

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

REPORT ON AUDIT

FOR THE YEAR ENDED
JUNE 30, 2010

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying basic financial statements of the Santos Manuel Student Union of California State University, San Bernardino (the Student Union), a component unit of California State University, San Bernardino as of and for the year then ended June 30, 2010 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 2009 financial statements and, in our report dated September 16, 2009, 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Student Union as of June 30, 2010, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Santos Manuel Student Union of California State University, San Bernardino's basic financial statements. The Organizational Data, 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 are presented for purpose of additional analysis and are not a required part of the basic 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 basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on it.

Rogers, Anderson, Malody & Smith, LLP

September 28, 2010

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

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, 2010.

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 supplemental 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, 2010

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, 2010

FINANCIAL ANALYSIS

Net Assets

The Student Union's net assets exceed liabilities by \$3,109,467 at the close of the most recent fiscal year. Of this, \$425,393 or 13.7% 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>2010</u>	<u>2009</u>
Current assets	\$ 3,274,540	\$ 2,655,828
Capital assets	425,393	513,993
Total Assets	<u>3,699,933</u>	<u>3,169,821</u>
Current liabilities	219,022	306,837
Noncurrent liabilities	371,444	244,900
Total Liabilities	<u>590,466</u>	<u>551,737</u>
Net assets		
Invested in capital assets	425,393	513,993
Restricted	2,664,074	2,084,091
Unrestricted	20,000	20,000
Total Net Assets	<u>\$ 3,109,467</u>	<u>\$ 2,618,084</u>

The Student Union's net assets increased by \$491,383 during the current fiscal year, primarily from the planned increase in student fees that took place on July 1, 2009.

Changes in Net Assets

Operating revenues increased by \$1,159,111 or 36.1%, which is attributed primarily to an increase of return of surplus revenues of \$1,075,950 and a \$104,791 increase in operational revenues. The increase in return of surplus revenues was due to the planned increase in student fees for the Santos Manuel Student Union.

Expenses increased by \$439,693 or 12.8%. Expenses increased due to the 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, 2010

Student Union's Changes in Net Assets

	<u>2010</u>	<u>2009</u>
<u>Revenues</u>		
Return of surplus	\$ 4,021,650	\$ 2,945,700
Income from operations	314,587	209,796
Program income	8,811	6,979
Investment income	22,163	45,625
Total Revenues	<u>4,367,211</u>	<u>3,208,100</u>
<u>Expenses</u>		
Student services	1,834,161	1,592,365
Auxiliary enterprise expenses	2,040,997	1,842,596
Other	670	1,174
Total Expenses	<u>3,875,828</u>	<u>3,436,135</u>
Increase (decrease) in net assets	491,383	(228,035)
Net Assets - Beginning of Year	<u>2,618,084</u>	<u>2,846,119</u>
Net Assets - End of Year	<u>\$ 3,109,467</u>	<u>\$ 2,618,084</u>

Capital Assets and Long-Term Debt

As of June 30, 2010, the Student Union has \$425,393 invested in capital assets, net of accumulated depreciation of \$601,107. Long-term debt is managed by the Chancellor's Office, and is not included on the financial statement of the Student Union.

Student Union's Capital Assets
(Net of Depreciation)

	<u>2010</u>	<u>2009</u>
Leasehold improvements	\$ 165,361	\$ 185,333
Equipment, furniture and fixtures	260,032	328,660
Total	<u>\$ 425,393</u>	<u>\$ 513,993</u>

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2010

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, 2010

	<u>2010</u>	<u>Comparative Totals 2009</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 47,929	\$ 56,951
Short-term investments	3,161,780	2,528,318
Accrued interest receivable	2,233	6,583
Accounts receivable - net	59,053	63,976
Prepaid expenses	3,545	-
	<hr/>	<hr/>
Total current assets	3,274,540	2,655,828
Property and equipment, net	<hr/>	<hr/>
	425,393	513,993
	<hr/>	<hr/>
Total assets	3,699,933	3,169,821
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	92,227	52,606
Amounts due to other auxiliary organizations	2,528	28,525
Amounts due to the University	42,610	148,025
Accrued salaries payable	26,933	30,445
Accrued compensated absences	54,724	47,236
	<hr/>	<hr/>
Total current liabilities	219,022	306,837
Noncurrent liabilities:		
OPEB obligation	<hr/>	<hr/>
	371,444	244,900
	<hr/>	<hr/>
Total liabilities	590,466	551,737
<u>NET ASSETS</u>		
Invested in capital assets	425,393	513,993
Restricted	2,664,074	2,084,091
Unrestricted	<hr/>	<hr/>
	20,000	20,000
	<hr/>	<hr/>
Total net assets	\$ 3,109,467	\$ 2,618,084

