

*SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO*

Report on Audit

June 30, 2012

*Santos Manuel Student Union
of California State University, San Bernardino*

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INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors
Santos Manuel Student Union
of California State University, San Bernardino

We have audited the accompanying financial statements of Santos Manuel Student Union of California State University, San Bernardino (Student Union), a component unit of California State University, San Bernardino 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 Student Union's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative information has been derived from the Student Union's 2011 financial statements and, in our report dated September 27, 2011; we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with specific standards prescribed by the Chancellor's Office and the Department of Finance. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Student Union as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MEMBERS

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Certified Public Accountants

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Student Union's financial statements as a whole. The Organizational Data, Schedule of Operating Expenses by Function, Auxiliary Organization's Schedule of Net Assets and Schedule of Revenues, Expenses and Changes in Net Assets are presented for purposes of additional analysis and are not a required part of the financial statements. The Schedule of Operating Expenses by Function and the Auxiliary Organizations' Schedule of Net Assets, Schedule of Revenues, Expenses and Changes in Net Assets and the Other Information have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Organizational Data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Rogers, Anderson, Malady & Scott, LLP

September 24, 2012

*Santos Manuel Student Union
of California State University, San Bernardino*

**Management's Discussion and Analysis
June 30, 2012**

The following section of the Santos Manuel Student Union of California State University, San Bernardino's annual financial report includes some of management's insights and analysis of the Student Union's financial performance for the year ended June 30, 2012.

INTRODUCTION TO THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board's Statement 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*.

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 in the annual financial report by the notes to the financial statements, required supplementary or statistical information, and this section. All sections must be considered together to obtain a complete understanding of the financial picture of the Student Union.

Statement of Net Assets: The Statement of Net Assets includes all assets and liabilities. Assets and liabilities are reported at their book value, on an accrual basis, as of the statement date. It also identifies major categories of restrictions on the net assets of the Student Union.

Statement of Revenues, Expenses and Changes in Net Assets: The Statement of Revenues, Expenses and Changes in Net Assets presents the revenues earned and the 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, summarized by operating, capital, 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.

REPORTING ENTITY

The Santos Manuel Student Union of California State University, San Bernardino is a 501(c)(3) not-for-profit corporation that is an auxiliary organization of California State University, San Bernardino, and is therefore considered a component unit of the University.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Management's Discussion and Analysis
June 30, 2012**

ANALYTICAL OVERVIEW

Summary

All students who attend California State University, San Bernardino are required to pay a mandatory Student Union fee. These fees are collected quarterly and support Santos Manuel Student Union and Student Recreation and Fitness Center operations, the annual bond payments, transfers to the repair and replacement funds and the construction funds, as needed and approved by the Board of Directors.

In general, Student Union funds may be spent in accordance with the California Education Code, Title 5 and the terms of past student fee referenda.

A portion of the mandatory fees (return of surplus) returned to the Student Union is used to support the operating budgets of the Santos Manuel Student Union and the Student Recreation and Fitness Center in accordance with Title 5.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Management's Discussion and Analysis
June 30, 2012**

FINANCIAL ANALYSIS

Net Assets

The Student Union's net assets exceed liabilities by \$3,285,958 at the close of the most recent fiscal year. Of this, \$206,853 or 5.9% reflects its investment in capital assets (e.g., leasehold improvements, machinery and equipment). The Student Union uses these capital assets to provide services to students and other users; consequently, these assets are not available for future spending.

Student Union's Net Assets

	<u>2012</u>	<u>2011</u>
Current assets	\$ 4,167,063	\$ 3,909,039
Capital assets	<u>206,853</u>	<u>334,990</u>
 Total Assets	 <u>4,373,916</u>	 <u>4,244,029</u>
 Current liabilities	 276,909	 337,970
Noncurrent liabilities	<u>811,049</u>	<u>583,678</u>
 Total Liabilities	 <u>1,087,958</u>	 <u>921,648</u>
 Net assets		
Invested in capital assets	206,853	334,990
Unrestricted	<u>3,079,105</u> *	<u>2,987,391</u>
 Total Net Assets	 <u><u>\$ 3,285,958</u></u>	 <u><u>\$ 3,322,381</u></u>

The Student Union's net assets decreased by \$36,423 during the current fiscal year.

* See Note 1, page 16 for breakdown of unrestricted net assets.

Changes in Net Assets

Revenues decreased by \$71,401 or 1.7%, which is attributed primarily to a decrease of return of surplus revenues of \$119,000.

