Associated Students of San Diego State University

Financial Report

June 30, 2010

Contents

Independent Auditor's Report

The Associated Students Council
Associated Students of San Diego State University
San Diego, CA

We have audited the accompanying statements of financial position of Associated Students of San Diego State University (the Organization) as of June 30, 2010 and 2009, and the related statements of activities, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization'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 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 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 the Organization as of June 30, 2010 and 2009, 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.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively compromise the Organization's basic financial statements. The schedules, listed in the table of contents as supplementary information from pages 20 through 36, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 financial statements of the Organization are also included as a component unit of the basic financial statements of San Diego State University, the primary reporting entity.

McGladrey & Pullen, LLP

San Diego, CA
September 15, 2010

Associated Students of San Diego State University

Statements of Financial Position
June 30, 2010 and 2009

	2010	2009
Current Assets		
Cash	**$ 1,402,392**	$ 684,728
Certificates of deposit (Note 2)	**986,000**	1,179,000
Short-term investments (Note 2)	**6,718,988**	5,878,311
Receivables, net (Note 3)	**1,105,040**	1,160,581
Prepaid expenses and other	**150,966**	118,753
Deposits	**179,593**	282,425
Notes receivable (Note 3)	**6,000**	2,450
Total current assets	**10,548,979**	9,306,248
Noncurrent Assets		
Noncurrent portion notes receivable (Note 3)	**20,675**	26,675
Buildings, improvements and equipment, net (Note 4)	**3,830,533**	3,308,769
Certificates of deposit (Note 2)	**1,188,000**	2,174,000
Noncurrent portion of prepaid expenses and other	**154,874**	-
Total noncurrent assets	**5,194,082**	5,509,444
Total assets	**$ 15,743,061**	$ 14,815,692

Liabilities and Net Assets		
Current Liabilities		
Accounts payable (Note 3)	**$ 849,368**	$ 591,466
Accrued liabilities (Note 3)	**950,741**	1,676,245
Obligations under capital lease	**9,605**	113,785
Note payable to University (Note 3)	**600,000**	-
Deferred revenue	**237,215**	244,276
Total current liabilities	**2,646,929**	2,625,772
Accrued Employee Benefit Cost (Note 5)	**1,357,253**	1,115,398
Accrued Pension Costs (Note 5)	**340,805**	359,529
Noncurrent Portion of Obligations Under Capital Lease	**-**	9,591
Total liabilities	**4,344,987**	4,110,290
Commitments and Contingencies (Notes 5 and 6)		
Net Assets, unrestricted (Note 8)	**11,398,074**	10,705,402
	$ 15,743,061	$ 14,815,692

See Notes to Financial Statements.

Associated Students of San Diego State University

Statements of Activities
Years Ended June 30, 2010 and 2009

	2010	2009
Changes in Unrestricted Net Assets		
Revenue and other support (Note 3):		
Activity fees	**$ 2,446,231**	$ 2,381,290
Student union fees	**3,027,277**	2,887,250
Investment income (Note 2)	**188,505**	274,057
Administrative	**481,113**	269,730
Program revenue and user fees:		
Aztec Recreation	**4,697,184**	4,705,947
Children's Center	**2,181,076**	2,182,298
College councils	**200**	-
Cultural Arts	**57,523**	37,815
Daily Aztec	**592,444**	594,418
Imperial Valley Campus	**907**	90
Mission Bay Aquatic Center	**1,787,583**	2,097,222
Student government	**56,638**	55,059
Student organizations	**3,750**	13
Night/weekend programming	**171,723**	125,770
KCR Radio	**1,522**	-
Facility revenue and user fees (Note 6):		
Aztec Center/Scripps Cottage	**575,774**	626,968
Viejas Arena	**3,099,048**	4,305,858
Imperial Valley Campus facilities	**280**	665
Total revenue and other support	**19,368,778**	20,544,450
Expenses and deductions (Notes 3, 5 and 6):		
General and administrative	**2,379,053**	2,175,144
Program expenses:		
Aztec Recreation	**5,048,925**	5,012,549
Children's Center	**2,087,576**	2,054,518
College councils	**28,486**	30,274
Cultural Arts	**499,705**	526,538
Daily Aztec	**667,675**	695,482
Imperial Valley Campus	**66,393**	27,247
Mission Bay Aquatic Center	**1,987,562**	1,920,258
Student government	**633,369**	709,587
Student organizations	**82,263**	70,971
Night/weekend programming	**1,500**	257,061
KCR Radio	**768**	-
Aztec nights	**266,911**	-
Facility expenses:		
Aztec Center/Scripps Cottage	**1,427,145**	1,583,091
Viejas Arena	**3,469,583**	4,795,827
Imperial Valley Campus facilities	**29,192**	44,310
Total expenses and deductions	**18,676,106**	19,902,857
Net increase in net assets, unrestricted	**$ 692,672**	$ 641,593

See Notes to Financial Statements.

