

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
STUDENT UNION**

**FINANCIAL REPORT
(Audited)**

JUNE 30, 2011

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NANCY C. BELTON

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
California State University, Bakersfield
Student Union
Bakersfield, California

We have audited the accompanying statements of financial position of **California State University, Bakersfield Student Union** as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of **California State University, Bakersfield Student Union's** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide 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 **California State University, Bakersfield Student Union** as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Daniells, Phillips, Vaughan & Bock

Bakersfield, California
September 28, 2011

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
STUDENT UNION**

**STATEMENTS OF FINANCIAL POSITION
June 30, 2011 and 2010**

	2011	2010
ASSETS		
Current Assets		
Cash	\$ 417,000	\$ 448,396
Due from CSU (Note 5)	-	15,992
Other	8,137	1,248
Total current assets	425,137	465,636
Property and Equipment		
Equipment	588,121	50,478
Leasehold improvements	253,338	236,991
	841,459	287,469
Less: accumulated depreciation	103,299	79,635
	738,160	207,834
	\$ 1,163,297	\$ 673,470
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 20,945	\$ 22,156
Due to CSU (Note 5)	219,873	126,373
Other	3,000	-
Total current liabilities	243,818	148,529
Net Assets		
Unrestricted	919,479	524,941
	\$ 1,163,297	\$ 673,470

See Notes to Financial Statements.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
STUDENT UNION**

**STATEMENTS OF ACTIVITIES
Years Ended June 30, 2011 and 2010**

	2011	2010
Changes in Unrestricted Net Assets:		
Revenues and gains:		
Fees (Note 3)	\$ 2,000,000	\$ 1,570,000
Sales of auxiliary enterprises:		
Contracted space rentals	33,605	30,001
Facility rental	31,641	22,645
Membership fees	46,827	37,245
Other	13,047	95,990
Total sales of auxiliary enterprises	125,120	185,881
Other:		
In-kind contribution (Note 2)	1,395,270	1,395,270
Total revenues and gains	3,520,390	3,151,151
Expenses of auxiliary enterprises:		
Program services	2,278,408	2,309,044
General and administrative	847,444	695,697
Total expenses of auxiliary enterprises	3,125,852	3,004,741
Increase in net assets	394,538	146,410
Net assets, beginning of year	524,941	378,531
Net assets, end of year	\$ 919,479	\$ 524,941

See Notes to Financial Statements.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
STUDENT UNION**

**STATEMENTS OF CASH FLOWS
Years Ended June 30, 2011 and 2010**

	2011	2010
Cash Flows from Operating Activities		
Increase in net assets	\$ 394,538	\$ 146,410
Adjustments to reconcile net change in unrestricted net assets to net cash provided by operating activities:		
Depreciation	30,273	22,916
Loss on disposition of property and equipment	-	3,242
(Increase) decrease in:		
Accounts receivable	(6,889)	(249)
Due from related parties	15,992	2,346
Increase (decrease) in:		
Accounts payable	(1,211)	(53,519)
Accrued salaries and benefits payable	105,491	(19,748)
Due to related parties	(11,992)	26,780
Other liabilities	3,000	-
Net cash provided by operating activities	529,202	128,178
Cash Flows from Investing Activities		
Purchase of capital assets -		
Net cash (used in) investing activities	(560,598)	(77,120)
Net increase (decrease) in cash	(31,396)	51,058
Cash:		
Beginning	448,396	397,338
Ending	\$ 417,000	\$ 448,396

See Notes to Financial Statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The California State University, Bakersfield, Student Union (the "Student Union"), functions to benefit the student body of the California State University, Bakersfield by operating a campus union facility. The Student Union was incorporated on March 9, 1994, and opened its facility in May 1994. In May 2009 the Student Union opened its Student Recreation Center.

A summary of the Student Union's significant accounting policies follows:

Accounting policies: The Student Union accounts for its financial transactions in accordance with the policies and procedures of the California State University Auxiliary Organization's Accounting and Reporting System. The accounting policies of the Student Union conform to accounting principles generally accepted in the United States of America.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Student Union considers cash on hand, cash on deposit, and all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and equipment: Property and equipment is stated at cost. Depreciation of property and equipment is computed on the straight-line method over estimated useful lives of three to ten years. All acquisitions of property and equipment in excess of \$5,000 and all expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized.

