,357,939
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,216,865
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,141,074
4	Net unrealized gains (losses) on investments	4	-276,577
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	-1,597,078
8	Other (Describe in Part XIV)	8	-2,519,440
9	Total adjustments (net) Add lines 4 - 8	9	-4,393,095
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-1,252,021

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	3,982,106
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-276,577		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-99,256		
e	Add lines **2a** through **2d**			2e	-375,833
3	Subtract line **2e** from line **1**			3	4,357,939
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	4,357,939

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	5,234,127
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b	1,597,078		
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	2,420,184		
e	Add lines **2a** through **2d**			2e	4,017,262
3	Subtract line **2e** from line **1**			3	1,216,865
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	1,216,865

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
INTENDED USES FOR ENDOWMENT FUNDS	SCHEDULE D, PAGE 2, PART V, LINE 4	THE ENDOWMENT FUNDS WERE ESTABLISHED FOR A VARIETY OF PURPOSES RELATED TO FURTHERING EDUCATION
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	THE FOUNDATION QUALIFIES AS A TAX EXEMPT ORGANIZATION UNDER THE APPLICABLE SECTIONS OF THE INTERNAL REVENUE CODE SECTION 501(C)(3) AND CALIFORNIA REVENUE AND TAXATION CODE SECTION 23701D THE OPEN AUDIT PERIODS ARE 2008 THROUGH 2010 THE FOUNDATION HAS ANALYZED THE TAX POSITIONS TAKEN FOR FILINGS WITH THE INTERNAL REVENUE SERVICE AND THE STATE OF CALIFORNIA THE FOUNDATION BELIEVES THAT INCOME TAX FILING POSITIONS WILL BE SUSTAINED UPON EXAMINATION AND DOES NOT ANTICIPATE ANY ADJUSTMENTS THAT WOULD RESULT IN A MATERIAL ADVERSE EFFECT ON THE FINANCIAL STATEMENTS ACCORDINGLY, THE FOUNDATION HAS NOT RECORDED ANY RESERVES, OR RELATED ACCRUALS FOR INTEREST AND PENALTIES FOR UNCERTAIN INCOME TAX POSITIONS AT JUNE 30, 2012
RECONCILIATION OF CHANGES - OTHER	SCHEDULE D, PAGE 4, PART XI, LINE 8	INTEREST EXPENSE INCLUDED IN NONOPERATING REVENUE/EXPENSES -18,407 INVESTMENT FEES INCLUDED IN NONOPERATING REVENUE/EXPENSES -386,790 COST RECOVERY REVENUE 305,941 INTEREST EXPENSE INCLUDED IN NONOPERATING REVENUE/EXPENSES 18,407 INVESTMENT FEES INCLUDED IN NONOPERATING REVENUE/EXPENSES 386,790 COST RECOVERY REVENUE -305,941 TRANSFERS TO OTHER CAMPUS ENTITIES -2,519,441 ROUNDING 1
REVENUE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XII, LINE 2D	INTEREST EXPENSE INCLUDED IN NONOPERATING REVENUE/EXPENSES -18,407 INVESTMENT FEES INCLUDED IN NONOPERATING REVENUE/EXPENSES -386,790 COST RECOVERY REVENUE 305,941
EXPENSE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XIII, LINE 2D	INTEREST EXPENSE INCLUDED IN NONOPERATING REVENUE/EXPENSES -18,407 INVESTMENT FEES INCLUDED IN NONOPERATING REVENUE/EXPENSES -386,790 COST RECOVERY REVENUE 305,941 TRANSFERS TO OTHER CAMPUS ENTITIES 2,519,441 ROUNDING -1

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HSU ADVANCEMENT FOUNDATION

Employer identification number
94-6077724

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☑ Written employment contract ☐ Compensation survey or study ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) ROLLIN RICHMOND	(i)							
	(ii)	297,870			53,174	88,093	439,137	
(2) ROBERT SNYDER	(i)							
	(ii)	211,156			37,488	23,534	272,178	
(3) BURT NORDSTROM	(i)							
	(ii)	193,184			34,191	27,957	255,332	
(4) FRANK WHITLATCH	(i)							
	(ii)	141,424			24,993	25,781	192,198	
(5) LAURA JACKSON	(i)							
	(ii)	126,420			22,314	15,914	164,648	
(6) MARY GLENN	(i)							
	(ii)	113,218			15,207	25,089	153,514	
(7) ROBIN BAILIE	(i)							
	(ii)	68,061			35,516		103,577	

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization	Employer identification number
HSU ADVANCEMENT FOUNDATION	94-6077724

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes	X	1	15,500	MARKET VALUE
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (ROWING EQUIP)	X	2	15,000	MARKET VALUE
26 Other ▶ (COMPUTER EQUIP)	X	1	5,988	MARKET VALUE
27 Other ▶ ( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . **29**

		Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b If "Yes," describe the arrangement in Part II			
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a	Yes	
b If "Yes," describe in Part II			
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
THIRD PARTY USED TO PROCESS NONCASH CONTRIBUTIONS	SCHEDULE M, PAGE 1, PART I, LINE 32B	US BANK INVESTMENTS DEPARTMENT HANDLES THE SALE OF DONATED STOCKS EMPLOYEES OF HSU SOLICIT DONATIONS FOR THE ORGANIZATION

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HSU ADVANCEMENT FOUNDATION

Employer identification number
94-6077724

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990 - ORGANIZATION'S MISSION	THE HSU ADVANCEMENT FOUNDATION EXISTS TO SUPPORT AND ADVANCE THE MISSION OF HUMBOLDT STATE UNIVERSITY BY SECURING PRIVATE SUPPORT, DEVELOPING AND MANAGING ENTREPRENEURIAL ACTIVITIES, OVERSEEING PHILANTHROPIC ACTIVITIES, AND MANAGING ENDOWED AND OTHER ASSETS AS REQUESTED BY THE UNIVERSITY
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	FORM 990 IS REVIEWED, THEN SIGNED, BY THE EXECUTIVE DIRECTOR
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	THE ORGANIZATION DOES NOT HAVE A WRITTEN CONFLICT OF INTEREST POLICY, BUT REQUIRES BOARD MEMBERS TO SIGN A CONFLICT OF INTEREST STATEMENT ANNUALLY
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	THE AUDITED FINANCIAL STATEMENTS AND GOVERNING DOCUMENTS, AS WELL AS FORM 990, ARE POSTED ON THE ORGANIZATION'S WEBSITE
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 5	OTHER CHANGES OF NET ASSETS OF (4,393,095) CONSIST OF RESTATEMENT OF BEGINNING NET ASSETS (1,597,078) UNREALIZED LOSSES (276,577) TRANSFERS TO/FROM OTHER CAMPUS ENTITIES (2,519,441) ROUNDING 1
CHANGE IN ACCOUNTING METHOD EXPLANATION	FORM 990, PAGE 12, PART XII, LINE 1	THE FOUNDATION CONTINUES TO USE THE ACCRUAL BASIS OF ACCOUNTING, REPORTING REVENUES WHEN EARNED AND EXPENSES WHEN INCURRED DURING THE YEAR, THE PRESENTATION OF THE FINANCIAL STATEMENTS HAS CHANGED THE FOUNDATION DETERMINED THAT ITS FINANCIAL STATEMENTS SHOULD APPLY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES APPLICABLE TO GOVERNMENTAL ENTITIES