Expenses increased by \$177,936 or 4.4%. Expenses increased due to increased activity at the Santos Manuel Student Union during the fiscal year and the operations of the Student Recreation and Fitness Center.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Management's Discussion and Analysis
June 30, 2012**

FINANCIAL ANALYSIS (continued)

Student Union's Changes in Net Assets

	<u>2012</u>	<u>2011</u>
<u>Revenues</u>		
Return of surplus	\$ 3,876,000	\$ 3,995,000
Income from operations	279,025	256,520
Program income	9,038	8,701
Investment income	<u>41,078</u>	<u>16,321</u>
Total Revenues	<u>4,205,141</u>	<u>4,276,542</u>
<u>Expenses</u>		
Student services	1,977,697	1,908,488
Auxiliary enterprise expenses	2,263,867	2,145,188
Other	<u>-</u>	<u>9,952</u>
Total Expenses	<u>4,241,564</u>	<u>4,063,628</u>
Increase (decrease) in net assets	(36,423)	212,914
Net Assets - Beginning of Year	<u>3,322,381</u>	<u>3,109,467</u>
Net Assets - End of Year	<u>\$ 3,285,958</u>	<u>\$ 3,322,381</u>

Capital Assets and Long-Term Debt

As of June 30, 2012, the Student Union has \$206,853 invested in capital assets, net of accumulated depreciation of \$621,800. Long-term debt is managed by the Chancellor's Office, and is not included on the financial statement of the Student Union.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Management's Discussion and Analysis
June 30, 2012**

FINANCIAL ANALYSIS (continued)

	<u>Student Union's Capital Assets</u> (Net of Depreciation)	
	<u>2012</u>	<u>2011</u>
Leasehold improvements	\$ 80,990	\$ 145,388
Equipment, furniture and fixtures	<u>125,863</u>	<u>189,602</u>
Total	<u>\$ 206,853</u>	<u>\$ 334,990</u>

Requests for Information

This financial report is designed to provide a general overview of the Student Union's finances for all those with an interest in the Student Union's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Santos Manuel Student Union, California State University, San Bernardino, 5500 University Parkway, San Bernardino, CA 92407-2397.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Statement of Net Assets
June 30, 2012**

	2012	Comparative Totals 2011
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 76,765	\$ 81,006
Short-term investments	4,051,323	3,765,140
Accrued interest receivable	8,675	1,921
Accounts receivable, net	27,900	40,671
Prepaid expenses	2,400	20,301
	<u>4,167,063</u>	<u>3,909,039</u>
Total current assets		
Property and equipment, net	<u>206,853</u>	<u>334,990</u>
	<u>4,373,916</u>	<u>4,244,029</u>
Total assets		
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	68,250	85,823
Amounts due to other auxiliary organizations	-	323
Amounts due to the University	107,134	154,064
Accrued salaries	25,661	26,113
Accrued compensated absences	75,864	71,647
	<u>276,909</u>	<u>337,970</u>
Total current liabilities		
Noncurrent liabilities:		
OPEB obligation	<u>811,049</u>	<u>583,678</u>
	<u>1,087,958</u>	<u>921,648</u>
Total liabilities		
<u>NET ASSETS</u>		
Invested in capital assets	206,853	334,990
Unrestricted	<u>3,079,105</u>	<u>2,987,391</u>
	<u>\$ 3,285,958</u>	<u>\$ 3,322,381</u>
Total net assets		

The accompanying notes are an integral part of these financial statements.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2012**

	2012	Comparative Totals 2011
<u>OPERATING REVENUES</u>		
Return of surplus revenue bond funds (Student Union fees)	\$ 3,876,000	\$ 3,995,000
Sales and services:		
Program revenues	9,038	8,701
Facility lease and rental	76,868	86,362
Personnel services reimbursement revenue	113,103	103,844
Miscellaneous reimbursement revenue	89,054	66,314
Total operating revenues	4,164,063	4,260,221
<u>OPERATING EXPENSES</u>		
Student services:		
Program Board	81,997	72,970
Women's Resource Center	82,721	60,340
Cross Cultural Center	110,897	133,672
Adult Re-Entry Center	90,669	89,294
Recreation Center	1,410,309	1,356,154
Game Room	60,623	54,438
Pride Center	63,480	86,089
Palm Desert campus	77,001	55,531
Support services:		
Administration and personnel services	780,224	704,327
Student Union operations	909,635	886,603
Maintenance	228,483	243,421
Board of Directors	4,267	6,078
Graphics	151,098	108,694
Scheduling	123,786	133,632
Audio visual	36,616	33,225
Technology	29,758	29,208
Total operating expenses	4,241,564	4,053,676
Operating (loss) income	(77,501)	206,545

The accompanying notes are an integral part of these financial statements.

Santos Manuel Student Union
of California State University, San Bernardino

Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2012

	2012	Comparative Totals 2011
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Investment income	\$ 41,078	\$ 16,321
Uncollectible accounts	<u>-</u>	<u>(9,952)</u>
Total non-operating revenues (expenses)	<u>41,078</u>	<u>6,369</u>
Change in net assets	(36,423)	212,914
Net assets, beginning of year	<u>3,322,381</u>	<u>3,109,467</u>
Net assets, end of year	<u><u>\$ 3,285,958</u></u>	<u><u>\$ 3,322,381</u></u>

The accompanying notes are an integral part of these financial statements.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Statement of Cash Flows
For the Year Ended June 30, 2012**