Associated Students of San Diego State University

Statements of Changes in Net Assets
Years Ended June 30, 2010 and 2009

Net assets, unrestricted, June 30, 2008	$ 10,063,809
Net increase in net assets, unrestricted	641,593
Net assets, unrestricted, June 30, 2009	10,705,402
Net increase in net assets, unrestricted	692,672
Net assets, unrestricted, June 30, 2010	**$ 11,398,074**

See Notes to Financial Statements.

Associated Students of San Diego State University

Statements of Cash Flows
Years Ended June 30, 2010 and 2009

	2010	2009
Cash Flows From Operating Activities		
Increase in net assets, unrestricted	**$ 692,672**	$ 641,593
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net periodic postretirement benefit cost	**223,131**	90,053
Depreciation and amortization	**680,070**	656,609
Net (gain) loss on disposal of equipment	**120,178**	(14,267)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Receivables	**55,541**	(374,528)
Prepaid expenses and other	**(187,087)**	43,668
Deposits	**102,832**	(102,832)
Notes receivable	**(3,550)**	(2,450)
Increase (decrease) in liabilities:		
Accounts payable	**257,902**	23,598
Accrued liabilities	**(725,504)**	863,707
Deferred revenue	**(7,061)**	(101,898)
Net cash provided by operating activities	**1,209,124**	1,723,253
Cash Flows From Investing Activities		
Proceeds from matured certificates of deposit	**1,179,000**	891,000
Proceeds from sale of equipment	**-**	53,664
Purchase of investments	**(3,441,018)**	(4,884,543)
Redemption of investments	**2,600,341**	3,850,788
Purchases of equipment	**(1,322,012)**	(1,565,345)
Collections of long-term notes receivable	**6,000**	-
Net cash used in investing activities	**(977,689)**	(1,654,436)
Cash Flows From Financing Activities		
Payments on capital lease obligation	**(113,771)**	(92,221)
Proceeds from long-term borrowings	**600,000**	-
Net cash provided by (used in) financing activities	**486,229**	(92,221)
Net increase (decrease) in cash	**717,664**	(23,404)
Cash		
Beginning of year	**684,728**	708,132
End of year	**$ 1,402,392**	$ 684,728
Supplemental Disclosures of Cash Flow Information		
Cash payment for interest	**$ 1,276**	$ 3,825

See Notes to Financial Statements.

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations: Associated Students of San Diego State University (the Organization) is a California not-for-profit auxiliary organization of The California State University (CSU), organized and operated in accordance with the Education Code of the State of California and the California Code of Regulations. The function of the Organization is to provide essential activities which are an integral part of San Diego State University's (the University) campus programs. Such activities include student government, cultural programs and various other services.

The operations of the Organization combine the activities of two unrestricted funds: General Activities and Student Union. The General Activities fund accounts for activities provided by the student government and its boards and committees, and student organizations. The Student Union fund accounts for the facilities, programs and services provided by the Associated Students, which include Cultural Arts, Aztec Center, Viejas Arena, Aztec Recreation, Mission Bay Aquatic Center, Children's Center, KCR Radio, etc. The Organization extends credit to the University and its auxiliary organizations in the form of unsecured receivables. The Organization also receives contributions from the University and its auxiliary organizations to support the Organization's operations.

Affiliated organizations: The Organization is related to other auxiliaries of the University, including Aztec Shops, Ltd., The Campanile Foundation and San Diego State University Research Foundation. These auxiliaries and the University periodically provide various services to one another.

A summary of significant accounting policies is as follows:

Basis of accounting and reporting: The financial statements of the Organization have been prepared in accordance with Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities,* formerly Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. At June 30, 2010 and 2009, all of the Organization's net assets were classified as unrestricted. Unrestricted net assets represent funds which are fully available, at the discretion of management and the Associated Students Council, for the Organization to utilize in any of its programs or services. In order to ensure observance of limitations and possible restrictions placed on the use of available resources, the accounts of the Organization are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Funds that have similar objectives and characteristics have been combined into fund groups. Amounts due to or from other funds are eliminated in total in the financial statements.

Contributions, including unconditional promises to give (pledges), are recognized in the year the promise is made, as opposed to when assets are received. Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted contributions. Temporarily restricted net assets are reclassified as unrestricted net assets at such time as the Organization has fulfilled the donor-imposed restriction. Contributions where donor-imposed restrictions both arose and expired in the same fiscal year are reported as unrestricted contributions. As of and for the years ended June 30, 2010 and 2009, all contributions received by the Organization were classified as unrestricted and are included in "Revenue and Other Support."

Noncash contributions are recorded at their fair value at the date of donation as established by either appraisal or the value anticipated in the subsequent resale of an item.