SCHEDULE R (Form 990)

Related Organizations and Unrelated Partnerships

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
HSU ADVANCEMENT FOUNDATION

Employer identification number
94-6077724

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization Yes	No
(1) HUMBOLDT STATE UNIVERSITY 1 HARPST STREET ARCATA, CA 95521 68-0282413	EDUCATION	CA	115		N/A		No
(2) HSU SPONSORED PROGRAMS FOUNDATION 1 HARPST STREET ARCATA, CA 95521 94-6050071	GRANT ADM	CA	501C3		N/A		No

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	**(b)** Primary activity	**(c)** Legal domicile (state or foreign country)	**(d)** Direct controlling entity	**(e)** Predominant income (related, unrelated, excluded from tax under sections 512-514)	**(f)** Share of total income	**(g)** Share of end-of-year assets	**(h)** Disproprtionate allocations?		**(i)** Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	**(j)** General or managing partner?		**(k)** Percentage ownership
							Yes	**No**		**Yes**	**No**	

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	**(b)** Primary activity	**(c)** Legal domicile (state or foreign country)	**(d)** Direct controlling entity	**(e)** Type of entity (C corp, S corp, or trust)	**(f)** Share of total income	**(g)** Share of end-of-year assets	**(h)** Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

			Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b	Gift, grant, or capital contribution to related organization(s)	1b		No
c	Gift, grant, or capital contribution from related organization(s)	1c		No
d	Loans or loan guarantees to or for related organization(s)	1d		No
e	Loans or loan guarantees by related organization(s)	1e		No
f	Sale of assets to related organization(s)	1f		No
g	Purchase of assets from related organization(s)	1g		No
h	Exchange of assets with related organization(s)	1h		No
i	Lease of facilities, equipment, or other assets to related organization(s)	1i	Yes	
j	Lease of facilities, equipment, or other assets from related organization(s)	1j		No
k	Performance of services or membership or fundraising solicitations for related organization(s)	1k		No
l	Performance of services or membership or fundraising solicitations by related organization(s)	1l	Yes	
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		No
n	Sharing of paid employees with related organization(s)	1n	Yes	
o	Reimbursement paid to related organization(s) for expenses	1o		No
p	Reimbursement paid by related organization(s) for expenses	1p		No
q	Other transfer of cash or property to related organization(s)	1q	Yes	
r	Other transfer of cash or property from related organization(s)	1r		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) HUMBOLDT STATE UNIVERSITY	I	283,800	AMOUNT PAID
(2) HUMBOLDT STATE UNIVERSITY	L	123,803	AMOUNT PAID
(3) HUMBOLDT STATE UNIVERSITY	N	156,000	AMOUNT PAID
(4) HUMBOLDT STATE UNIVERSITY	Q	1,242,817	AMOUNT PAID
(5) HSU SPONSORED PROGRAMS FOUNDATION	Q	762,521	AMOUNT PAID
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete ıf the organızatıon answered "Yes" on Form 990, Part IV, lıne 37.)

Provide the followıng ınformatıon for each entıty taxed as a partnershıp through whıch the organızatıon conducted more than fıve percent of ıts actıvıtıes (measured by total assets or gross revenue) that was not a related organızatıon See ınstructıons regardıng exclusıon for certaın ınvestment partnershıps

(a) Name, address, and EIN of entıty	**(b)** Prımary actıvıty	**(c)** Legal domıcıle (state or foreıgn country)	**(d)** Predomınant ıncome(related, unrelated, excluded from tax under sectıons 512-514)	**(e)** Are all partners section 501(c)(3) organızatıons?		**(f)** Share of total ıncome	**(g)** Share of end-of-year assets	**(h)** Dısproprtıonate allocatıons?		**(i)** Code V—UBI amount ın box 20 of Schedule K-1 (Form 1065)	**(j)** General or managıng partner?		**(k)** Percentage ownershıp
				Yes	**No**			**Yes**	**No**		**Yes**	**No**	

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation

HUMBOLDT STATE UNIVERSITY
ADVANCEMENT FOUNDATION

BASIC FINANCIAL STATEMENTS,

REQUIRED SUPPLEMENTARY INFORMATION,

AND

ADDITIONAL INFORMATION

Year Ended June 30, 2012

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John B. Hunter, CPA
James A. Hunter, CPA
Scott E. Hunt, CPA/ABV
Donna L. Taylor, CPA, CFE

Hunter, Hunter & Hunt
CERTIFIED PUBLIC ACCOUNTANTS
Members of the AICPA

Eileen Sacra Capaccio, CPA
Carol Mayes, CPA, CFE
Kim Windsor, CPA/ABV
Jennifer J. Hillegeist, CPA
Patrick M. Shanahan, CPA

INDEPENDENT AUDITORS' REPORT

Humboldt State University Advancement Foundation
Board of Directors
Arcata, California

We have audited the accompanying financial statements of the business-type activities of Humboldt State University Advancement Foundation as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the organization's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Humboldt State University Advancement Foundation as of June 30, 2012, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, Humboldt State University Advancement Foundation adopted Governmental Accounting Standards Board financial reporting as of and for the fiscal year ending June 30, 2012. Previously, the Foundation utilized Financial Accounting Standards Board financial reporting.

In accordance with *Government Auditing Standards,* we have also issued our report dated September 27, 2012, on our consideration of Humboldt State University Advancement Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

1315 Fourth Street, Eureka, California 95501 ~ PHONE 707-476-0674 ~ FAX 707-476-0675 ~ hhh-cpa.com

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Hunter, Hunter & Hunt

September 27, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

HUMBOLDT STATE UNIVERSITY ADVANCEMENT FOUNDATION

Management's Discussion and Analysis

June 30, 2012

This section of Humboldt State University Advancement Foundation (the Foundation) annual financial report presents the Foundation's discussion and analysis of the financial performance of the Foundation for the fiscal year ended June 30, 2012. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

After reassessing its articles of incorporation and bylaws, the Foundation determined that it meets the definition of a governmental entity and thus adopted Governmental Accounting Standards Board (GASB) financial reporting. Previously, the Foundation utilized Financial Accounting Standards Board (FASB) financial reporting. The primary items affected by the change in accounting treatment for the Foundation are pledges, funds held in trust by others, endowment appreciation and/or deficits, and the functional presentation of operating expenses. Adoption of GASB financial reporting principles had an effect on the Foundation's beginning net assets. See Note 2.

