

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

REPORT ON AUDIT

FOR THE YEAR ENDED
JUNE 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
Management's Discussion and Analysis (MD&A)	3
Statement of Net Assets	8
Statement of Revenues, Expenses and Changes in Net Assets	9
Statement of Cash Flows	11
Notes to Financial Statements	13
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
Organizational Data	26
Schedule of Operating Expenses by Function	27
<u>AUXILIARY ORGANIZATIONS</u>	
Schedule of Net Assets	28
Schedule of Revenues, Expenses and Changes in Net Assets	29
Other Information	30



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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying 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, 2011 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 2010 financial statements and, in our report dated September 28, 2010, 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof or the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information 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 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 the 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 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 Malooly & Scott, LLP

September 27, 2011

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

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, 2011.

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, 2011

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, 2011

FINANCIAL ANALYSIS

Net Assets

The Student Union's net assets exceed liabilities by \$3,322,381 at the close of the most recent fiscal year. Of this, \$334,990 or 10.1% 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

	2011	2010
Current assets	\$ 3,909,039	\$ 3,274,540
Capital assets	334,990	425,393
Total Assets	4,244,029	3,699,933
Current liabilities	337,970	219,022
Noncurrent liabilities	583,678	371,444
Total Liabilities	921,648	590,466
Net assets		
Invested in capital assets	334,990	425,393
Unrestricted	2,987,391 *	2,684,074
Total Net Assets	\$ 3,322,381	\$ 3,109,467

The Student Union's net assets increased by \$212,914 during the current fiscal year.

* See Note 1, page 15 for breakdown of unrestricted net assets.

Changes in Net Assets

Operating revenues decreased by \$90,669 or 2.1%, which is attributed primarily to a decrease of return of surplus revenues of \$26,650 and a \$58,238 decrease in operational revenues.

Expenses increased by \$187,800 or 4.8%. 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, 2011

Student Union's Changes in Net Assets

	<u>2011</u>	<u>2010</u>
<u>Revenues</u>		
Return of surplus	\$ 3,995,000	\$ 4,021,650
Income from operations	256,520	314,587
Program income	8,701	8,811
Investment income	16,321	22,163
Total Revenues	<u>4,276,542</u>	<u>4,367,211</u>
<u>Expenses</u>		
Student services	1,908,488	1,834,161
Auxiliary enterprise expenses	2,145,188	2,040,997
Other	9,952	670
Total Expenses	<u>4,063,628</u>	<u>3,875,828</u>
Increase (decrease) in net assets	212,914	491,383
Net Assets - Beginning of Year	<u>3,109,467</u>	<u>2,618,084</u>
Net Assets - End of Year	<u>\$ 3,322,381</u>	<u>\$ 3,109,467</u>

Capital Assets and Long-Term Debt

As of June 30, 2011, the Student Union has \$334,990 invested in capital assets, net of accumulated depreciation of \$699,565. 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)

Leasehold improvements	\$ 145,388	\$ 165,361
Equipment, furniture and fixtures	189,602	260,032
Total	<u>\$ 334,990</u>	<u>\$ 425,393</u>

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2011

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, 2011

	<u>2011</u>	<u>Comparative Totals 2010</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 81,006	\$ 47,929
Short-term investments	3,765,140	3,161,780
Accrued interest receivable	1,921	2,233
Accounts receivable - net	40,671	59,053
Prepaid expenses	20,301	3,545
Total current assets	3,909,039	3,274,540
Property and equipment, net	334,990	425,393
Total assets	4,244,029	3,699,933
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	85,823	92,227
Amounts due to other auxiliary organizations	323	2,528
Amounts due to the University	154,064	42,610
Accrued salaries payable	26,113	26,933
Accrued compensated absences	71,647	54,724
Total current liabilities	337,970	219,022
Noncurrent liabilities:		
OPEB obligation	583,678	371,444
Total liabilities	921,648	590,466
<u>NET ASSETS</u>		
Invested in capital assets	334,990	425,393
Unrestricted	2,987,391	2,684,074
Total net assets	\$ 3,322,381	\$ 3,109,467