	2012	Comparative Totals 2011
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Return of surplus	\$ 3,876,000	\$ 3,995,000
Sales and services	300,834	273,651
Payments to suppliers	(2,142,674)	(1,952,234)
Payments to employees	(1,736,315)	(1,677,533)
Net cash provided by operating activities	297,845	638,884
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchase of equipment	(50,227)	(19,080)
Net cash used for capital and related financing activities	(50,227)	(19,080)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investment income	34,324	16,633
Net cash provided by investing activities	34,324	16,633
Net increase in cash and cash equivalents	281,942	636,437
Cash and cash equivalents, beginning of year	3,846,146	3,209,709
Cash and cash equivalents, end of year	<u>\$ 4,128,088</u>	<u>\$ 3,846,146</u>
<u>RECONCILIATION OF CASH TO THE STATEMENT OF NET ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 76,765	\$ 81,006
Short-term investments	4,051,323	3,765,140
Total	<u>\$ 4,128,088</u>	<u>\$ 3,846,146</u>

The accompanying notes are an integral part of these financial statements.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Statement of Cash Flows
For the Year Ended June 30, 2012**

	<u>2012</u>	<u>Comparative Totals 2011</u>
<u>RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating (loss) income	\$ (77,501)	\$ 206,545
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation	178,364	109,483
(Increase) decrease in assets:		
Accounts receivable	12,771	8,430
Prepaid expenses	17,901	(16,756)
Increase (decrease) in liabilities:		
Accounts payable	(17,573)	(6,404)
Accrued salaries	(452)	(820)
Due to other auxiliary organizations	(323)	(2,205)
Due to the University	(46,930)	111,454
Accrued compensated absences	4,217	16,923
OPEB obligation	227,371	212,234
	<u>\$ 297,845</u>	<u>\$ 638,884</u>
Net cash provided by operating activities		

The accompanying notes are an integral part of these financial statements.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Notes to Financial Statements
June 30, 2012**

**NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

The Santos Manuel Student Union of California State University, San Bernardino (the Student Union) is a not-for-profit organization incorporated on November 18, 1977, under the laws of the State of California. The Student Union is an auxiliary organization (component unit) of the California State University and Colleges as defined under Section 89901 of the Education Code of the State of California and California Administrative Code, Title 5, Section 42400. The Student Union was formed to finance, operate and construct a campus union facility at California State University, San Bernardino as a student body center for the benefit of the students, faculty, staff, alumni and guests of the University in order to promote and assist the educational programs of the University. The Student Union performs these functions under an operating agreement with Trustees of the California State University (the Trustees). The Student Union agrees to apply the funds and properties it receives exclusively towards these purposes and to obtain written approval of the Trustees prior to initiating any additional functions. The operating agreement expired August 31, 2012. A new operating agreement was entered into effective September 1, 2012 and expires on August 31, 2017.

Reporting Entity

Accounting principles generally accepted in the United States of America require that these financial statements present the accounts of the Student Union and any of its component units. Component units are legally separate entities for which the Student Union is considered to be financially accountable or otherwise has a relationship, which is such that the exclusion of the entity would cause the financial statements to be misleading. Blended component units are considered, in substance, part of the Student Union's operations, so the accounts of these entities are to be combined with the data of the Student Union. Component units, which do not meet these requirements, are reported in the financial statements as discrete units to emphasize their separate legal status. The Student Union has determined that it is not financially accountable for, nor has any other relationship with, any other organization, which would require its inclusion in these financial statements. However, the Student Union is a component unit of California State University, San Bernardino.

Fund Accounting

The accounts of the Student Union are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and uses them to aid management in demonstrating compliance with finance-related legal and contractual provisions. The Student Union's financial statements include only an enterprise fund, which is a proprietary fund type. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or change in net assets is necessary for management accountability.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Notes to Financial Statements
June 30, 2012**

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (continued)

Basis of Accounting

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the Student Union has elected not to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Student Union are the mandatory fees collected from the students at California State University, San Bernardino. Operating expenses for the Student Union include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Investments

The Student Union's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of purchase.

Investments are reported at fair value.

Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus accounts receivable do not bear interest.

Receivable balances are periodically reviewed for collectability based on past credit history with customers and their current financial condition. Management makes the determination concerning the amounts to be written off on a case by case basis.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Notes to Financial Statements
June 30, 2012**

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are carried at cost. The Student Union's policy is to capitalize additions and improvements in excess of \$5,000. Repairs and maintenance are charged to operations as incurred. Costs and related allowances for depreciation of property and equipment sold or otherwise retired are eliminated from the accounts and gains or losses on disposition are included in income. Contributed assets, if any, are stated at fair market value at the time received by the Student Union. Depreciation is provided on the straight-line method over the estimated useful lives of five to fifteen years.

Income Taxes

The Student Union is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation. A comparable exemption has been granted by the State of California under the Revenue and Taxation Code 23701(d).

The Student Union has evaluated its tax positions and the certainty as to whether those tax positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to the Student Union continued qualification as a tax-exempt organization and whether there is unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not (>50%) of being sustained upon potential audit or examination; therefore, no disclosures of uncertain tax positions are required.

The Student Union files informational tax returns in the U.S. federal jurisdictions and the state of California. The Student Union is no longer subject to U.S. federal and state examinations for years before 2007.

Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Notes to Financial Statements
June 30, 2012**

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (continued)

Unrestricted Net Assets

All of the \$3,079,105 in Unrestricted Net Assets are Designated Program Funds. These are allocated to fund reserves, which support programs such as Working Capital, the Long-Term Equipment Repair & Replacement Plan, Major Maintenance Plan, and SMSU Major Campus Event Funds.