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, 2010

	<u>2010</u>	<u>Comparative Totals 2009</u>
<u>OPERATING REVENUES</u>		
Return of surplus revenue bond funds (Student Union fees)	\$ 4,021,650	\$ 2,945,700
Sales and services:		
Program revenues	8,811	6,979
Facility lease and rental	84,649	71,623
Personnel services reimbursement revenue	109,582	54,376
Miscellaneous reimbursement revenue	120,226	75,252
Contributions received	130	8,545
	<u>4,345,048</u>	<u>3,162,475</u>
 <u>OPERATING EXPENSES</u>		
Student services:		
Program Board	71,372	80,734
Women's Resource Center	71,637	56,896
Cross Cultural Center	146,533	152,150
Adult Re-Entry Center	95,364	83,073
Recreation Center	1,304,938	1,123,736
Game Room	30,204	3,342
Pride Center	82,266	84,108
Palm Desert campus	31,847	8,326
Support services:		
Administration and personnel services	540,093	502,713
Student Union operations	861,573	796,346
Maintenance	250,000	210,556
Board of Directors	6,095	7,773
Graphics	93,824	54,249
Scheduling	108,768	113,752
Audio visual	30,743	21,651
Technology	35,854	19,851
Depreciation	114,047	115,705
	<u>3,875,158</u>	<u>3,434,961</u>
Operating income (loss)	<u>469,890</u>	<u>(272,486)</u>

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, 2010

	<u>2010</u>	<u>Comparative Totals 2009</u>
<u>NON-OPERATING REVENUES AND EXPENSES</u>		
Investment income	22,163	45,625
Loss on disposal of fixed assets	-	(632)
Uncollectible accounts	<u>(670)</u>	<u>(542)</u>
Total non-operating expenses	<u>21,493</u>	<u>44,451</u>
Change in net assets	491,383	(228,035)
Net assets, beginning of year	<u>2,618,084</u>	<u>2,846,119</u>
Net assets, end of year	<u>\$ 3,109,467</u>	<u>\$ 2,618,084</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, 2010

	<u>2010</u>	<u>Comparative Totals 2009</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Return of surplus	\$ 4,021,650	\$ 2,945,700
Sales and services	327,651	228,833
Payments to suppliers	(2,169,618)	(1,892,948)
Payments to employees	(1,556,309)	(1,261,031)
	<u>623,374</u>	<u>20,554</u>
Net cash provided by operating activities		
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchase of equipment	(25,447)	(65,055)
	<u>(25,447)</u>	<u>(65,055)</u>
Net cash used for capital and related financing activities		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investment income	26,513	50,741
	<u>26,513</u>	<u>50,741</u>
Net cash provided by investing activities		
Net increase in cash and cash equivalents	624,440	6,240
Cash and cash equivalents, beginning of year	<u>2,585,269</u>	<u>2,579,029</u>
Cash and cash equivalents, end of year	<u>\$ 3,209,709</u>	<u>\$ 2,585,269</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, 2010

<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>2010</u>	<u>Comparative Totals 2009</u>
Operating income (loss)	\$ 469,890	\$ (272,486)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	114,047	115,705
Decrease in receivables	4,253	12,058
(Increase) in prepaid expenses	(3,545)	-
Increase (decrease) in accounts payable	39,621	(31,549)
Increase (decrease) in accrued payroll	(3,512)	5,598
Decrease in amounts due to other auxiliary organizations	(25,997)	(23,013)
Increase in accrued compensated absences	7,488	11,870
Increase (decrease) in amounts due to the University	(105,415)	82,179
Increase in unfunded OPEB obligation	126,544	120,192
Net cash provided by operating activities	<u>\$ 623,374</u>	<u>\$ 20,554</u>

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, 2010

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, 2007. A new operating agreement was entered into effective September 1, 2007 through August 31, 2012.

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.

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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

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.

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.

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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

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 collectibility 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.