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, 2011

	2011	Comparative Totals 2010
<u>OPERATING REVENUES</u>		
Return of surplus revenue bond funds (Student Union fees)	\$ 3,995,000	\$ 4,021,650
Sales and services:		
Program revenues	8,701	8,811
Facility lease and rental	86,362	84,649
Personnel services reimbursement revenue	103,844	109,582
Miscellaneous reimbursement revenue	66,314	120,226
Contributions received	-	130
	4,260,221	4,345,048
 <u>OPERATING EXPENSES</u>		
Student services:		
Program Board	72,970	71,372
Women's Resource Center	60,340	71,637
Cross Cultural Center	133,672	146,533
Adult Re-Entry Center	89,294	95,364
Recreation Center	1,356,154	1,304,938
Game Room	54,438	30,204
Pride Center	86,089	82,266
Palm Desert campus	55,531	31,847
Support services:		
Administration and personnel services	704,327	634,167
Student Union operations	886,603	881,546
Maintenance	243,421	250,000
Board of Directors	6,078	6,095
Graphics	108,694	93,824
Scheduling	133,632	108,768
Audio visual	33,225	30,743
Technology	29,208	35,854
	4,053,676	3,875,158
Operating income	206,545	469,890

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, 2011

	<u>2011</u>	<u>Comparative Totals 2010</u>
<u>NON-OPERATING REVENUES AND EXPENSES</u>		
Investment income	16,321	22,163
Uncollectible accounts	<u>(9,952)</u>	<u>(670)</u>
Total non-operating expenses	<u>6,369</u>	<u>21,493</u>
Change in net assets	212,914	491,383
Net assets, beginning of year	<u>3,109,467</u>	<u>2,618,084</u>
Net assets, end of year	<u>\$ 3,322,381</u>	<u>\$ 3,109,467</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, 2011

	<u>2011</u>	<u>Comparative Totals 2010</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Return of surplus	\$ 3,995,000	\$ 4,021,650
Sales and services	273,651	327,651
Payments to suppliers	(1,952,234)	(2,169,618)
Payments to employees	(1,677,533)	(1,556,309)
	<u>638,884</u>	<u>623,374</u>
Net cash provided by operating activities		
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchase of equipment	(19,080)	(25,447)
	<u>(19,080)</u>	<u>(25,447)</u>
Net cash used for capital and related financing activities		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investment income	16,633	26,513
	<u>16,633</u>	<u>26,513</u>
Net cash provided by investing activities		
Net increase in cash and cash equivalents	636,437	624,440
Cash and cash equivalents, beginning of year	<u>3,209,709</u>	<u>2,585,269</u>
Cash and cash equivalents, end of year	<u>\$ 3,846,146</u>	<u>\$ 3,209,709</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, 2011

	<u>2011</u>	<u>Comparative Totals 2010</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income	\$ 206,545	\$ 469,890
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	109,483	114,047
Decrease in receivables	8,430	4,253
(Increase) in prepaid expenses	(16,756)	(3,545)
Increase (decrease) in accounts payable	(6,404)	39,621
Decrease in accrued payroll	(820)	(3,512)
Decrease in amounts due to other auxiliary organizations	(2,205)	(25,997)
Increase in accrued compensated absences	16,923	7,488
Increase (decrease) in amounts due to the University	111,454	(105,415)
Increase in unfunded OPEB obligation	212,234	126,544
	<u>638,884</u>	<u>623,374</u>
Net cash provided by operating activities	<u>\$ 638,884</u>	<u>\$ 623,374</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, 2011

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, 2011

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, 2011

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 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.

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.

Unrestricted Net Assets

Of the \$2,987,391 in Unrestricted Assets, \$1,177,186 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.

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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

Subsequent Events

Management has evaluated subsequent events through September 27, 2011, which is the date the financial statements were available to be issued.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Statement of Net Assets:

Current Assets:

Cash and cash equivalents	\$ 81,006
Short-term investments	<u>3,765,140</u>
Total Cash and Investments	<u>\$ 3,846,146</u>

Cash and investments as of June 30, 2011 consist of the following:

Cash on hand	\$ 1,600
Deposits with financial institutions	79,406
Investments	<u>3,765,140</u>
Total Cash and Investments	<u>\$ 3,846,146</u>

Investments

At June 30, 2011, 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, 2011

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, 2011

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, 2011:

Investment	Fair Value	WAM (Years)	Ratings as of Year-End				
			AAA	AA	A	BBB	Not Rated
Money Market Mutual Funds	\$ 3,759	-	\$ 3,759	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	5,105	-	-	-	5,105	-	-
Certificates of Deposit	299,681	0.05	-	20,074	195,193	-	84,414
Commercial Paper	160,271	0.07	-	-	160,271	-	-
US Treasury	287,367	0.13	-	-	-	-	287,367
US Agencies	670,412	0.16	460,988	-	209,424	-	-
Corporate and Fixed Income	708,091	1.09	266,604	184,397	255,885	1,205	-
Mortgage Backed Securities	11,497	8.74	9,722	1,775	-	-	-
LAIF	1,618,957	0.56	-	-	-	-	1,618,957
Total	<u>\$ 3,765,140</u>		<u>\$ 741,073</u>	<u>\$ 206,246</u>	<u>\$ 825,878</u>	<u>\$ 1,205</u>	<u>\$ 1,990,738</u>

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, 2011 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	\$ 250,732
Federal Home Loan Mortgage Corporation	Federal agency securities	\$ 250,071

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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, 2011, 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, 2011

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 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	741,679	19,080	(11,026)	749,733
	<u>1,026,500</u>	<u>19,080</u>	<u>(11,026)</u>	<u>1,034,554</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Leasehold improvements	(119,460)	(19,973)	-	(139,433)
Equipment, furniture and fixtures	(481,647)	(89,510)	11,026	(560,131)
	<u>(601,107)</u>	<u>(109,483)</u>	<u>11,026</u>	<u>(699,564)</u>
Total accumulated depreciation				
Net capital assets	<u>\$ 425,393</u>	<u>\$ (90,403)</u>	<u>\$ -</u>	<u>\$ 334,990</u>

Depreciation expense for the year ended June 30, 2011 was \$109,483.

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, 2011 amounted to \$1,990,000.

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, 2011 were \$25,615,000.

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, 2011

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 for these services amounted to \$717,614 for the year ended June 30, 2011. The amounts due to the University for these services as of June 30, 2011 were \$154,064.

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 \$86,362 for the year ended June 30, 2011.

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, 2011

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, 2011. The Student Union is required to contribute at an actuarially determined rate; the current rate is 14.987% 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 2011, the Student Union's annual pension cost of \$142,703 for PERS was equal to the required and actual contributions. The required contribution was determined as part of the June 30, 2008 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
6/30/09	\$ 96,595	100%	\$ -
6/30/10	\$ 134,080	100%	\$ -
6/30/11	\$ 142,703	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, 2011

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 2010-2011, the Student Union contributed \$14,631 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, 2011</u>
Annual required contribution	\$ 227,701
Interest on net OPEB obligation	14,858
Adjustment to annual required contribution	<u>(15,694)</u>
Annual OPEB cost (expense)	226,865
Contributions made	<u>(14,631)</u>
Increase in net OPEB obligation	212,234
Net OPEB obligation - beginning of year	371,444
Net OPEB obligation - end of year	<u>\$ 583,678</u>

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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 2011 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>
6/30/09	\$ 147,194	18.3%	\$ 244,900
6/30/10	\$ 152,602	17.1%	\$ 371,444
6/30/11	\$ 226,865	6.4%	\$ 583,678

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, 2011 was \$900,432, and the ratio of the UAAL to the covered payroll was 183.7%. 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, 2011

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 7.0% 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: 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 \$11,823 and \$11,664, respectively for the nine months ended March 31, 2011. Condensed financial information for the trust as of March 31, 2011 is as follows:

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

The Student Union's portion of the trust balance was \$27,894 at March 31, 2011.

OTHER SUPPLEMENTARY INFORMATION

SANTOS MANUEL STUDENT UNION
OF CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

ORGANIZATIONAL DATA

JUNE 30, 2011

Officers – 2010-2011

Mike Arteaga	-	Chair
Shenica Snowden	-	Vice Chair
Devon Bethel	-	Secretary
Open	-	Controller