Subsequent Events

Management has evaluated subsequent events through September 24, 2012, which is the date the financial statements were available to be issued.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2012 are classified in the accompanying financial statements as follows:

Statement of Net Assets:

Current Assets:

Cash and cash equivalents	\$ 76,765
Short-term investments	<u>4,051,323</u>
Total Cash and Investments	<u>\$ 4,128,088</u>

Cash and investments as of June 30, 2012 consist of the following:

Cash on hand	\$ 1,600
Deposits with financial institutions	75,165
Investments	<u>4,051,323</u>
Total Cash and Investments	<u>\$ 4,128,088</u>

*Santos Manuel Student Union
of California State University, San Bernardino*

**Notes to Financial Statements
June 30, 2012**

NOTE 2: CASH AND INVESTMENTS (continued)

Investments

At June 30, 2012, the Student Union's investment portfolio consists primarily of investments held in the California State University Investment Pool, an internal investment pool, as well as interest-bearing accounts held in the State Treasury. For the California State University Investment Pool, separate accounting is maintained as to the amounts allocable to the various funds and programs.

Investment Policy

State law and regulations require that surplus monies of the Student Union must be invested. The primary objective of the investment policy is to safeguard the principal. The secondary objective is to meet the liquidity needs of the Student Union. The third objective is to return an acceptable yield. The investment policy authorizes funds held in local trust accounts under Education Code Sections 89721 and 89724 to be invested in any of the securities authorized by Government Code Section 16430 and Education Code Section 89724, subject to certain limitations. In general, the investment policy permits investments in obligations of the federal and California state governments, certificates of deposit, and certain other investment instruments.

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. One of the ways that the Student Union manages its exposure to interest rate risk is that the pool purchases a combination of short-term and mid-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or nearing maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization

*Santos Manuel Student Union
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**Notes to Financial Statements
June 30, 2012**

NOTE 2: CASH AND INVESTMENTS (continued)

Credit Risk (continued)

The following table presents the fair value, weighted average maturity, and actual rating by investment type of the Student Union's investment portfolio as of June 30, 2012:

Investment	Fair Value	WAM (Years)	Ratings as of Year-End				
			AAA	AA	A	BBB	Not Rated
Money Market Mutual Funds	\$ 5,545	-	\$ 61	\$ -	\$ -	\$ -	\$ 5,484
Repurchase Agreements	12,323	0.005	-	-	12,323	-	-
Certificates of Deposit	138,848	0.609	-	63,134	75,714	-	-
Commercial Paper	11,763	0.227	-	-	11,763	-	-
US Treasury	334,899	1.714	-	-	-	-	334,899
US Agencies	658,456	1.701	-	658,456	-	-	-
Corporate and Fixed Income	556,132	1.735	80,090	156,726	319,316	-	-
Municipal Securities	14,966	2.003	-	14,966	-	-	-
Mortgage Backed Securities	6,204	7.862	-	6,204	-	-	-
SAIF	686,671	0.820	-	-	-	-	686,671
LAIF	1,625,516	-	-	-	-	-	1,625,516
Total	\$ 4,051,323		\$ 80,151	\$ 899,486	\$ 419,116	\$ -	\$ 2,652,570

Concentration of Credit Risk

The investment policy of the Student Union contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2012 the investments in any one issuer (other than external pools) that represent 5% or more of total Student Union investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Banks Office of Finance	Federal agency securities	\$ 219,935
Federal Home Loan Mortgage Corporation	Federal agency securities	\$ 189,074
Federal Farm Credit Banks Consolidated Systemwide Bonds	Federal agency securities	\$ 127,973
Federal National Mortgage Association	Federal agency securities	\$ 126,419

*Santos Manuel Student Union
of California State University, San Bernardino*

**Notes to Financial Statements
June 30, 2012**

NOTE 2: CASH AND INVESTMENTS (continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counter party to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Student Union's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

As of June 30, 2012, the Student Union had no deposits with financial institutions in excess of federal depository insurance limits.

Investment in State Investment Pool

The Student Union is a voluntary participant in the Local Agency Investment Fund (LAIF), which is part of the Pooled part of the Pooled Money Investment Account that is regulated by the California Government Code under the oversight of the State Treasurer, Director of Finance and State Controller. The Student Union may invest up to \$50 million in the LAIF fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. All investments with LAIF are secured by the full faith and credit of the State of California. Separate LAIF financial statements are available from the California State Treasurer's Office on the Internet at <http://www.treasurer.ca.gov>.