Note 1. Nature of Operations and Summary of Significant Accounting Policies, Continued

Allocation of expenses: The statements of activities summarize expenses according to program costs and other activities. Included in the program costs and other activities are the allocable depreciation, amortization and gains or losses from the disposal of equipment. In the statements of activities, the expenses related to depreciation and amortization and gain or loss from the disposal of equipment have been allocated among the programs and activities presented for the years ended June 30 as follows:

	2010		2009	
	Depreciation and Amortization	**(Gain) Loss From Disposal of Equipment**	Depreciation and Amortization	(Gain) Loss From Disposal of Equipment
General and administrative	**$ 129,344**	**$ 32**	$ 78,907	$ 227
Program expenses:				
Aztec Recreation	**275,058**	**117,497**	287,077	(16,143)
Children's Center	**25,613**	**-**	27,293	-
College councils	**847**	**-**	847	-
Cultural Arts	**1,002**	**-**	2,895	-
Daily Aztec	**46,501**	**-**	52,817	-
Imperial Valley Campus	**746**	**-**	-	-
Mission Bay Aquatic Center	**50,050**	**-**	43,334	-
Student government	**1,943**	**-**	4,870	-
Student organizations	**468**	**-**	312	-
Facility expenses:				
Aztec Center/Scripps Cottage	**95,440**	**2,649**	103,082	721
Viejas Arena	**53,058**	**-**	55,175	194
Imperial Valley Campus facilities	**-**	**-**	-	734
	$ 680,070	**$ 120,178**	$ 656,609	$ (14,267)

Cash: The Organization maintains accounts with a financial institution with funds insured by the Federal Deposit Insurance Corporation (FDIC). The Organization's accounts at this institution may, at times, exceed FDIC-insured limits. On October 3, 2008, when the Troubled Asset Relief Program (TARP) became law, FDIC insured limits on deposits increased from $100,000 to $250,000 and FDIC insurance coverage was expanded to provide unlimited insurance on accounts that do not pay interest, including most checking accounts. These changes to deposit insurance will expire on December 31, 2013. In addition, on September 19, 2008, the U.S. Treasury guaranteed the deposits in all participating money market funds with no limit. The U.S. Treasury program expired on September 18, 2009. The Organization has not experienced any losses in such accounts.

Trade accounts receivable: Trade and other accounts receivable primarily consist of amounts due from customers in the normal course of the Organization's operations. Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a monthly review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written off when deemed uncollectible. Total bad debt expense for the years ended June 30, 2010 and 2009 amounted to approximately $55,000 and $56,000, respectively. Recoveries of trade receivables previously written off are recorded when received. The Organization does not charge interest on past due accounts.

Note 1. Nature of Operations and Summary of Significant Accounting Policies, Continued

Short-term investments and certificates of deposit: Investments, including Local Agency Investment Fund (LAIF), are recorded at their fair value in the statements of financial position, with the exception of certificates of deposit (CDs), which are recorded at cost. Investment income or losses (including realized gains and losses on investments, interest and dividends) are included in the statements of activities as increases or decreases in investment income, net.

Buildings, improvements and equipment: Buildings, improvements and equipment are recorded at cost, if purchased, or at the fair value of the contribution, if donated. Buildings and equipment are depreciated using the straight-line method over the estimated useful lives of the underlying assets, generally five to 15 years. Improvements on leased facilities and facilities under operating agreements are amortized over the lesser of the related lease or operating agreement, or the estimated asset lives.

Repairs and maintenance to buildings leased from the trustees of CSU are considered expenditures on behalf of the University and, accordingly, are expensed in the year incurred.

Long-lived assets: The Organization evaluates the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. The estimated future cash flows are based upon, among other things, assumptions about expected future operating performance and may differ from actual cash flows. Long-lived assets evaluated for impairment are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected future undiscounted cash flows (excluding interest) is less than the carrying value of the assets, the assets will be written down to the estimated fair value in the period in which the determination is made. Management has determined that no impairment of long-lived assets currently exists.

Vacation and sick leave policy: The Organization accrues earned vacation based on whether the employee is salaried or hourly and the employee’s length of service. Salaried and hourly employees can accrue a maximum of between 272 and 385 hours based on the length of service. Accrued vacation is calculated at the employee’s current wage rate. Vacation liabilities of approximately $236,000 and $242,000 are included in accrued liabilities at June 30, 2010 and 2009, respectively. The Organization does not accrue for sick leave as the employee is not compensated for unused hours incurred.

Retirement and postretirement healthcare benefits: The Organization is a member of the California Public Employees’ Retirement System (PERS), a multiemployer pension system which provides a contributory defined-benefit pension and postretirement benefit program for its salaried employees. PERS functions as an investment and administrative agent for participating entities within California.