Faculty Representatives

Brad Spence
Tiffany Jones

Student Representatives

Ismael Ambriz-Tovar
Bruce Gibson
Elizabeth Mason
David Vargas

Alumni Representative

Fatima Adame

ASI President - Designee

Nicholas Kendle

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, 2011

	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		Subtotal
Salaries, wages & stipends	\$ 29,667	\$ 26,368	\$ 83,630	\$ 56,168	\$ 557,819	\$ 45,382	\$ 60,106	\$ 35,644	\$ 894,784	\$ 375,708	\$ -	\$ 158,872	\$ -	\$ 83,198	\$ 128,244	\$ 24,611	\$ 28,219	\$ 798,852	\$ 1,693,636
Employee benefits & taxes	-	-	-	-	114,403	-	-	-	114,403	-	327,479	-	-	-	-	-	-	327,479	441,882
OPEB expense	-	-	-	-	-	-	-	-	-	212,234	-	-	-	-	-	-	-	212,234	212,234
Communications	-	-	-	-	16,245	-	-	-	16,245	-	12,035	-	-	-	-	-	-	12,035	28,280
Utilities	-	-	-	-	124,535	-	-	1,760	126,295	-	221,623	-	-	-	-	-	-	221,623	347,918
Travel	1,902	1,310	-	627	37,908	1,759	2,057	2,549	48,112	9,793	22,460	-	1,926	2,170	230	-	-	36,579	84,691
Equipment	-	-	-	-	1,487	782	-	-	2,269	-	1,384	2,310	-	3,085	-	4,384	259	11,422	13,691
Postage	-	-	-	-	172	-	-	-	172	-	1,761	-	-	-	-	-	-	1,761	1,933
Supplies & services	2,777	4,058	6,798	6,658	280,367	4,111	4,658	3,087	312,514	15,642	16,517	82,196	2,002	6,293	4,854	4,230	730	132,464	444,978
Duplicating	3,682	4,126	4,321	2,491	7,155	1,852	2,524	1,176	27,327	321	1,751	43	207	3,164	304	-	-	5,790	33,117
Accounting fees	-	-	-	-	19,305	-	-	-	19,305	-	95,280	-	-	-	-	-	-	95,280	114,585
Audit fees	-	-	-	-	-	-	-	-	-	-	6,500	-	-	-	-	-	-	6,500	6,500
Professional fees	-	-	-	-	169	-	-	-	169	-	506	-	-	-	-	-	-	506	675
Hospitality	311	98	3,717	420	23,984	-	192	-	28,722	1,119	832	-	1,943	-	-	-	-	3,894	32,616
Specialized training	-	-	-	-	2,320	-	-	-	2,320	-	-	-	-	-	-	-	-	-	2,320
Insurance	-	-	-	-	7,665	-	-	-	7,665	-	17,885	-	-	-	-	-	-	17,885	25,550
Repairs & maintenance	-	-	-	-	1,249	-	-	6,326	7,575	-	101,419	-	-	-	-	-	-	101,419	108,994
Advertising	-	-	-	-	26,725	-	-	-	26,725	-	5,269	-	-	10,551	-	-	-	15,820	42,545
Program expenses	34,631	24,308	33,233	22,541	18,205	552	16,042	4,989	154,501	-	8,000	-	-	-	-	-	-	8,000	162,501
Campus services	-	-	-	-	116,441	-	-	-	116,441	-	25,929	-	-	-	-	-	-	25,929	142,370
Resource materials	-	72	1,973	389	-	-	510	-	2,944	-	-	-	-	233	-	-	-	233	3,177
Depreciation	-	-	-	-	-	-	-	-	-	89,510	19,973	-	-	-	-	-	-	109,483	109,483
Totals	\$ 72,970	\$ 60,340	\$ 133,672	\$ 89,294	\$ 1,356,154	\$ 54,438	\$ 86,089	\$ 55,531	\$ 1,908,488	\$ 704,327	\$ 886,603	\$ 243,421	\$ 6,078	\$ 108,694	\$ 133,632	\$ 33,225	\$ 29,208	\$ 2,145,188	\$ 4,053,676

Santos Manuel Student Union
Schedule of Net Assets
June 30, 2011
(for inclusion in the California State University)

Assets:

Current assets:	
Cash and cash equivalents	\$ 81,006
Short-term investments	3,765,140
Accounts receivable, net	42,592
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	20,301
	<hr/>
Total current assets	3,909,039
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	334,990
Other assets	—
	<hr/>
Total noncurrent assets	334,990
	<hr/>
Total assets	4,244,029

Liabilities:

Current liabilities:	
Accounts payable	240,210
Accrued salaries and benefits payable	26,113
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	—
	<hr/>
Total current liabilities	266,323
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	71,647
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	583,678
Other liabilities	—
	<hr/>
Total noncurrent liabilities	655,325
	<hr/>
Total liabilities	921,648

Net assets:

Invested in capital assets, net of related debt	334,990
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	2,987,391
	<hr/>
Total net assets	\$ 3,322,381

Santos Manuel Student Union

Schedule of Revenues, Expenses, and Changes in Net Assets

Year Ended June 30, 2011

(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 \$_____)		4,260,221
Other operating revenues		-
Total operating revenues		<u>4,260,221</u>