The Student Union's investment in this pool is reported in the accompanying financial statements at cost which approximates fair value at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes totaling \$800 million and asset-backed securities totaling \$1,297 million, which represents 2.75% and 0.72% of the total LAIF portfolio of \$60.5 billion as of June 30, 2012. LAIF's (and the Student Union's) exposure to risk (credit, market or legal) is not currently available.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Notes to Financial Statements
June 30, 2012**

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated:				
Leasehold improvements	\$ 284,821	\$ 16,904	\$ (12,904)	\$ 288,821
Equipment, furniture and fixtures	749,733	33,323	(243,224)	539,832
Total capital assets, being depreciated	1,034,554	50,227	(256,128)	828,653
Less accumulated depreciation for:				
Leasehold improvements	(139,433)	(81,302)	12,904	(207,831)
Equipment, furniture and fixtures	(560,131)	(97,062)	243,224	(413,969)
Total accumulated depreciation	(699,564)	(178,364)	256,128	(621,800)
Net capital assets	<u>\$ 334,990</u>	<u>\$ (128,137)</u>	<u>\$ -</u>	<u>\$ 206,853</u>

During the year ended June 30, 2012 the Student Union adopted a new capitalization policy. Under the new policy only assets that exceed \$5,000 threshold would qualify as capital assets. As a result all assets below \$5,000 capitalized in prior periods no longer qualified to be depreciated in future periods. The net book value of the assets below the \$5,000 capitalization threshold was \$44,151, and is recognized as depreciation expense for the year ended June 30, 2012.

Total depreciation expense for the year ended June 30, 2012 was \$178,364.

NOTE 4: STUDENT UNION FEES

The Student Union fees that are collected are deposited into a campus trust fund, where they are returned to the Santos Manuel Student Union as a lump sum on an annual basis for the payment of expenses related to Student Union and Recreation Center expenses.

These financial statements do not include the Student Union Facility or the Recreation Center, the liability for debt incurred to finance either of the facilities or any reserves or other assets, liabilities or activities related to debt service.

On April 30, 2002 the Trustees of the California State University issued the Student Union Revenue Bonds, Series 2002 A to refund Series B bonds which were issued to finance the construction, repair and maintenance of the Student Union facility. Bonds outstanding at June 30, 2012 amounted to \$1,855,000.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Notes to Financial Statements
June 30, 2012**

NOTE 4: STUDENT UNION FEES (continued)

On April 14, 2005 the Trustees of the California State University issued the Student Union Revenue Bonds, Series 2005 A Expansion Project. The Bonds were issued to refund the Revenue Bond Anticipation Notes issued on May 21, 2004 for the Student Union expansion project and on June 7, 2004 for the Student Recreation Center project. Bonds outstanding at June 30, 2012 were \$25,080,000.

NOTE 5: RELATED PARTY AND ECONOMIC DEPENDENCY

As discussed in Note 1, the Student Union operates under an agreement with the Trustees of the California State University, San Bernardino as an auxiliary organization of the University. Since the overwhelming majority of the Student Union's revenues and assets are dependent on its relationship with the University and its operating agreement with the Trustees, loss of this agreement would have a serious and significant impact on the Student Union's operations and financial condition.

The University also provides accounting services, utilities and various services for the Student Union. Amounts paid for these services amounted to \$922,691 for the year ended June 30, 2012. The net amount due to the University for these services as of June 30, 2012 was \$99,886. Payments received from the University for services, space, and programs were 126,837.

NOTE 6: LEASING ARRANGEMENTS

The Student Union also rents out its facilities to students, the University and community organizations as available on a day-to-day basis. Total rents from this usage amounted to \$76,868 for the year ended June 30, 2012.

NOTE 7: DEFINED BENEFIT PENSION PLAN (PERS)

Plan Description

The Student Union contributes to the California Public Employees' Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and Student Union regulations. Copies of PERS' annual financial report may be obtained from their executive office: 400 "P" Street, Sacramento, California 95814.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Notes to Financial Statements
June 30, 2012**

NOTE 7: DEFINED BENEFIT PENSION PLAN (PERS) (continued)

Funding Policy

Participants are required to contribute 7% of their annual covered salary. Employee contributions amounted to \$66,641 for the year ended June 30, 2012. The Student Union is required to contribute at an actuarially determined rate; the current rate is 15.618% of annual covered payroll. The contribution requirements of plan members and the Student Union are established and may be amended by PERS.

Annual Pension Cost

For 2012, the Student Union's annual pension cost of \$147,523 for PERS was equal to the required and actual contributions. The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method.

Three Year Trend Information for PERS			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$ 134,080	100%	\$ -
6/30/11	\$ 142,703	100%	\$ -
6/30/12	\$ 147,523	100%	\$ -

NOTE 8: OTHER POST EMPLOYMENT BENEFITS

Plan Description

The Santos Manuel Student Union provides medical and dental plan coverage for retirees and their eligible surviving dependents. This coverage is available for employees who satisfy the requirements for retirement under the California Public Employees' Retirement System (PERS), which is age 50 or older with at least five years of State or public agency service. The healthcare coverage provided by PERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

Dental benefits are provided through Met Life and medical plan benefits are provided through PERS, as permitted by the Public Employees' Medical and Hospital and Care Act (PEMHCA). As a PEMHCA employer, the Student Union has selected the equal contribution method, where it is obligated to contribute the same amount for retirees as contributed toward active employees' medical plan coverage. The Student Union currently pays the full medical plan premium for employees and their dependents not to exceed the maximum of \$1,382 per month.

*Santos Manuel Student Union
of California State University, San Bernardino*

**Notes to Financial Statements
June 30, 2012**

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (continued)

Funding Policy

The contribution requirements of the Student Union are established and may be amended by the Board of Directors. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2011-2012, the Student Union contributed \$18,303 to the plan, which was 100% of the total current premiums.