Income taxes: The Student Union is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and related state code sections. As a non-profit organization, the Student Union is subject to unrelated business income tax (UBIT), if applicable. For the tax years ended June 30, 2011 and 2010, the Student Union did not owe any UBIT. See Note 6 for further information regarding income taxes and UBIT.

The Student Union adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Student Union may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50%

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

STUDENT UNION

NOTES TO FINANCIAL STATEMENTS

likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods.

Management evaluated the Student Union's tax position and concluded that they had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Compensated Absences: Employees of the Student Union are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. Accrued vacation of \$34,834 and \$24,608 for the years ended June 30, 2011 and 2010, respectively, have been recorded in accrued salaries and benefits payable. Paid sick days and personal days off have not been accrued, as employees are not entitled to sick days or personal days off pay upon termination of employment.

Advertising: The Student Union expenses advertising costs as they are incurred. Advertising expenditures totaled \$2,865 and \$916 for the years ended June 30, 2011 and 2010, respectively.

Subsequent Events: The Student Union has evaluated subsequent events through September 28, 2011, the date on which the financial statements were available to be issued. There are no subsequent events considered material by management that would require disclosure in the financial statements.

Note 2. Lease Commitments/In-Kind Contributions

The Student Union leases the campus union facility and the recreation center facility under a non-cancelable operating agreement and lease with the Trustees of the California State University. The lease expires on June 30, 2014. In exchange for managing and operating the campus union and recreation center facilities, the Student Union pays no rent. The estimated fair market value of this rent is \$1,395,270 for each of the years ended June 30, 2011 and 2010 and has been recognized as an in-kind contribution and an operating expense in the statements of activities.

Note 3. Student Union Fees

In November 1992, California State University, Bakersfield issued bonds to finance the construction, repair and maintenance of the Student Union Building. As specified in the bond resolution, the bonds are secured by the future revenue streams generated by the Student Union, therefore student fees are remitted to service the bonds. Section 5.02(d) of the Bond Resolution provides authorization for surplus fees (as defined) to be remitted to the Student Union for purpose of operating the Student Union. In accordance with the Bond Resolution, the Student Union received student fees in the amounts of \$2,000,000 and \$1,570,000 for the years ending June 30, 2011 and 2010, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

NOTES TO FINANCIAL STATEMENTS

Note 4. Operating Leases

The Student Union leases office space to various organizations under non-cancellable agreements through June 2014.

The total minimum rental income as of June 30, 2011 is due in future years as follows:

Years ending June 30,	
2012	\$ 31,082
2013	22,106
2014	23,131
	<u>\$ 76,319</u>

Note 5. Transactions with Related Parties

Accounting and other services were provided to the Student Union by California State University, Bakersfield during the years ended June 30, 2011 and 2010. Additionally, the Student Union has a non-cancelable agreement with the University for the University to provide custodial services to the Student Union for \$17,421 per month through June 30, 2012, and to provide landscape maintenance services to the Student Union for \$930 per month through December 31, 2011.

The Associated Students, Inc. and the University lease office space from the Student Union. (See Note 4)

Transactions for the years ended June 30, 2011 and 2010 with related parties are reflected in the accompanying financial statements as follows:

	2011	2010
Revenue:		
Rental income	\$ 30,305	\$ 25,788
Expense:		
Services from other agencies	1,674,719	1,489,131
Rent	-	4,213
Due from:		
University (CSU)	-	15,992
Due to:		
University (CSU)	219,873	126,373

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

NOTES TO FINANCIAL STATEMENTS

Note 6. Unrelated Business Income Tax Matters

The Internal Revenue Service ("IRS") and certain state taxing authorities are revisiting what, if any, products and services provided by nonprofit organizations are subject to unrelated business income tax ("UBIT"). There is currently very little guidance in the IRS Code on what activities should be subject to UBIT. The IRS has indicated that they are studying the issue and may issue additional guidance. As a result, at this time there is uncertainty regarding whether the Student Union should pay income tax on certain types of net taxable income from activities that may be considered by taxing authorities as unrelated to the purpose for which the Student Union was granted non-taxable status. The Student Union has not filed any tax returns in the past for potential taxable activities. The taxing authorities have the ability to assess taxes, penalties and interest for any years for which no tax return was filed. In the opinion of management, any liability resulting from taxing authorities imposing income taxes on the net taxable income from activities deemed to be unrelated to the Student Union's non-taxable status is not expected to have a material effect on the Student Union's financial position or results of operations. The Student Union is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for years before 2007.