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	1,908,488
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	2,035,705
Depreciation and amortization	109,483
Total operating expenses	<u>4,053,676</u>
Operating income (loss)	<u>206,545</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	16,321
Endowment income (loss), net	-
Interest Expenses	-
Other nonoperating revenues (expenses)	<u>(9,952)</u>
Net nonoperating revenues (expenses)	<u>6,369</u>
Income (loss) before other additions	212,914

State appropriations, capital

Grants and gifts, capital

Additions (reductions) to permanent endowments

Increase (decrease) in net assets	<u>212,914</u>
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Net assets:

Net assets at beginning of year, as previously reported	3,109,467
Restatements	-
Net assets at beginning of year, as restated	<u>3,109,467</u>
Net assets at end of year	<u>\$ 3,322,381</u>

Santos Manuel Student Union
Other Information
June 30, 2011
(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2011:

	Balance June 30, 2010	Prior period Adjustments	Reclassifications	Balance June 30, 2010 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2011
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets								
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	284,821	-	-	284,821	-	-	-	284,821
Personal property:								
Equipment	741,679	-	-	741,679	19,080	(11,026)	-	749,733
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets								
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	1,026,500	-	-	1,026,500	19,080	(11,026)	-	1,034,554
Total capital assets	1,026,500	-	-	1,026,500	19,080	(11,026)	-	1,034,554
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(119,460)	-	-	(119,460)	(19,973)	-	-	(139,433)
Personal property:								
Equipment	(481,647)	-	-	(481,647)	(89,510)	11,026	-	(560,131)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets								
Total accumulated depreciation/amortization	(601,107)	-	-	(601,107)	(109,483)	11,026	-	(699,564)
Total capital assets, net	\$ 425,393	-	-	425,393	(90,403)	-	-	334,990

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2011:

Depreciation and amortization expense related to capital assets	\$ 109,483
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 109,483

Santos Manuel Student Union
Other Information
June 30, 2011
(for inclusion in the California State University)

4 Long-term liabilities activity schedule:

	Balance June 30, 2010	Prior period adjustments	Reclassifications	Balance June 30, 2010 (restated)	Additions	Reductions	Balance June 30, 2011	Current portion	Long-term portion
Accrued compensated absences	\$ 54,724	—	—	54,724	52,078	(35,155)	71,647	—	71,647
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	\$ 54,724	—	—	54,724	52,078	(35,155)	71,647	—	71,647

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2012	-	-	—
2013	-	-	—
2014	-	-	—
2015	-	-	—
2016	-	-	—
2017 - 2021	-	-	—
2022 - 2026	-	-	—
2027 - 2031	-	-	—
2032 - 2036	-	-	—
2037 - 2041	-	-	—
2042 - 2046	-	-	—
2047 - 2051	-	-	—
2052 - 2056	-	-	—
2057 - 2061	-	-	—
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			\$ —

Santos Manuel Student Union
Other Information
June 30, 2011
(for inclusion in the California State University)

6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2012	\$ -	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017 - 2021	-	-	-	-	-	-	-	-	-
2022 - 2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-
2057 - 2061	-	-	-	-	-	-	-	-	-
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	\$ 334,990	—	334,990
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	\$ 334,990	—	334,990
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	—	—	—
Net assets - Restricted for nonexpendable - endowments per SNA	\$ —	—	—

Santos Manuel Student Union
 Other Information
 June 30, 2011
 (for inclusion in the California State University)

8 Transactions with Related Entities

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 230,478
Payments to University for other than salaries of University personnel	487,136
Payments received from University for services, space, and programs	—
Gifts-in-kind to the University from Auxiliary Organizations	—
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	—
Accounts (payable to) University (enter as negative number)	(154,064)
Other amounts (payable to) University (enter as negative number)	4,090
Accounts receivable from University	—
Other amounts receivable from University	—

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$	226,865
Contributions during the year		(14,631)
Increase (decrease) in net OPEB obligation (NOO)		212,234
NOO - beginning of year		371,444
NOO - end of year	\$	583,678

10 Pollution remediation liabilities under GASB Statement No. 49:

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

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

	Net Asset Class	Amount Dr. (Cr.)
Net assets as of June 30, 2010, as previously reported	\$	3,109,467
Prior period adjustments:		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net assets as of June 30, 2010, as restated	\$	3,109,467

Santos Manuel Student Union
 Other Information
 June 30, 2011
 (for inclusion in the California State University)

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

	Debit	Credit
Net 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)	—	—