Due to the differences in accounting treatment and presentation of results, it is management's determination that it is not practical to present the basic financial statements reflecting prior year comparative information. As such, the Foundation is presenting financial results as of June 30, 2012 and the fiscal year then ended in a single year format. Management will make reference in its discussion and analysis to certain financial results and statistics from the prior year noting when results have been impacted by the GASB to FASB conversion. Comparative analysis will be presented in future years' basic financial statements.

Introduction to the Financial Statements

This annual report consists of a series of financial statements prepared in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. This standard is applicable to the Foundation as it is a component unit of Humboldt State University (the University). Consistent with the University, the Foundation has adopted the business-type activity (BTA) reporting model to represent its activities.

The financial statements include the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows. These statements are supported by the notes to the financial statements and this section. All sections must be considered together to obtain a complete understanding of the financial picture of the Foundation.

Statement of Net Assets – The statement of net assets includes all assets and liabilities. Assets and liabilities are generally reported on an accrual basis, as of the statement date. It also identifies major categories of restrictions on the net assets of the Foundation.

Statement of Revenues, Expenses, and Changes in Net Assets – The statement of revenues, expenses, and changes in net assets presents the revenues earned and expenses incurred during the year on an accrual basis.

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

Analytical Overview

Summary

The following discussion highlights management's understanding of the key financial aspects of the Foundation's financial activities. Included is an analysis of current year activities and balances; a discussion of restrictions of University net assets; and factors impacting future reporting periods. Due to the change of reporting under GASB financial reporting standards, management is using prior year comparative information for illustrative purposes only. The prior period net assets have been restated to comply with GASB standards. See Note 2 for further disclosure of the changes in net assets.

Condensed Summary of Net Assets

	June 30		
	2012	**2011**	**Change (in millions)**
Assets:			
Current assets	$ 1,530,713	$ 1,338,574	$ 0.19
Capital assets	-	-	-
Other noncurrent assets	24,887,489	26,216,685	(1.33)
Total assets	26,418,202	27,555,259	(1.14)
Liabilities:			
Current liabilities	193,754	78,790	0 11
Long-term debt obligations, net of current portion	2,535,000	2,535,000	-
Other noncurrent liabilities	-	-	-
Total liabilities	2,728,754	2,613,790	0.11
Net assets:			
Invested in capital assets, net of related debt	-	-	-
Restricted, nonexpendable	15,591,458	16,587,205	(1.00)
Restricted, expendable	6,201,128	5,573,860	0.63
Unrestricted	1,896,862	2,780,404	(0.88)
Total net assets	$ 23,689,448	$ 24,941,469	$ (1.26)

Assets

<u>Current Assets</u>

Total current assets increased $192 thousand primarily due to an increase of accounts receivable due to timing of when payments were received at year-end, as well as an increase in the amount of pledges receivable to be collected within one year.

<u>Other noncurrent assets</u>

Other noncurrent assets decreased $1.3 million primarily due to the removal of $1.6 million in charitable remainder trusts that are held by a third party trustee. In accordance with GASB guidance, these trusts will only be recorded when the Foundation receives a distribution from the trust. The remaining change is due to fluctuation in the current market value of endowment and long-term investments.

Liabilities

Current Liabilities

Total current liabilities increased $115 thousand primarily due to timing of when payments were made at year-end as well as a $15 thousand increase in deferred revenue related to KHSU radio station underwriting payments received prior to services being performed.

Long-Term Debt Obligations

CSURMA granted a loan to Advancement Foundation on August 26, 2008. The proceeds of $2,535,000 financed the acquisition of property located in Arcata, California. The loan is unsecured. All principal and any remaining unpaid interest will be due and payable on October 31, 2013. The loan is non-amortizing, with interest due and payable quarterly. Principal may be prepaid at any time during the term of the loan. The loan may be assigned to another auxiliary related to the University upon request of the campus President and approval of the CSURMA Chair and Treasurer.

Management intends to pay $535,000 of the principal loan balance during the next fiscal year and extend the remaining $2 million loan balance until October 2017.

Net Assets

Total net assets decreased $1.3 million from the prior year. A reduction to beginning net assets of $1.6 million was made due to the transition from reporting under FASB standards to GASB standards. To comply with GASB standards, the Foundation had to remove charitable remainder trusts that are held by a third party trustee. In addition, to comply with GASB standards, the Foundation had to make reclassifications between the net asset categories. The Foundation's net assets as of June 30, 2012 consist of:

Restricted, non-expendable - $15,591,458
Represents endowments created by a multitude of donors over time. These endowments provide a perpetual stream of annual income in support of the University. This net asset category also includes a charitable remainder trust and a gift annuity that are designated to the endowment upon termination. Net investment depreciation reduces this net asset category if the endowments' market value is below corpus. If the endowments' market value is above corpus then the net investment appreciation is recorded under the restricted, expendable – other or unrestricted net asset category dependent upon if there is an underlying purpose restriction.

Restricted, expendable Other - $6,201,128
Represents net assets restricted by external restrictions, but available for spending by authorized representatives of the University. This category includes quasi and term endowments with a restricted purpose, trusts restricted to a purpose, and investment appreciation above endowment corpus.

Unrestricted - $1,896,862
Represents the Foundation's general operating fund along with any Board designated funds including unrestricted quasi-endowments and unrestricted investment appreciation above endowment corpus. This category is not restricted by external restrictions. Its use is designated by management or the Board of Directors of the Foundation.

Condensed Summary of Revenues, Expenses, and Changes in Net Assets

	Year ended June 30		
	2012	**2011**	**Change (in millions)**
Total Operating revenues	$ 334,723	$ -	$ 0.33
Total Operating expenses	(397,834)	-	(0.40)
Operating loss	(63,111)	-	(0.07)
Nonoperating revenues (expenses):			
Gifts, noncapital	3,268,970	1,432,258	1.84
Investment income (loss), net	(11,941)	355,628	(0.37)
Endowment income (loss), net	(395,698)	2,776,061	(3.17)
Interest expense	(18,407)	(9,608)	(0.01)
Other nonoperating revenues, net	415,291	(858,524)	1.27
Total nonoperating revenues	3,258,215	3,695,815	(0.44)
Income before other additions	3,195,104	3,695,815	(0.51)
Additions to permanent endowments	389,168	1,017,810	(0.63)
Transfers to Other Campus Entities	(3,239,215)	-	(3.24)
Increase in net assets	345,057	4,713,625	(4.38)
Beginning net assets, as previously reported	24,941,469	20,227,844	4.71
Restatements	(1,597,078)	-	(1.60)
Beginning net assets, restated	23,344,391	20,227,844	3.11
Ending net assets	$ 23,689,448	$ 24.941,469	$ (1.27)

Operating Revenues and Expenses

Operating revenues and expenses come from sources that are connected directly to the Foundation's primary business function. This includes revenues collected by the Foundation from endowment funds to operate the Foundation. Operating expenses are reported by functional program which are institutional support and public service. See Note 9 for further information. In the prior year, these expenses were shown under nonoperating revenue and expenses.