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NANCY C. BELTON

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors
California State University, Bakersfield
Student Union
Bakersfield, California

Our audits were made for the purpose of forming an opinion on the basic financial statements for the years ended June 30, 2011 and 2010, taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information for the year ended June 30, 2011, except for the information on pages 11 and 12, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information on pages 11 and 12 has not been subjected to the auditing procedures applied in the basic financial statements and accordingly, we express no opinion on it.

Daniells, Phillips, Vaughan & Bock

Bakersfield, California
September 28, 2011

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
STUDENT UNION**

**EXPENSES BY NATURAL CLASSIFICATION
Years Ended June 30, 2011 and 2010**

	2011		
	Program	General and Administrative	Total
Rent	\$ 1,395,270	\$ 303	\$ 1,395,573
Salaries and taxes	446,479	450,232	896,711
Utilities	252,641	13,000	265,641
Benefits	-	206,661	206,661
Supplies	80,042	21,290	101,332
Repairs and maintenance	69,022	8,782	77,804
Services from other agencies	-	46,642	46,642
Depreciation	-	30,273	30,273
Insurance	-	27,548	27,548
Expendable equipment	-	20,230	20,230
Professional fees	-	14,251	14,251
Telephone	6,088	6,395	12,483
Travel	9,430	-	9,430
Dues and subscriptions	8,392	-	8,392
Printing and publications	4,676	1,837	6,513
Conference and meetings	3,503	-	3,503
Advertising	2,865	-	2,865
Bad debt	-	-	-
	\$ 2,278,408	\$ 847,444	\$ 3,125,852

2010

Program	General and Administrative	Total
\$ 1,395,270	\$ 4,501	\$ 1,399,771
490,581	354,305	844,886
331,000	31,197	362,197
-	154,148	154,148
62,055	12,650	74,705
1,341	10,706	12,047
-	52,785	52,785
-	22,916	22,916
-	27,147	27,147
-	5,603	5,603
-	13,596	13,596
5,675	3,870	9,545
7,383	-	7,383
8,092	-	8,092
4,551	1,273	5,824
2,180	-	2,180
916	-	916
-	1,000	1,000
<u>\$ 2,309,044</u>	<u>\$ 695,697</u>	<u>\$ 3,004,741</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
STUDENT UNION
SCHEDULE OF STUDENT UNION REVENUE BONDS, SERIES A
JUNE 30, 2011
(UNAUDITED)

The revenue Bond Act of 1947 provides the CSU Trustees with the ability to issue revenue bonds to fund five specific self-supporting programs and the health facilities program. The statute has enabled the Trustees to finance student housing, student unions, parking facilities, health facilities, continuing education facilities, and auxiliary organization facilities.

The Systemwide Revenue Bond (SRB) program, formerly the Housing Revenue Bond program, was approved by the Trustees in fiscal year 2003. This program provides funding for various construction projects, including student residence and dining hall facilities, continuing education buildings, student unions, parking facilities, health facilities, and auxiliary organization facilities at designated campuses within the System as specified by the individual bond documents. It is designed to provide lower cost debt and greater flexibility to finance revenue bond projects of the System. Rather than relying on specific pledged revenues to support specific debt obligations, this program pools several sources of revenue as the pledge for the revenue producing projects.

The University participates in the SRB program and its allocated share of outstanding SRB debt as of June 30, 2011 is \$22,761,195, which has been used to finance the Student Union and Student Recreation Center. These assets are reported and depreciated on the University's financial statements.