Property and Equipment

Property and equipment are carried at cost. The Student Union's policy is to capitalize additions and improvements in excess of \$1,500 that significantly add to productive capacity or extend the useful life of an asset. 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).

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.

Restricted Net Assets

This component of net assets consists of constraints placed on net assets use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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

Subsequent Events

Management has evaluated subsequent events through September 28, 2010, which is the date the financial statements were available to be issued.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2010 are classified in the accompanying financial statements as follows:

Statement of Net Assets:

Current Assets:

Cash and cash equivalents	\$ 47,929
Short-term investments	<u>3,161,780</u>

Total Cash & Investments	<u>\$ 3,209,709</u>
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Cash and investments as of June 30, 2010 consist of the following:

Cash on hand	\$ 1,600
Deposits with financial institutions	46,329
Investments	<u>3,161,780</u>

Total Cash and Investments	<u>\$ 3,209,709</u>
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Investments

At June 30, 2010, 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.

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 2: CASH AND INVESTMENTS (continued)

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
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 2: CASH AND INVESTMENTS (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, 2010:

Investment	Fair Value	WAM (Years)	Ratings as of Year-End				
			AAA	AA	A	BBB	Not Rated
Money Market Mutual Funds	\$ 3,575	-	\$ 3,575	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	205,726	-	-	-	205,726	-	-
Certificates of Deposit	129,918	0.05	-	-	129,918	-	-
Commercial Paper	236,424	0.07	-	-	236,424	-	-
US Treasury	2,134	0.13	-	-	-	-	2,134
US Agencies	706,276	0.16	78,181	-	605,554	-	22,541
Corporate and Fixed Income	248,325	1.09	190,152	30,411	21,159	6,603	-
Mortgage Backed Securities	18,639	8.74	16,765	1,874	-	-	-
LAIF	1,610,763	0.56	-	-	-	-	1,610,763
Total	\$ 3,161,780		\$ 288,673	\$ 32,285	\$ 1,198,781	\$ 6,603	\$ 1,635,438

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, 2010 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
Freddie Mac	Federal agency securities	\$ 246,621
Federal Home Loan Bank	Federal agency securities	\$ 230,521
Fannie Mae	Federal agency securities	\$ 212,784

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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, 2010, 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) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. 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 Student Union's pro-rata share of the fair value provided by LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Leasehold improvements	\$ 284,821	\$ -	\$ -	\$ 284,821
Equipment, furniture and fixtures	<u>720,918</u>	<u>25,447</u>	<u>(4,686)</u>	<u>741,679</u>
Total capital assets, being depreciated	<u>1,005,739</u>	<u>25,447</u>	<u>(4,686)</u>	<u>1,026,500</u>
Less accumulated depreciation for:				
Leasehold improvements	(99,488)	(19,972)	-	(119,460)
Equipment, furniture and fixtures	<u>(392,258)</u>	<u>(94,075)</u>	<u>4,686</u>	<u>(481,647)</u>
Total accumulated depreciation	<u>(491,746)</u>	<u>(114,047)</u>	<u>4,686</u>	<u>(601,107)</u>
Net capital assets	<u>\$ 513,993</u>	<u>\$ (88,600)</u>	<u>\$ -</u>	<u>\$ 425,393</u>

Depreciation expense for the year ended June 30, 2010 was \$114,047.

NOTE 4: STUDENT UNION FEES

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, 2010 amounted to \$2,120,000.

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, 2010 were \$26,125,000.

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.

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 4: STUDENT UNION FEES (continued)

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.

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 or accrued for these services amounted to \$993,060 for the year ended June 30, 2010. The amounts due to the University for these services as of June 30, 2010 were \$42,610.

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 \$84,649 for the year ended June 30, 2010.

NOTE 7: DEFINED BENEFIT PENSION PLAN (PERS)

Plan Description

The Student Union contributes to the California Public Employees' Retirement System (PERS), a 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, 2010

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 \$61,200 for the year ended June 30, 2010. The Student Union is required to contribute at an actuarially determined rate; the current rate is 15.336% 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 2010, the Student Union's annual pension cost of \$134,080 for PERS was equal to the required and actual contributions. The required contribution was determined as part of the June 30, 2007 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
6/30/08	\$ 85,970	100%	\$ -
6/30/09	\$ 96,595	100%	\$ -
6/30/10	\$ 134,080	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.