Nonoperating Revenues (Expenses)

Nonoperating revenues (expenses) come from sources that are not part of the Foundation's primary business functions. Included in this classification are gifts, investment income, endowment income, and interest expense. Net nonoperating revenue of $3.3 million decreased $438 thousand from the prior year due to the following factors:

> Gifts, noncapital increased $1.8 million because the Foundation began recording all gifts made to the University and its related auxiliary organizations in the current year of which $1.2 million of the gifts

received were immediately transferred to the University or auxiliary as well as $0.6 million of increased giving with the largest portion related to the KHSU radio station.

Investment income decreased $368 thousand and endowment income decreased $3.2 million. These decreases are due to the downturn in the market. Interest expense increased by $9 thousand due to a higher interest rate charged by California State University Risk Management Authority (CSURMA) on the Foundation's outstanding loan balance.

Other nonoperating revenue increased by $1.3 million from the prior year. This is due to eight endowments moving from the University to the Foundation and one endowment moving from Sponsored Programs Foundation to the Foundation in the current year with a total value of $270 thousand and movement of $6 thousand held by the University to 3 endowment funds held by the Foundation. In the current year, transfers to campus entities is a separate line item on the financial statements. In the prior year, $828 thousand of transfers to other entities was included as nonoperating expenses. In addition, $339 thousand of revenues and $373 thousand of expenses were classified as nonoperating revenue in the prior year, but a portion of these which related to the Foundation's primary business function have been classified as operating revenue in the current year.

Additions to permanent endowments decreased $629 thousand due to larger endowment donations made by donors in the previous year as well as $129 thousand reduction in the current year due to reduced fair market value on charitable remainder trusts designated to permanent endowments.

Transfers to other campus entities increased $3.2 million. In the prior year $828 thousand of transfers to other entities was included as nonoperating expenses. In addition, the Foundation recorded all gifts made to the University and its related auxiliary organizations in the current year of which $1.2 million was immediately transferred to the University or related auxiliary organization. The remaining increase is due to increased transfers to the University and related auxiliary organizations to support campus activities and programs.

Advancement Foundation Policies

On September 30, 2011, the Foundation Board approved the revised investment policy and procedure. The policy establishes a framework for the investment of Foundation assets, and to ensure that future growth of these assets is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the assets for future generations. The policy establishes appropriate risk and return objectives in light of the fund's risk tolerance and investment time horizon. The policy establishes target asset allocations, performance monitoring procedures, and identifies the roles of key responsible parties.

On March 9, 2012, the Foundation Board approved the earning distribution policy and procedure. The policy establishes a target net return of 4.5% of the Foundation's average total market value during the 12 quarters ending with the last quarter of the previous fiscal year. The actual net return rate will be approved annually by the Board of Directors. Until there are 12 full quarters of history, the average total market value calculation will include as many quarters as possible. Earnings, described as realized and unrealized gains and losses, interest and dividend income, shall generally be available for distribution from those participant accounts invested for two or more quarters. Distributions for participant accounts invested for less than four quarters at the end of the fiscal year, will be prorated based on the number of quarters invested. The actual distribution will occur in July based on the level recommended by the Finance Committee and must be approved annually by the Board of Directors.

On March 9, 2012 the Foundation Board approved the Centennial Fundraising Resolution. The Foundation and the Board plan to support the University and to raise the University's sights as it enters its second century of exceptional teaching and research. The primary focus of this fundraising effort will go towards scholarship support, green and gold room and centennial grove capital projects, and experiential learning.

Factors Impacting Future Periods

The economy has been very volatile the past couple of years but the total endowment balance is above water. The Foundation's Board takes an active role in managing the Foundation's investments; however volatility in the economy impacts the Foundation's investment portfolio and could impact the Foundation's ability to support the University.

BASIC FINANCIAL STATEMENTS

HUMBOLDT STATE UNIVERSITY ADVANCEMENT FOUNDATION

Statement of Net Assets

June 30, 2012

(for inclusion in the California State University)

Assets:		
Current assets		
Cash and cash equivalents	$	56,091
Short-term investments		1,129,440
Accounts receivable, net		257,822
Leases receivable, current portion		—
Notes receivable, current portion		—
Pledges receivable, net		87,360
Prepaid expenses and other assets		—
Total current assets		1,530,713
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		258,500
Endowment investments		20,861,260
Other long-term investments		3,687,049
Capital assets, net		—
Other assets		80,680
Total noncurrent assets		24,887,489
Total assets		26,418,202
Liabilities.		
Current liabilities		
Accounts payable		178,959
Accrued salaries and benefits payable		—
Accrued compensated absences– current portion		—
Deferred revenue		14,795
Capitalized lease obligations – current portior		—
Long-term debt obligations – current portior		—
Self-insurance claims liability - current portior		—
Depository accounts		—
Other liabilities		—
Total current liabilities		193,754
Noncurrent liabilities:		
Accrued compensated absences, net of current portion		—
Deferred revenue		—
Grants refundable		—
Capitalized lease obligations, net of current portior		—
Long-term debt obligations, net of current portior		2,535,000
Self-insurance claims liabilities, net of current portior		—
Depository accounts		—
Other postemployment benefits obligation		—
Other liabilities		—
Total noncurrent liabilities		2,535,000
Total liabilities		2,728,754
Net assets		
Invested in capital assets, net of related debt		—
Restricted for:		
Nonexpendable – endowments		15,591,458
Expendable		
Scholarships and fellowships		—
Research		—
Loans		—
Capital projects		—
Debt service		—
Other		6,201,128
Unrestricted		1,896,862
Total net assets	$	23,689,448

See accompanying notes

HUMBOLDT STATE UNIVERSITY ADVANCEMENT FOUNDATION

Statement of Revenues, Expenses, and Changes in Net Assets

Year Ended June 30, 2012

(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		—
Sales and services of auxiliary enterprises (net of scholarship allowances of $0)		—
Other operating revenues		334,723
Total operating revenues		334,723
Expenses:		
Operating expenses:		
Instruction		—
Research		—
Public service		10,856
Academic support		—
Student services		—
Institutional support		386,978
Operation and maintenance of plant		—
Student grants and scholarships		—
Auxiliary enterprise expenses		—
Depreciation and amortization		—
Total operating expenses		397,834
Operating income (loss)		(63,111)
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		3,268,970
Investment income (loss), net		(11,941)
Endowment income (loss), net		(395,698)
Interest Expenses		(18,407)
Other nonoperating revenues (expenses)		415,291
Net nonoperating revenues (expenses)		3,258,215
Income (loss) before other additions		3,195,104
State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		389,168
Transfers from/(to) Other Campus Entities		(3,239,215)
Increase (decrease) in net assets		345,057
Net assets:		
Net assets at beginning of year, as previously reported		24,941,469
Restatements		(1,597,078)
Net assets at beginning of year, as restated		23,344,391
Net assets at end of year	$	23,689,448

Note For inclusion in the California State University financial statements Transfers from/(to) Other Campus Entities is included in Other nonoperating revenues (expenses)

See accompanying notes.