Annual OPEB Cost and Net OPEB Obligation

The Student Union's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years.

The following table shows the components of the Student Union's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Student Union's net OPEB obligation:

	<u>June 30, 2012</u>
Annual required contribution	\$ 244,386
Interest on net OPEB obligation	23,347
Adjustment to annual required contribution	<u>(22,059)</u>
Annual OPEB cost (expense)	245,674
Contributions made	<u>(18,303)</u>
Increase in net OPEB obligation	227,371
Net OPEB obligation - beginning of year	<u>583,678</u>
Net OPEB obligation - end of year	<u><u>\$ 811,049</u></u>

The Student Union's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/10	\$ 152,602	17.1%	\$ 371,444
6/30/11	\$ 226,865	6.4%	\$ 583,678
6/30/12	\$ 245,674	7.5%	\$ 811,049

*Santos Manuel Student Union
of California State University, San Bernardino*

**Notes to Financial Statements
June 30, 2012**

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (continued)

Funded Status and Progress

As of June 30, 2011, the most recent valuation date, the plan was 0.0% funded. The actuarial accrued liability for benefits was \$1,654,183, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,654,183 and a funded ratio (actuarial value of assets as a percentage of the actuarial accrued liability) of 0.0%. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2012 was \$929,696, and the ratio of the UAAL to the covered payroll was 201.3%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 7.0% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by increments of 0.5% per year to an ultimate rate of 4.0% after the tenth year. The UAAL is being amortized as a level percentage of projected payroll over 30 years. It is assumed the Student Union's payroll will increase 3.25% per year.

NOTE 9: SELF - INSURANCE

Effective July 1, 2011 the Student Union joined the California State University Risk Management Authority (CSURMA), Auxiliaries Organizations' Risk Management Alliance Unemployment Self Insurance Program (AORMA UIP). AORMA was created to centrally manage workers' compensation, general liability, disability, unemployment insurance coverage and other risk-related programs. Contributions made during the year ended June 30, 2012 totaled \$7,926.

OTHER SUPPLEMENTARY INFORMATION

*Santos Manuel Student Union
of California State University, San Bernardino*

**Organizational Data
June 30, 2012**

Officers – 2011-2012

Devon Bethel - Chair
David Allison - Chair
Laura Brantley - Vice Chair
Tyler St. Jean - Vice Chair
Nga Lam - Secretary
Mark K. Day - Controller

Faculty Representatives

Mary Fong
Brad Spence

Student Representatives

Ismael Ambriz-Tovar
Kim Browder
Charlene Eaton
Mahbuba Hammad
Marissa Pavone
Wente Zhou

Alumni Representative

Fatima Adame

ASI Executive Vice President

Marlena Villar

ASI Executive Vice President - Designee

James Walker

University Administrative Representative

Matias Farré

President's Designee

Dr. Frank L. Rincon

Executive Director

Mark K. Day

Santos Manuel Student Union
of California State University, San Bernardino

Schedule of Operating Expenses by Function
For the Year Ended June 30, 2012

	Student Services									Support Services									Grand Total
	Program Board	Women's Resource Center	Cross Cultural Center	Adult Re-Entry Center	Recreation Center	Game Room	Pride Center	Palm Desert Campus	Subtotal	Administration and Personnel Services	Student Union Operations	Maintenance	Board of Directors	Graphics	Scheduling	Audio Visual	Technology	Subtotal	
Salaries, wages & stipends	\$ 40,223	\$ 51,812	\$ 68,913	\$ 60,618	\$ 585,556	\$ 51,572	\$ 50,064	\$ 50,327	\$ 959,085	\$ 342,365	\$ -	\$ 141,832	\$ -	\$ 123,090	\$ 120,049	\$ 24,724	\$ 28,935	\$ 780,995	\$ 1,740,080
Employee benefits & taxes	-	-	-	-	131,196	-	-	-	131,196	-	325,350	-	-	-	-	-	-	325,350	456,546
OPEB expense	-	-	-	-	-	-	-	-	-	227,371	-	-	-	-	-	-	-	227,371	227,371
Communications	-	-	-	-	12,669	-	-	-	12,669	-	14,623	-	-	-	-	-	-	14,623	27,292
Utilities	-	-	-	-	138,415	-	-	1,321	139,736	-	286,389	-	-	-	-	-	-	286,389	426,125
Travel	2,009	1,317	2,534	952	57,305	2,450	131	2,195	68,893	16,327	14,200	889	200	2,659	1,360	992	-	36,627	105,520
Equipment	-	-	-	-	5,011	1,612	-	-	6,623	-	500	2,204	-	1,423	-	8,296	589	13,012	19,635
Postage	-	-	-	-	268	-	-	-	268	-	2,091	-	-	-	-	-	-	2,091	2,359
Supplies & services	3,430	3,537	6,689	6,617	295,727	1,334	2,698	1,721	321,753	14,230	15,023	83,539	1,698	8,819	1,928	2,604	234	128,075	449,828
Duplicating	3,555	4,490	2,569	3,224	7,004	971	2,724	1,263	25,800	455	-	11	211	1,464	135	-	-	2,276	28,076
Accounting fees	-	-	-	-	45,045	-	-	-	45,045	-	95,280	-	-	-	-	-	-	95,280	140,325
Audit fees	-	-	-	-	-	-	-	-	-	-	7,850	-	-	-	-	-	-	7,850	7,850
Professional fees	-	-	-	-	743	-	-	-	743	-	5,933	-	-	-	-	-	-	5,933	6,676
Hospitality	644	157	3,400	216	26,471	-	17	-	30,905	1,112	2,173	-	2,158	-	314	-	-	5,757	36,662
Specialized training	-	-	-	-	2,522	-	-	-	2,522	-	3,125	-	-	-	-	-	-	3,125	5,647
Insurance	-	-	-	-	7,610	-	-	-	7,610	-	17,755	-	-	-	-	-	-	17,755	25,365
Repairs & maintenance	-	-	-	-	1,404	-	-	6,687	8,091	-	83,525	-	-	-	-	-	-	83,525	91,616
Advertising	-	-	-	-	32,564	-	-	-	32,564	-	-	-	-	13,031	-	-	-	13,031	45,595
Program expenses	32,136	21,116	26,684	18,890	18,235	2,684	7,806	13,487	141,038	-	14,801	8	-	-	-	-	-	14,809	155,847
Campus services	-	-	-	-	42,564	-	-	-	42,564	-	21,017	-	-	-	-	-	-	21,017	63,581
Resource materials	-	292	108	152	-	-	40	-	592	-	-	-	-	612	-	-	-	612	1,204
Depreciation	-	-	-	-	-	-	-	-	-	178,364	-	-	-	-	-	-	-	178,364	178,364
Totals	\$ 81,997	\$ 82,721	\$ 110,897	\$ 90,669	\$ 1,410,309	\$ 60,623	\$ 63,480	\$ 77,001	\$ 1,977,697	\$ 780,224	\$ 909,635	\$ 228,483	\$ 4,267	\$ 151,098	\$ 123,786	\$ 36,616	\$ 29,758	\$ 2,263,867	\$ 4,241,564