SRB debt obligations of the University as of June 30, 2011 consist of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Fiscal Year Maturity Date</u>	<u>Original Issue Amount</u>	<u>Amount Outstanding at June 30, 2011</u>
Systemwide revenue bonds:				
Series 2002A (Student Union)	4.25-5.50%	2022/23	\$ 1,615,000	\$ 1,135,000
Series 2008A (Student Union)	3.50-5.00%	2038/39	22,385,000	21,665,000
			Total	22,800,000
			Unamortized bond premium (discount)	(38,805)
			Total SRB debt obligations	<u>\$ 22,761,195</u>

SRB debt principal obligations and related interest mature in the following fiscal years:

<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 450,000	\$ 1,105,178	\$ 1,555,178
2013	465,000	1,086,441	1,551,441
2014	490,000	1,064,804	1,554,804
2015	515,000	1,041,704	1,556,704
2016	545,000	1,017,004	1,562,004
2017-2021	3,100,000	4,684,499	7,784,499
2022-2026	3,560,000	3,853,500	7,413,500
2027-2031	4,240,000	2,910,000	7,150,000
2032-2036	5,450,000	1,704,500	7,154,500
2037-2039	3,985,000	305,375	4,290,375
Total	<u>\$ 22,800,000</u>	<u>\$ 18,773,005</u>	<u>\$ 41,573,005</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
STUDENT UNION
SCHEDULE OF STUDENT UNION REVENUE BONDS, SERIES A
JUNE 30, 2011
(UNAUDITED)**

As specified in the bond resolution, the bonds outstanding at June 30, 2011 are secured by the future revenue streams generated by the Student Union, rather than by the constructed assets.

The original capitalized cost of buildings, improvements and equipment at completion of construction was recorded by the California State University. These assets are leased to the California State University, Bakersfield Student Union. The lease, which expires June 30, 2014, provides for no annual rental fee.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Schedule of Net Assets

June 30, 2011

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 417,000
Short-term investments	-
Accounts receivable, net	8,137
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	-
Total current assets	<u>425,137</u>

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Leases receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	738,160
Other assets	-
Total noncurrent assets	<u>738,160</u>
Total assets	<u>1,163,297</u>

Liabilities:

Current liabilities:

Accounts payable	43,551
Accrued salaries and benefits payable	165,433
Accrued compensated absences - current portion	34,834
Deferred revenue	-
Capitalized lease obligations – current portion	-
Long-term debt obligations – current portion	-
Self-insurance claims liability – current portion	-
Depository accounts	-
Other liabilities	-
Total current liabilities	<u>243,818</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
Deferred revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Self-insurance claims liability, net of current portion	-
Depository accounts	-
Other postemployment benefits obligation	-
Other liabilities	-
Total noncurrent liabilities	<u>-</u>
Total liabilities	<u>243,818</u>

Net assets:

Invested in capital assets, net of related debt	738,160
Restricted for:	
Nonexpendable - endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	181,319
Total net assets	<u>\$ 919,479</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD 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 \$0)	\$ 2,000,000
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises (net of scholarship allowance of \$0)	125,120
Other operating revenues	1,395,270
Total operating revenues	<u>3,520,390</u>
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	3,095,579
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	-
Depreciation and amortization	30,273
Total operating expenses	<u>3,125,852</u>
Operating income (loss)	<u>394,538</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	-
Endowment income (loss), net	-
Interest Expenses	-
Other nonoperating revenues (expenses)	-
Net nonoperating revenues (expenses)	<u>-</u>
Income (loss) before other additions	<u>394,538</u>
State appropriations, capital	-
Grant and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net assets	394,538
Net assets:	
Net assets at beginning of year, as previously reported	524,941
Restatements	-
Net assets at beginning of year, as restated	<u>524,941</u>
Net assets at end of year	<u>\$ 919,479</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION
OTHER INFORMATION
JUNE 30, 2011
(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2011

Portion of restricted cash and cash equivalents related to endowments	\$ -
All other restricted cash and cash equivalents	-
Total restricted cash and cash equivalents	\$ -

2.1 Composition of investments at June 30, 2011:

	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)	-	-	-	-	-	-	-
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
US Bank SWIFT pool	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
Total investments	-	-	-	-	-	-	-
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION
OTHER INFORMATION (continued)
JUNE 30, 2011
(for inclusion in the California State University)**

2.2 Investments held by the University under contractual agreements at June 30, 2011:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2011:

\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

**2.3 Restricted current investments at June 30, 2011 related to:
Total restricted current investments at June 30, 2011**