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (continued)

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 \$1,252 per month.

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 2009-2010, the Student Union contributed \$26,058 to the plan, which was 100% of the total current premiums.

Annual OPEB Cost and Net OPEB Obligation

The Student Union's annual other 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, 2010</u>
Annual required contribution	\$ 150,199
Interest on net OPEB obligation	11,020
Adjustment to annual required contribution	<u>(8,617)</u>
Annual OPEB cost (expense)	152,602
Contributions made	<u>(26,058)</u>
Increase in net OPEB obligation	126,544
Net OPEB obligation - beginning of year	244,900
Net OPEB obligation - end of year	<u>\$ 371,444</u>

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (continued)

The Student Union's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/08	\$ 141,582	11.9%	\$ 124,708
6/30/09	\$ 147,194	18.3%	\$ 244,900
6/30/10	\$ 152,602	17.1%	\$ 371,444

Funded Status and Progress

As of June 30, 2008, the most recent valuation date, the plan was 0.0% funded. The actuarial accrued liability for benefits was \$929,329, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$929,329 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, 2010 was \$874,978, and the ratio of the UAAL to the covered payroll was 106%. 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.

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (continued)

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 7.75% 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 4.5% 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: UNEMPLOYMENT INSURANCE TRUST

The Student Union participates in the Auxiliary Organizations' Unemployment Insurance Trust, which provides unemployment compensation coverage for members. Members are individually responsible through the Trust for all unemployment claims incurred by their organization. The Trust evaluates member safe levels annually and either bills the organization or allows distributions back to the organization for excess trust balances. Contributions made and claims paid amounted to \$6,915 and \$11,721, respectively for the nine months ended March 31, 2010. Condensed financial information for the trust as of March 31, 2010 is as follows:

Total assets	\$ 12,653,556
Total liabilities	<u>605,337</u>
Trust balance	<u>\$ 12,048,219</u>
Total revenues	\$ 3,491,313
Total expenses	<u>1,935,169</u>
Net increase in trust balance	<u>\$ 1,556,144</u>

The Student Union's portion of the trust balance was \$23,238 at March 31, 2010.

OTHER SUPPLEMENTARY INFORMATION

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

ORGANIZATIONAL DATA

JUNE 30, 2010

Officers – 2009-2010

Sheree Baugh	-	Chair
Doris Ekanem	-	Vice Chair
Mike Arteaga	-	Secretary
Kyle Richardson	-	Controller