Santos Manuel Student Union
Schedule of Net Assets
June 30, 2012
(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 76,765
Short-term investments	4,051,324
Accounts receivable, net	36,574
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	2,400
Total current assets	<u>4,167,063</u>

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	206,853
Other assets	—
Total noncurrent assets	<u>206,853</u>
Total assets	<u>4,373,916</u>

Liabilities:

Current liabilities:

Accounts payable	175,384
Accrued salaries and benefits payable	25,661
Accrued compensated absences— current portion	—
Deferred revenue	—
Capitalized lease obligations — current portion	—
Long-term debt obligations — current portion	—
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	—
Total current liabilities	<u>201,045</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	75,864
Deferred revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Self-insurance claims liabilities, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	811,049
Other liabilities	—
Total noncurrent liabilities	<u>886,913</u>
Total liabilities	<u>1,087,958</u>

Net assets:

Invested in capital assets, net of related debt	206,853
Restricted for:	
Nonexpendable — endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	<u>3,079,105</u>
Total net assets	<u>\$ 3,285,958</u>

See the accompanying independent auditor's report.

Santos Manuel Student Union
Schedule 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 \$_____)	\$ —
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 \$_____)	4,164,063
Other operating revenues	—
Total operating revenues	<u>4,164,063</u>

Expenses:

Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	1,977,697
Institutional support	—
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	2,085,503
Depreciation and amortization	178,364
Total operating expenses	<u>4,241,564</u>
Operating income (loss)	<u>(77,501)</u>

Nonoperating revenues (expenses):

State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	41,078
Endowment income (loss), net	—
Interest Expenses	—
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>41,078</u>
Income (loss) before other additions	(36,423)

State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net assets	<u>(36,423)</u>

Net assets:

Net assets at beginning of year, as previously reported	3,322,381
Restatements	—
Net assets at beginning of year, as restated	<u>3,322,381</u>
Net assets at end of year	<u>\$ 3,285,958</u>

See the accompanying independent auditor's report.

1	Restricted cash and cash equivalents at June 30, 2012:
	Portion of restricted cash and cash equivalents related to endowments
	All other restricted cash and cash equivalents
	Total restricted cash and cash equivalents

	Current		Noncurrent	Noncurrent		
	Unrestricted	Current Restricted	Total Current	Unrestricted	Restricted	Total Noncurrent
						Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	1,625,516	-	1,625,516	-	-	1,625,516
Wachovia Short Term Fund	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-
US Bank SWIFT pool	2,425,808	-	2,425,808	-	-	2,425,808
Common Fund - Short Term Fund	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-
Collateralized mortgage obligations:						
Inverse floaters	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-
Private pass-through	-	-	-	-	-	-
Other major investments:						
Add description	-	-	-	-	-	-
Add description	-	-	-	-	-	-
Add description	-	-	-	-	-	-
Add description	-	-	-	-	-	-
Add description	-	-	-	-	-	-
Add description	-	-	-	-	-	-
Total investments	4,051,324	-	4,051,324	-	-	4,051,324
Less endowment investments (enter as negative number)						
Total investments	4,051,324	-	4,051,324	-	-	4,051,324

Portion of investments in note 2.1 held by the University under contractua agreements at June 30, 2012 :	-	-	-	-	-	-
--	---	---	---	---	---	---