HUMBOLDT STATE UNIVERSITY ADVANCEMENT FOUNDATION

Statement of Cash Flows

Year ended June 30, 2012

Cash flows from operating activities:		
Received from customers	$	340,947
Payments to vendors and suppliers		(397,793)
Transfers from/(to) Other campus entities		(3,239,215)
Other receipts (payments)		415,291
Net cash provided by (used in) operating activities		**(2,880,770)**
Cash flows from noncapital financing activities:		
Noncapital fees paid		(64,553)
Noncapital gifts and endowments received		2,035,703
Net cash provided by (used in) noncapital financing activities		**1,971,150**
Cash flows from capital and related financing activities:		
Interest paid on debt and leases		(21,753)
Net cash provided by (used in) capital and related financing activities		**(21,753)**
Cash flows from investing activities:		
Proceeds from sales and maturities of investments		1,220,114
Investment income		674,402
Purchase of investments and related fees		(1,009,968)
Net cash provided by (used in) investing activities		**884,548**
Net increase (decrease) in cash and cash equivalents		(46,825)
Cash and cash equivalents at beginning of year		102,916
Cash and cash equivalents at end of year	$	**56,091**
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating (loss)	$	(63,111)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:		
Transfers from/(to) Other campus entities		(3,239,215)
Miscellaneous nonoperating income		415,291
Change in assets and liabilities:		
Receivables, Net		(8,571)
Accounts payable and accrued liabilities		41
Deferred revenue		14,795
Net cash provided by (used in) operating activities	$	**(2,880,770)**
Supplemental schedule of noncash transactions:		
Assets acquired through a gift	$	1,387,746
Change in fair value of investments		(276,576)
Increase in receivables related to nonoperating income		168,027

See accompanying notes.

(1) Organization

Humboldt State University Advancement Foundation (the Foundation), is a nonprofit, tax-exempt corporation, incorporated in 1952 under the provisions of section 501(c)(3) of the Internal Revenue Code. The Foundation is organized to support and advance the mission of Humboldt State University (the University) by securing private support, developing and managing entrepreneurial activities, overseeing philanthropic activities, and managing endowed and other assets as requested by the University. The Foundation is an auxiliary organization of Humboldt State University (the University) and the California State University System. As an affiliated organization component unit of the University, the Foundation's financial data will be included in the financial statements of the University.

Summary of Significant Accounting Policies

(a) Basis of Presentation

After reassessing its articles of incorporation and bylaws, the Foundation determined that it meets the definition of a governmental entity and thus, should apply generally accepted accounting principles applicable to governmental entities. As of July 1, 2011, the Foundation adopted GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (GASB No. 62). GASB No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, that do not conflict with GASB pronouncements:

- FASB Statements and Interpretations;
- Accounting Principles Board Opinions; and
- Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure

GASB No. 62 also supersedes GASB No. 20, thereby eliminating the election provided in GASB No. 20 for enterprise funds and governments engaged in business-type activities to apply post-November 30, 1989, FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989, FASB pronouncements that do not conflict with or contradict GASB pronouncements. Adoption of GASB No. 62 had no impact on the basic financial statements.

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

The financial statements required by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as amended by GASB Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities include a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows. The Foundation is a government organization under accounting principles generally accepted in the United States of America (GAAP) and is also a component unit of the University, a public university under the California State University system. The Foundation has elected to use the reporting model for special-purpose governments engaged only in business-type activities. In accordance with the business-type activities reporting model, the University prepares its statement of cash flows using the direct method.

(b) ***Election of Applicable FASB Statements***

The Foundation follows standards of accounting and financial reporting issued by the FASB prior to November 30, 1989, unless those standards conflict with or contradict guidance of the GASB. The Foundation also has the option of following subsequent private-sector guidance subject to the same limitation. The Foundation has elected not to adopt the pronouncements issued by the FASB after November 30, 1989.

(c) ***Classification of Current and Noncurrent Assets (Other Than Investments) and Liabilities***

The Foundation considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net assets date. Liabilities that reasonably can be expected, as part of normal Foundation business operations, to be liquidated within 12 months of the statement of net assets date are considered to be current. All other assets and liabilities are considered to be noncurrent.

(d) ***Cash and Cash Equivalents***

The Foundation considers all highly liquid investments with an original maturity date of three months or less to be cash and cash equivalents. The Foundation considers amounts included in the Local Agency Investment Fund (LAIF) to be investments.

(e) ***Pledges Receivable***

Unconditional pledges receivable are recorded as receivables and revenue. To be recorded, the pledge must be documented, reasonably measured and probable of collection. The Foundation distinguishes between contributions received for each asset category in accordance with donor-imposed restrictions. Pledges received for endowments are not recorded until received as cash. As GASB requirements do not require nor prohibit discounting pledges receivable for the time value of money, the Foundation has elected to record pledges at the full original pledged amount.

(f) ***Investments***

Investments are reflected at fair value using quoted market prices when available, except for a real estate investment which is reported at historical cost. Realized and unrealized gains and losses are included in the accompanying statement of revenues, expenses, and changes in net assets as investment income, net.

Investments that are used for current operations are classified as short-term investments. Investments that are restricted for use for other than current operations are classified as other long-term investment.

(g) ***Endowment Investments***

Endowment investments consist of approximately 130 individual funds established for a variety of purposes. Endowment investments are reflected at fair value using quoted market prices when available, except for a piece of land which in accordance with GASB 52, is reflected at fair value based on an appraisal. The endowments include true endowment funds, quasi-endowments, and term endowments.

A true endowment is a fund created by a donor (or other external party) with the stipulation, as a condition of the gift instrument, that the principal is to be maintained and invested in perpetuity to produce income, investment growth, or both. This type of endowment is also referred to as a permanent endowment.