Faculty Representatives

Johanna Smith
Tiffany Jones

Student Representatives

Mayra Quintero
Nicole Hershey
Michael Miramontes

Alumni Representative

Fatima Cristerna

ASI President

James Fukuzawa

ASI Vice President

Mike Arteaga

University Administrative Representative

Bob Wilson

President's Designee

Dr. Frank L. Rincon

Executive Director

Mark Day

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

SCHEDULE OF OPERATING EXPENSES BY FUNCTION

FOR THE YEAR ENDED JUNE 30, 2010

	Student Services									Auxiliary Enterprises									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	Depreciation		Subtotal
Salaries, wages & stipends	\$ 31,109	\$ 31,576	\$ 96,990	\$ 55,608	\$ 517,084	\$ 16,691	\$ 59,023	\$ 10,101	\$ 818,182	\$ 370,416	\$ -	\$ 152,360	\$ -	\$ 70,547	\$ 102,532	\$ 20,210	\$ 26,038	\$ -	\$ 742,103	\$ 1,560,285
Employee benefits & taxes	-	-	-	-	89,818	-	-	-	89,818	-	291,859	-	-	-	-	-	175	-	292,034	381,852
OPEB expense	-	-	-	-	-	-	-	-	-	126,544	-	-	-	-	-	-	-	-	126,544	126,544
Communications	-	-	-	-	16,189	-	-	1,403	17,592	-	15,745	-	-	-	-	-	-	-	15,745	33,337
Utilities	-	-	-	-	129,316	-	-	1,760	131,076	-	243,702	-	-	-	-	-	-	-	243,702	374,778
Travel	3,474	802	1,072	1,672	37,093	535	1,215	296	46,159	9,690	15,206	2,105	2,746	1,003	694	2,000	437	-	33,881	80,040
Equipment	-	-	-	-	1,719	7,096	-	5,604	14,419	-	6,858	1,237	-	2,192	-	5,790	8,374	-	24,451	38,870
Postage	-	-	-	-	503	-	-	-	503	-	1,839	-	-	-	-	-	-	-	1,839	2,342
Supplies & services	3,707	3,834	14,542	7,814	291,040	5,372	6,159	2,655	335,123	28,873	38,428	94,298	1,577	8,231	5,095	2,743	830	-	180,075	515,198
Duplicating	-	-	-	-	7,941	-	-	-	7,941	-	-	-	-	-	55	-	-	-	55	7,996
Accounting fees	-	-	-	-	57,915	-	-	-	57,915	-	95,305	-	-	-	-	-	-	-	95,305	153,220
Audit fees	-	-	-	-	-	-	-	-	-	-	6,400	-	-	-	-	-	-	-	6,400	6,400
Professional fees	-	-	-	-	-	-	-	-	-	-	1,198	-	-	-	-	-	-	-	1,198	1,198
Hospitality	147	384	3,854	220	17,374	-	-	-	21,979	976	-	-	1,722	-	392	-	-	-	3,090	25,069
Specialized training	-	-	-	-	1,278	-	-	-	1,278	295	1,005	-	-	-	-	-	-	-	1,300	2,578
Insurance	-	-	-	-	-	-	-	-	-	-	23,592	-	-	-	-	-	-	-	23,592	23,592
Repairs & maintenance	-	-	-	-	-	-	-	6,248	6,248	-	92,660	-	-	-	-	-	-	-	92,660	98,908
Advertising	-	-	-	-	25,995	-	-	-	25,995	-	-	-	-	11,042	-	-	-	-	11,042	37,037
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,047	-	114,047	114,047
Rental expense	-	-	-	-	-	-	-	-	-	-	1,847	-	-	-	-	-	-	-	1,847	1,847
Program expenses	32,935	34,792	29,181	29,587	17,991	510	15,534	3,780	164,310	3,299	-	-	11	609	-	-	-	-	3,919	168,229
Campus services	-	-	-	-	93,682	-	-	-	93,682	-	25,852	-	-	-	-	-	-	-	25,852	119,534
Resource materials	-	249	894	463	-	-	335	-	1,941	-	77	-	39	200	-	-	-	-	316	2,257
	\$ 71,372	\$ 71,637	\$ 146,533	\$ 95,364	\$ 1,304,938	\$ 30,204	\$ 82,266	\$ 31,847	\$ 1,834,161	\$ 540,093	\$ 861,573	\$ 250,000	\$ 6,095	\$ 93,824	\$ 108,768	\$ 30,743	\$ 35,854	\$ 114,047	\$ 2,040,997	\$ 3,875,158

Santos Manuel Student Union
Schedule of Net Assets
June 30, 2010
(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$	47,929
Short-term investments		3,161,780
Accounts receivable, net		59,053
Leases receivable, current portion		—
Notes receivable, current portion		—
Pledges receivable, net		—
Prepaid expenses and other assets		5,778
Total current assets		3,274,540

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		425,393
Other assets		—
Total noncurrent assets		425,393
Total assets		3,699,933

Liabilities:

Current liabilities:

Accounts payable		137,365
Accrued salaries and benefits payable		26,933
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		164,298

Noncurrent liabilities:

Accrued compensated absences, net of current portion		54,724
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		371,444
Other liabilities		—
Total noncurrent liabilities		426,168
Total liabilities		590,466

Net assets:

Invested in capital assets, net of related debt		425,393
Restricted for:		
Nonexpendable – endowments		—
Expendable:		
Scholarships and fellowships		—
Research		—
Loans		—
Capital projects		—
Debt service		—
Other		2,684,074
Unrestricted		—
Total net assets		\$ 3,109,467

Santos Manuel Student Union
Schedule of Revenues, Expenses and Changes in Net Assets
Year Ended June 30, 2010
(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 \$ _____)		4,345,048
Other operating revenues		—
Total operating revenues		4,345,048

Expenses:

Operating expenses:

Instruction		—
Research		—
Public service		—
Academic support		—
Student services		1,834,161
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		—
Auxiliary enterprise expenses		1,926,950
Depreciation and amortization		114,047
Total operating expenses		3,875,158
Operating income (loss)		469,890

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		22,163
Endowment income (loss), net		—
Interest Expenses		—
Other nonoperating revenues (expenses)		(670)
Net nonoperating revenues (expenses)		21,493