Add description	\$	—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Total restricted current investments at June 30, 2012	\$	—

Endowment investment	\$	—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Total restricted noncurrent investments at June 30, 2012	\$	—

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Santos Manuel Student Union
Other Information
June 30, 2012
(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2012:

	Balance June 30, 2011	Prior period Adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2012
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvement	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	284,821	-	-	284,821	16,904	(12,904)	-	288,821
Personal property:								
Equipment	749,733	-	-	749,733	33,323	(243,224)	-	539,832
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	1,034,554	-	-	1,034,554	50,227	(256,128)	-	828,653
Total capital assets	1,034,554	-	-	1,034,554	50,227	(256,128)	-	828,653
Less accumulated depreciation/amortization:								
Buildings and building improvement	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(139,433)	-	-	(139,433)	(81,302)	12,904	-	(207,831)
Personal property:								
Equipment	(560,131)	-	-	(560,131)	(97,062)	243,224	-	(413,969)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(699,564)	-	-	(699,564)	(178,364)	256,128	-	(621,800)
Total capital assets, net	\$ 334,990	-	-	334,990	(128,137)	-	-	206,853

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2012:

Depreciation and amortization expense related to capital assets	\$ 178,364
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 178,364

See the accompanying independent auditor's report.

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4 Long-term liabilities activity schedule:

	Balance June 30, 2011	Prior period adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Balance June 30, 2012	Current portion	Long-term portion
Accrued compensated absences	\$ 71,647	—	—	71,647	64,291	(60,074)	75,864	—	75,864
Capitalized lease obligations									
Gross balance	—	—	—	—	-	-	—	—	—
Unamortized premium / (discount) on capitalized lease obligation	—	—	—	—	-	-	—	—	—
Total capitalized lease obligations	—	—	—	—	-	-	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	-	-	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	-	-	—	—	—
Commercial Paper	—	—	—	—	-	-	—	—	—
Other:									
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Total long-term debt obligations	—	—	—	—	-	-	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	-	-	—	—	—
Unamortized loss on refunding	—	—	—	—	-	-	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ 71,647	—	—	71,647	64,291	(60,074)	75,864	—	75,864

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2013	-	-	—
2014	-	-	—
2015	-	-	—
2016	-	-	—
2017	-	-	—
2018 - 2022	-	-	—
2023 - 2027	-	-	—
2028 - 2032	-	-	—
2033 - 2037	-	-	—
2038 - 2042	-	-	—
2043 - 2047	-	-	—
2048 - 2052	-	-	—
2053 - 2057	-	-	—
2058 - 2062	-	-	—
Total minimum lease payments			—
Less amounts representing interest			—
Present value of future minimum lease payments			—
Less: current portion			—
Capitalized lease obligation, net of current portion			\$ —

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6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2013	\$ -	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018 - 2022	-	-	-	-	-	-	-	-	-
2023 - 2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-	-	-	-
2058 - 2062	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

7 Calculation of net assets

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
7.1 Calculation of net assets - Invested in capital assets, net of related debt			
Capital assets, net of accumulated depreciation	\$ 206,853	—	206,853
Capitalized lease obligations - current portion	—	—	—
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations - current portion	—	—	—
Long-term debt obligations, net of current portion	—	—	—
Portion of outstanding debt that is unspent at year-end	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net assets - invested in capital assets, net of related debt	\$ 206,853	—	206,853

7.2 Calculation of net assets - Restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	\$	—	—	—
Endowment investments		—	—	—
Other adjustments: (please list)				
Add description		—	—	—
Add description		—	—	—
Add description		—	—	—
Add description		—	—	—
Add description		—	—	—
Add description		—	—	—
Add description		—	—	—
Add description		—	—	—
Add description		—	—	—
Net assets - Restricted for nonexpendable - endowments per SNA	\$	—	—	—

See the accompanying independent auditor's report.

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8 Transactions with Related Entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other program	\$ 311,010
Payments to University for other than salaries of University personnel	611,681
Payments received from University for services, space, and program	126,837
Gifts-in-kind to the University from Auxiliary Organization	—
Gifts (cash or assets) to the University from recognized Auxiliary Organization	—
Accounts payable to University (enter as negative number)	(107,134)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	7,248
Other amounts receivable from University	—

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$ 245,674
Contributions during the year	<u>(18,303)</u>
Increase (decrease) in net OPEB obligation (NOO)	227,371
NOO - beginning of year	<u>583,678</u>
NOO - end of year	<u><u>\$ 811,049</u></u>

10 Pollution remediation liabilities under GASB Statement No. 49:

<u>Description</u>	<u>Amount</u>
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	<u>—</u>
Total pollution remediation liabilities	—
Less: current portion	<u>—</u>
Pollution remediation liabilities, net of current portion	<u><u>\$ —</u></u>

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

	<u>Net Asset Class</u>	<u>Amount Dr. (Cr.)</u>
Net assets as of June 30, 2011, as previously reported	\$	3,322,381
Prior period adjustments:		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		<u>—</u>
Net assets as of June 30, 2011, as restated	<u>\$</u>	<u><u>3,322,381</u></u>

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

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