A quasi-endowment fund is created when the Foundation's governing board elects to invest currently available resources as if they were subject to endowment restrictions. A determination is made that a portion of currently available resources should be invested for the long term rather than spent for current purposes. The source of quasi-endowments may be unrestricted or restricted expendable net assets. If it's the former, the quasi-endowment will be classified as unrestricted. If it's the latter, the quasi-endowment will be classified as restricted expendable. Quasi-endowments also are referred to as funds functioning as endowments.

Term endowments are created when a donor (or other external party) specifies that the funds must be held and invested until the passage of a specified time or the occurrence of a specified event. The donor (or other external party) also specifies what is to be done with the income and investment growth during the specified period. Term endowments are classified as restricted expendable if the funds will ultimately be made available for spending if contributions are below a set dollar threshold. If the funds ultimately will be added to a true endowment, the term endowment is classified as restricted nonexpendable.

(h) ***Deferred Revenue***

Deferred revenue consists of payments made in advance for underwriting to be performed by the KHSU radio station at a future date.

(i) ***Net Assets***

The Foundation's net assets are classified into the following net asset categories:

Restricted – nonexpendable – Net assets subject to externally imposed conditions that the Foundation retains them in perpetuity. Net assets in this category consist of endowments held by the Foundation.

Restricted – expendable – Net assets subject to externally imposed conditions that can be fulfilled by the actions of the Foundation or by the passage of time.

Unrestricted – All other categories of net assets. In addition, unrestricted net assets may be designated for use by management or the Board of Directors of the Foundation. These requirements limit the area of operations for which expenditures of net assets may be made and require that unrestricted net assets be designated to support future operations in these areas.

(j) ***Classification of Revenues and Expenses***

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

Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 35. These nonoperating activities include net investment income, noncapital gifts, and interest expense.

(k) ***Income Taxes***

The Foundation qualifies as a tax exempt organization under the applicable sections of the Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. The open audit periods are 2008 through 2010. The Foundation has analyzed the tax positions taken for filings with the Internal Revenue Service and the State of California. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the financial statements. Accordingly, the Foundation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2012.

(l) ***Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the accompanying financial statements. Actual results could differ from those estimates.

(2) Changes to Beginning Net Assets

Reclassification of Quasi-Endowments

As explained in the notes to supplementary information that were included in the June 30, 2011, financial statements, for purposes of the schedule of net assets, quasi-endowments were included in restricted non-expendable net assets. For the year ended June 30, 2012, the GASB presentation of quasi-endowments was reassessed, and the presentation was changed to reflect the quasi-endowments in either unrestricted or restricted expendable net assets, based on the intent of the donor.

Reclassification to Report Under GASB

To comply with GASB standards, the Foundation had to make reclassifications between the net asset categories. The reclassifications relate to differences between GASB & FASB standards on the reporting of expenses and endowment gains and losses.

Prior Period Adjustment

A reduction to beginning net assets of $1.6 million was made due to the transition from reporting under FASB standards to GASB standards. To comply with GASB standards, the Foundation had to remove charitable remainder trusts that are held by a third party trustee. The effect of these changes on prior year's change in net assets would have been to reduce the increase in net assets from $4,713,625 to $3,116,547.

Changes to beginning net assets are as follows:

	Temporarily Restricted	Permanently Restricted	Unrestricted	Total
Beginning Net Assets, as previously reported under FASB	$ 6,589,740	$ 15,558,613	$ 2,793,116	$ 24,941,469
Reclassification of quasi-endowments	(3,364,670)	3,951,289	(586,619)	-
Beginning Net Assets, as previously reported under GASB (supplemental information)	$ 3,225,070	$ 19,509,902	$ 2,206,497	$ 24,941,469

	Restricted Expendable Other	Restricted Nonexpendable	Unrestricted	Total
Beginning Net Assets, as previously reported under GASB (supplemental information)	$ 3,225,070	$ 19,509,902	$ 2,206,497	$ 24,941,469
Reclassification of quasi-endowments	3,364,670	(3,951,289)	586,619	-
Reclassification to report under GASB	502,944	(490,232)	(12,712)	-
Prior period adjustment	(537,810)	(214,061)	(845,207)	(1,597,078)
Revised Beginning Net Assets	$ 6,554,874	$ 14,854,320	$ 1,935,197	$ 23,344,391

(3) Cash and Cash Equivalents and Investments

The Foundation's cash and cash equivalents and investments as of June 30, 2012, are classified in the accompanying statement of net assets as follows:

Cash and cash equivalents	$ 56,091
Short-term investments	1,129,440
Other long-term investments	3,687,049
Total investments	4,816,489
Total cash, cash equivalents and investments	$ 4,872,580

(a) Cash and Cash Equivalents

At June 30, 2012, cash and cash equivalents consists of demand deposits held at commercial banks. Total cash and cash equivalents of $56,091 had a corresponding carrying balance with the commercial banks of $68,166 at June 30, 2012. The difference is related to outstanding checks.

Custodial Credit Risk for Deposits

The Foundation maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor. At June 30, 2012, the Foundation's uninsured cash balance was $0.

(b) Short-term Investments

At June 30, 2012, the Foundation's short-term investment portfolio consists entirely of investments in the Local Agency Investment Fund (LAIF), a voluntary program created by statute as an alternative for California's local governments and special districts that allow affiliates to participate in a major investment portfolio. It is under the administration of the California State Treasurer's Office. There are no significant interest rate risks or credit risks to be disclosed in accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3.

(c) Long-term Investments

Long-term investments consist of the Hydrogen Demonstration Trust asset portfolio held by US Bank, a real estate property managed by the Foundation located on Samoa Boulevard in Arcata California, and 18 shares of Baywood stock.

Investment type	
Hydrogen Demonstration Trust	$ 1,152,816
Samoa Real Estate Property	2,533,016
Baywood Stock	1,217
Total long-term investments	$ 3,687,049

The Foundation is currently holding the Samoa property with the intent to transfer ownership to the University. The Foundation currently leases the Samoa Property to the University. The lease agreement is effective until August 28, 2012, however, the University may terminate the lease at any time by giving written notice at least thirty (30) days prior to the date when such termination shall become effective. For the year ending June 30, 2012, $138,600 was collected in rent payments and included in other nonoperating revenues.

Investment income/(loss) on long-term investments consists of the following:

Interest, dividends, and other income	$ 36,446
Realized Loss	(27,751)
Unrealized loss	(190)
Fees	(20,446)
Total investment loss, net	$ (11,941)

The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

(d) ***Endowment Investments***

Endowment Investments consist of pooled master investment accounts held by US Bank and the Schatz Demonstration Tree Farm Land. The land, consisting of approximately 385 acres, was received by the Foundation in June 2005 to provide a demonstration tree farm operation for the benefit of the instructional and research needs of the students and faculty of the University and as an example for owners of small timberland parcels. Title to the land was given to the Foundation within the Declaration of Trust executed in December 1987 which also dictates ownership transfer and use of the land.