Income (loss) before other additions		491,383
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State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net assets		491,383

Net assets:

Net assets at beginning of year, as previously reported		2,618,084
Restatements		—
Net assets at beginning of year, as restated		2,618,084
Net assets at end of year	\$	3,109,467

Santos Manuel Student Union
Other Information
June 30, 2010
(for inclusion in the California State University)

1	Restricted cash and cash equivalents at June 30, 2010:	
	Portion of restricted cash and cash equivalents related to endowments	\$ -
	All other restricted cash and cash equivalents	<u>-</u>
	Total restricted cash and cash equivalents	\$ <u>-</u>

2.1 Composition of investments at June 30, 2010:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	1,610,763	-	1,610,763	-	-	-	1,610,763
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
US Bank SWIFT pool	1,551,017	-	1,551,017	-	-	-	1,551,017
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:							
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
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3.1 Composition of capital assets at June 30, 2010:

	Balance June 30, 2009	Prior period Adjustments	Reclassifications	Balance June 30, 2009 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2010
Nondepreciable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable capital assets	-	-	-	-	-	-	-	-
Depreciable capital assets:								
Buildings and building improvements	284,821	-	-	284,821	-	-	-	284,821
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	720,918	-	-	720,918	25,447	(4,686)	-	741,679
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total depreciable capital assets	1,005,739	-	-	1,005,739	25,447	(4,686)	-	1,026,500
Total capital assets	1,005,739	-	-	1,005,739	25,447	(4,686)	-	1,026,500
Less accumulated depreciation:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	(99,488)	-	-	(99,488)	(19,972)	-	-	(119,460)
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(392,258)	-	-	(392,258)	(94,075)	4,686	-	(481,647)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation	(491,746)	-	-	(491,746)	(114,047)	4,686	-	(601,107)
Total capital assets, net	\$ 513,993	-	-	\$ 513,993	(88,600)	-	-	425,393

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2010:

Depreciation and amortization expense related to capital assets	\$ 114,047
Amortization expense related to other assets	---
Total depreciation and amortization	\$ 114,047

3.3 Detail of intangible assets as of June 30, 2010:

	Nonamortizable	Amortizable	Accumulated Amortization
Easements	-	-	-
Rights	-	-	-
Websites	-	-	-
Computer software	-	-	-
Licenses and permits	-	-	-
Patents	-	-	-
Copyrights	-	-	-
Trademarks	-	-	-
Others (please list):			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Total Intangible Assets	\$ -	\$ -	\$ -

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4 Long-term liabilities activity schedule:

	Balance June 30, 2009	Prior period adjustments	Reclassifications	Balance June 30, 2009 (restated)	Additions	Reductions	Balance June 30, 2010	Current portion	Long-term portion
Accrued compensated absences	\$ 47,236	—	—	47,236	46,138	(38,650)	54,724	—	54,724
Capitalized lease obligations:									
Gross balance	—	—	—	—	-	-	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	-	-	—	—	—
Total capitalized lease obligations	—	—	—	—	-	-	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	-	-	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	-	-	—	—	—
Commercial Paper	—	—	—	—	-	-	—	—	—
Other:									
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Total long-term debt obligations	—	—	—	—	-	-	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	-	-	—	—	—
Unamortized loss on refunding	—	—	—	—	-	-	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ 47,236	—	—	47,236	46,138	(38,650)	54,724	—	54,724

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2011	-	-	—
2012	-	-	—
2013	-	-	—
2014	-	-	—
2015	-	-	—
2016 - 2020	-	-	—
2021 - 2025	-	-	—
2026 - 2030	-	-	—
2031 - 2035	-	-	—
2036 - 2040	-	-	—
2041 - 2045	-	-	—
2046 - 2050	-	-	—
2051 - 2055	-	-	—
2056 - 2060	-	-	—
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:									
2011	\$ -	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016 - 2020	-	-	-	-	-	-	-	-	-
2021 - 2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
2051 - 2055	-	-	-	-	-	-	-	-	-
2056 - 2060	-	-	-	-	-	-	-	-	-
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	\$ 425,393	—	425,393
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	\$ 425,393	—	425,393
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	—	—	—
Add description	—	—	—
Add description	—	—	—
Net assets - Restricted for nonexpendable - endowments per SNA	\$ —	—	—

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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:

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