Amount
\$ -

2.4 Restricted noncurrent investments at June 30, 2011 related to:

Endowment investment

Total restricted noncurrent investments at June 30, 2011

Amount
\$ -
\$ -

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION
OTHER INFORMATION (Continued)
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
Non-Depreciable 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	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	236,991	-	-	236,991	16,347	-	-	253,338
Personal property:								
Equipment	50,478	-	-	50,478	544,252	(6,609)	-	588,121
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total depreciable capital assets	287,469	-	-	287,469	560,599	(6,609)	-	841,459
Total capital assets, net	287,469	-	-	287,469	560,599	(6,609)	-	841,459
Less Accumulated Depreciation:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(35,277)	-	-	(35,277)	(24,492)	-	-	(59,769)
Personal property:								
Equipment	(44,358)	-	-	(44,358)	(5,781)	6,609	-	(43,530)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation	(79,635)	-	-	(79,635)	(30,273)	6,609	-	(103,299)
Net capital assets, net	\$ 207,834	\$ -	\$ -	\$ 207,834	\$ 530,326	\$ -	\$ -	\$ 738,160

3.2 Details of depreciation expense for the year ended June 30, 2010:

Depreciation and amortization expense related to capital assets	\$ 30,273
Amortization expense related to other assets	-
Total depreciation and amortization	<u><u>\$ 30,273</u></u>

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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	\$ 24,608	\$ -	\$ -	\$ 24,608	\$ 27,558	\$ (17,332)	\$ 34,834	\$ 34,834	\$ -
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	-	-	-	-	-	-	-	-	-
Total long-term debt obligation	-	-	-	-	-	-	-	-	-
Unamortized bond premium / (discount)	-	-	-	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	-	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 24,608	\$ -	\$ -	\$ 24,608	\$ 27,558	\$ (17,332)	\$ 34,834	\$ 34,834	\$ -

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5 Future minimum lease payments - capital lease obligations:

Year ending June 30:	Principal	Interest	Principal and Interest
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 obligations, net of current portion			\$ -

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6 Long-term debt obligations schedule

Year Ending June 30:	Revenue Bonds			All Other Long-Term Debt Obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017-2021	-	-	-	-	-	-	-	-	-
2022-2026	-	-	-	-	-	-	-	-	-
2027-2031	-	-	-	-	-	-	-	-	-
2032-2036	-	-	-	-	-	-	-	-	-
2037-2041	-	-	-	-	-	-	-	-	-
2042-2046	-	-	-	-	-	-	-	-	-
2047-2051	-	-	-	-	-	-	-	-	-
2052-2056	-	-	-	-	-	-	-	-	-
2057-2061	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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7 Calculation of net assets

	<u>Auxiliary Organizations</u>		<u>Total Auxiliaries</u>
	<u>GASB</u>	<u>FASB</u>	
7.1 Calculation of net assets - Invested in capital assets, net of related debt			
Capital assets, net of accumulated depreciation	\$ -	\$ 738,160	\$ 738,160
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)	-	-	-
Net assets - invested in capital assets, net of related debt	<u>\$ -</u>	<u>\$ 738,160</u>	<u>\$ 738,160</u>

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)	-	-	-
Net assets - Restricted for nonexpendable - endowments per SNA	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

8 Transactions with Related Entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 1,100,713
Payments to University for other than salaries of University personnel	574,006
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)	(200,268)
Other amounts (payable to) University (enter as negative number)	(19,605)
Accounts receivable from University	-
Other amounts receivable from University	-

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9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$	-
Contributions during the year		-
		<hr/>
Increase (decrease) in net OPEB obligation (NOO)		-
NOO - beginning of year		-
NOO - end of year	\$	-
		<hr/> <hr/>

10 Pollution remediation liabilities under GASB Statement No. 49:

Description	Amount
	\$ -
Total pollution remediation liabilities	-
Less: current portion	-
	<hr/>
Pollution remediation liabilities, net of current portion	\$ -
	<hr/> <hr/>

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		\$ 524,941
Prior period adjustments:		-
Net assets as of June 30, 2010, as restated		<hr/> <hr/> \$ 524,941

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

	Debit	Credit
N/A - No restatements -		