Investment type	
Endowment Pooled Investments	$ 20,387,125
Schatz Tree Farm Land	474,135
Total long-term investments	$ 20,861,260

Endowment income/(loss) on endowment investments consists of the following:

Interest, dividends, and other income	$ 637,712
Realized Loss	(390,679)
Unrealized loss	(276,387)
Fees	(366,344)
Total endowment loss, net	$ (395,698)

The endowment pooled investment accounts are connected to master investment accounts. The master investment accounts include all changes in the market value of the investments including realized and unrealized gains and losses, interest and dividend income, as well as lease income from a real estate investment. The investment returns are allocated monthly to the individual endowments based on the relationship of the market value of each endowment to the total market value of the master investment accounts.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) authorizes the spending of corpus and net appreciation. California adopted this act on September 30, 2008, with the passage of Senate Bill 1329. This guidance does not apply to quasi-endowments. The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result of this interpretation the Foundation classifies the original value of the gift donated along with original value of subsequent gifts donated to the permanent endowment. These are included in the restricted, nonexpendable-endowment net asset category on the statement of net assets. The Foundation's current spending policy is to distribute 4.5% of the average total market value during the 12 quarters ending with the last quarter of the previous fiscal year, while taking into account the required prudence evaluation as guided by UPMIFA, which requires considering the donor's intent, contractual agreements with donors, as well as several economic factors. For the fiscal year ending June 30, 2012, the Board of Directors authorized an actual distribution rate of 4%.

If the endowments' market value is above corpus then the net investment appreciation, realized and unrealized, is reported in the restricted, expendable – other or unrestricted net asset category on the statement of net assets until appropriated for spending pursuant to donor agreements. If the endowments' market value is below corpus then the net investment depreciation, realized and unrealized, is reported in the restricted, nonexpendable-endowment net asset category on the statement of net assets.

There were $744,288 of endowment distributions made in the current year, and the board approved the dissolution of the KHSU quasi-endowment in the amount of $101,627 to support operations. The Foundation's board has approved a distribution for the upcoming fiscal year ending June 30, 2012.

(e) *Composition of Long-term and Endowment Investments*

	Current Unrestricted	Noncurrent Restricted	Total
State of California Local Agency Investment Fund (LAIF)	$ 1,129,440	$ -	$ 1,129,440
Equity securities	-	8,654,385	8,654,385
Fixed income securities (Treasury notes, GNMA's)	-	6,232,141	6,232,141
Land and other real estate	-	5,724,304	5,724,304
Mutual funds	-	3,777,365	3,777,365
Money Market funds	-	160,114	160,114
Total investments	1,129,440	24,548,309	25,677,749
Less endowment investments (enter as negative number)	-	(20,861,260)	(20,861,260)
Total investments	$ 1,129,440	$ 3,687,049	$ 4,816,489

(f) *Investment Costs and Fair Market Value*

All investments are stated at their fair market value other than the Samoa real estate investment which is reported at historical cost based on the purchase price on August 29, 2008.

The fair value of all investments other than the Schatz tree farm land and Baywood stock are based on the current market value reported from the financial institution where they are held. These values are based on quoted market prices if available, then using quotes that are observable in the market or if the quotes are unobservable in the market then the value reflects assumptions based on the best information available.

The fair value of the Schatz tree farm land is based on an independent appraisal performed on July 15, 2008, with an internal review to update the fair value as of June 30, 2012. The fair value of the Baywood stock is based on estimated current selling price per share.

	Cost	Fair Value
State of California Local Agency Investment Fund (LAIF)	$ 1,129,440	$ 1,129,440
Equity securities	7,891,492	8,654,385
Fixed income securities (Treasury notes, GNMA's)	6,020,156	6,232,141
Land and other real estate	5,964,382	5,724,304
Mutual funds	3,371,521	3,777,365
Money Market funds	160,115	160,114
Total investments	$ 24,537,106	$ 25,677,749

(g) *Investment Risk*

The Foundation invests in various types of investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of a counterparty, the Foundation would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Financial instruments that potentially subject the Foundation to custodial risk are investments in excess of amounts insured by the FDIC or the Securities Investors Protector Corporation (SIPC). No policy exists related to custodial risk specifically. The Foundation's investment policy does not prohibit deposits in single institutions that expose the Foundation to custodial credit risk.

At June 30, 2012, the Foundation had 88% of its noncurrent investments with US Bank, the Foundation's investment bank. The investments are managed by the Foundation's consultant, RV Kuhns & Associates. US Bank carries $25 million coverage for loss due to fraudulent acts and $25 million coverage for errors and omissions.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Foundation has mutual funds and fixed income securities that are subject to interest rate risk. The risk is mitigated by investing in a diversified portfolio.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Foundation investment policy contains no limitations on the amount that can be invested in any one issuer. As of June 30, 2012, 88% of the Foundation's investments are in an external investment pool and are invested in a diversified portfolio. The portfolio includes fixed income funds. The credit quality ratings of these funds range from A1 up to Aa2.

(4) Pledges Receivable

Pledges Receivable are considered to be fully collectible and accordingly, an allowance for uncollectible promises receivable has not been recorded.

To be collected by:	Current	Noncurrent	Total
Fiscal year ending June 30, 2013	$ 87,360	$ -	$ 87,360
Fiscal year ending June 30, 2014 - June 30, 2017	-	258,500	258,500
Thereafter	-	-	-
	87,360	258,500	345,860
Less allowance for doubtful accounts	-	-	-
Total Pledges, net	$ 87,360	$ 258,500	$ 345,860

As of June 30, 2012 the Foundation has $638 thousand in revocable pledges. As these do not meet the criteria for recognizing a receivable and the related revenue, these have not been recorded in the financial statements.

(5) Accounts Receivable

Accounts receivable at June 30, 2012, consists of the following:

	Current	Noncurrent	Total
Operations endowment fees receivable	$ 80,775	$ -	$ 80,775
Donations in transit from depositing bank	167,450	-	167,450
KHSU radio station underwriting fees	8,571	-	8,571
Operations interest receivable on LAIF account	1,026	-	1,026
	257,822	-	257,822
Less allowance for doubtful accounts	-	-	-
Total	$ 257,822	$ -	$ 257,822

The operation endowment fee receivable is thirty-seven and one half basis points of the market value of invested funds. This is an administrative fee charged each quarter to recover costs incurred by the Foundation to operate.

(6) Other Assets

The Foundation has an interest in 3 charitable gift annuities held by the CSU Foundation and a charitable remainder annuity trust held by the CSU Chico Foundation. The Foundation considers these to be related parties, not third party trustees as all entities are component units of the California State University System. The Foundation records its interest in these annuities at their estimated present value. The present value of the charitable gift annuities are determined by the CSU Foundation. The present value of the charitable remainder annuity is determined by taking into account the donor's birth date, the trust payout rate, the June 2012 Applicable Federal Rate (AFR) of 1.2% from the Internal Revenue Service Section 7520, and the market value of the trust. The contribution revenue and any change in present value is included in Gifts, noncapital, or additions to permanent endowments on the statement of revenues, expenses and changes in net assets.

The Foundation is also the beneficiary of certain trusts that are administered by third parties. These interests are not recognized in the financial statements as they do not meet the eligibility requirements.

(7) Current Liabilities

Current Liabilities consist of $179 thousand in payables of which $76,918 is due from endowment funds to the Foundation Operations and $102,000 is due to the University. In addition there is $15 thousand in deferred revenue from payments received for future underwriting to be performed by the KHSU radio station.

(8) Noncurrent Liabilities

Long-term debt obligations of $2,535,000 as of June 30, 2012, consist of the California State University Risk Management Authority (CSURMA) loan. All principal and any remaining unpaid interest will be due and payable on October 31, 2013. The loan is non-amortizing, with interest due and payable quarterly. The interest rate charged is equal to the monthly interest rate CSURMA earns from investments held in the Systemwide Investment Fund Trust (SWIFT) pool. Principal may be prepaid at any time during the term of the loan. For the year ended June 30, 2012 the Foundation paid $18 thousand in interest expense.

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Current Portion	Long-term Portion
CSURMA Loan	$ 2,535,000	$ -	$ -	$ 2,535,000	$ -	$ 2,535,000

Long-term debt principal obligations and related interest mature in the following fiscal years:

	Principal	Interest	Total
Year ending June 30:			
2013	$ -	$ 14,000	$ 14,000
2014	2,535,000	4,700	2,539,700
	$ 2,535,000	$ 18,700	$ 2,553,700

(9) Classification of Operating Expenses

The Foundation has elected to report operating expenses by functional classification in the statement of revenues, expenses, and changes in net assets, and to provide the natural classification of those expenses as an additional disclosure. The public service classification includes expenses for activities established primarily to provide non-instructional services for the benefit of individuals and groups that are external to the institution. For the Foundation these expenses include public broadcasting services. The institutional support classification includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution. For the Foundation these expenses include Foundation operational activities including activities concerned with development and community and alumni relations.

For the year ended June 30, 2012, operating expenses by natural classification consists of the following:

	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total
Functional classification:						
Public service	$ -	$ -	$ -	$ 10,856	$ -	$ 10,856
Institutional support	-	-	-	386,978	-	386,978
Total	$ -	$ -	$ -	$ 397,834	$ -	$ 397,834

(10) Calculation of Net Assets

The change in net assets is as follows:

	Restricted Expendable Other	Restricted Nonexpendable	Unrestricted	Total
Revised Beginning Net Assets (See Note 2)	$ 6,554,874	$ 14,854,320	$ 1,935,197	$ 23,344,391
Current year changes	(353,746)	737,138	(38,335)	345,057
Ending Net Assets, as of June 30, 2012	$ 6,201,128	$ 15,591,458	$ 1,896,862	$ 23,689,448

Calculation of net assets restricted for nonexpendable endowments

Endowment investments	$	20,861,260
Other adjustments:		
Quasi and Term Endowments that are restricted expendable or unrestricted		(4,559,187)
Charitable Remainder Trusts in other assets related to permanent endowment		74,165
Payables due from permanent endowments to operations		(59,354)
Permanent Endowment appreciation moved to restricted expendable net assets		(724,377)
Permanent Endowment appreciation moved to unrestricted net assets		(1,049)
Net assets - Restricted for nonexpendable - endowments per SNA	$	15,591,458

Calculation of net assets invested in capital assets, net of related debt

Long-term debt obligations, net of current portion	$	(2,535,000)
Other adjustments:		
Debt related to property held as restricted expendable investment		2,535,000
Net assets - invested in capital assets, net of related debt	$	-

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are generally applied first. In the event that restricted net assets are fully expended, unrestricted net assets are expended to support the activities of restricted, expendable net assets.

(11) Transactions with Related Entities

For the fiscal year ending June 30, 2012, the Foundation had an agreement with the University for business management services and paid the University $80,400 for these services.

The Foundation receives donations on behalf of the University and all related auxiliary organizations. The Foundation recognized and immediately transferred $1.2 million in donations to the University or auxiliaries. This amount is included in gifts, non capital and transfers (to) Other Campus Entities on the statement of revenues, expenses and changes in net assets. Of the $1.2 million in donations, $47 thousand was for Associated Students, $19 thousand was for University Center, $371 thousand was for Sponsored Programs Foundation and $797 thousand was for the University.

The Foundation is the beneficiary of gift annuities that are held by the CSU Foundation and a charitable remainder annuity trust held by the CSU Chico Foundation These gift annuities are reported as a receivable for the Foundation and are included in other assets in the statement of net assets. See Note 6 for further information.

HUMBOLDT STATE UNIVERSITY ADVANCEMENT FOUNDATION

Notes to Financial Statements

June 30, 2012

The accompanying financial statements also include the following transactions with the University and related auxiliary organizations as of and for the year ended June 30, 2012:

Payments to University for salaries of University personnel working on contracts, grants and other programs	$	156,000
Payments to University for other than salaries of University personnel		123,803
Payments received from University for services, space, and programs		313,166
Gifts-in-kind to the University from Auxiliary Organizations		136,399
Gifts (cash or assets) to the University from recognized Auxiliary Organizations		1,106,418
Accounts (payable to) University		(102,000)
Other amounts (payable to) University		-
Accounts receivable from University		171,306
Other amounts receivable from University		-
Other transfers to University Center		15,938
Other transfers to Associated Students		600
Other transfers to Sponsored Programs Foundation		762,521

ADDITIONAL INFORMATION

John B. Hunter, CPA
James A. Hunter, CPA
Scott E. Hunt, CPA/ABV
Donna L. Taylor, CPA, CFE

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

To the Board of Directors
Humboldt State University Advancement Foundation

We have audited the financial statements of the business-type activities of Humboldt State University Advancement Foundation (the Foundation), as of and for the year ended June 30, 2012, and have issued our report thereon dated September 27 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States

Internal Control Over Financial Reporting

Management of the Foundation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Board of Directors, and the California State University Chancellor's Office and is not intended to be and should not be used by anyone other than these specified parties.

Hunter, Hunter + Hunt

September 27, 2012

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