The PERS plan provides retirement, survivor, and death and disability benefits based upon employees’ years of service, age and final compensation, and also provides contributions toward medical insurance. Vesting occurs after five years of credited service. Employees who retire at or after age 50 with five or more years of service are entitled to a retirement benefit, payable monthly for the remainder of their lives, and may elect to continue payment of participant premiums for medical benefit coverage. Several survivor benefit options are available which reduce a retiree’s unmodified benefit.

PERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the PERS annual financial report may be obtained from the California Public Employees’ Retirement System Executive Office, 400 P Street, Sacramento, CA 95814.

Note 1. Nature of Operations and Summary of Significant Accounting Policies, Continued

While actuarial information is not available for the Organization, the Organization's pension plan information is included in the University's financial statements on an aggregate basis. The University's financial statements can be obtained from CSU.

The Organization also provides certain postretirement healthcare benefits for all retired employees that meet eligibility requirements through contracts with PERS. The Organization's share of the estimated healthcare costs that will be paid after retirement is generally being accrued by charges to expense over the employees' active service periods to the dates they are fully eligible for benefits.

The Organization obtains an actuarial valuation of the accumulated postretirement health care obligations on a periodic basis (see Note 5).

Tax deferred annuity plan: The Organization sponsors a defined-contribution retirement plan for eligible hourly employees. For the years ended June 30, 2010 and 2009, the Organization contributed 7 percent of the compensation of qualified employees, amounting to approximately $106,000 and $116,000, respectively.

Deferred revenue: The Organization recognizes revenue related to student activity fees, student program fees and sponsorships during the semester or as the programs and sponsorships are provided. Accordingly, certain student activity fees, student program fees and sponsorships received in advance of the semester or prior to the program are included in deferred revenue.

Revenues: Activity fees and student union fees are assessed upon student registration. Aztec Recreation fees are primarily assessed as monthly membership fees which provide students access to recreational facilities operated by the Organization. Aztec Recreation members who choose the option to pay monthly by electronic funds transfer (EFT) must make a four-month membership commitment. Revenue from the Children's Center is assessed monthly and recognized as services are provided. Daily Aztec revenues are generated from advertising and are recognized as the advertisements are published. Mission Bay Aquatic Center revenues are generated from program participants' fees and recognized in the period that the services are provided. Aztec Center/Scripps Cottage fees are earned from subleased space and on a per-event basis. Viejas Arena revenues are earned at the time events are held.

Included in facility revenues and user fees, the Organization has an unexclusive license agreement with Aztec Shops, Ltd. (Shops) that expires on June 30, 2011. The agreement grants Shops an exclusive license to conduct concessions for food, beverages and novelty items bearing the imprint or emblem of the University in the Organization's venues on the campus. The license requires monthly license fees based on various percentages of adjusted gross receipts, as defined, and amounted to approximately $262,000 and $322,000 during the years ended June 30, 2010 and 2009, respectively.

Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts 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. These estimates include assessing the collectibility of accounts receivable, the lives and methods for recording depreciation and amortization on property, improvements and equipment, and accrued employee benefits and accrued pension costs.

Subsequent events: The Organization has evaluated subsequent events through September 15, 2010, the date the financial statements were available to be issued, and has determined that there were no subsequent events to recognize in these financial statements.

Note 1. Nature of Operations and Summary of Significant Accounting Policies, Continued

Implemented accounting guidance: The Organization adopted the provisions of ASC 740, *Accounting for Uncertainty in Income Taxes*. The Organization files a Form 990 (Return of Organization Exempt from Income Tax) annually. When these returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the tax position taken or the amount of the position that would ultimately be sustained. Examples of tax positions common to the Organization include such matters as the tax-exempt status of each entity and various positions relative to potential sources of unrelated business taxable income (UBIT). UBIT is reported on Form 990-T, as appropriate. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Tax positions are not offset or aggregated with other positions. Tax positions that meet the “more likely than not” recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying statements of financial position along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Upon adoption and as of June 30, 2010, the Organization has addressed uncertainty in its income tax position, and there are no unrecognized/derecognized tax benefits requiring an accrual.

Forms 990 and 990-T filed by the Organization are subject to examination by the IRS up to three years from the extended due date of each return. Management believes Forms 990 and 990-T have been filed appropriately. Forms 990 and 990-T filed by the Organization are no longer subject to examination for the fiscal years ended June 30, 2006 and prior.

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures,* defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement. The Organization adopted this guidance for the fiscal year beginning July 1, 2008, except for nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis, for which delayed application is permitted until the fiscal year beginning July 1, 2009. The adoption of the remaining provisions of this guidance did not have a material impact on the Organization’s financial position, results of operations or cash flows.

In June 2009, the FASB issued Accounting Standards Update (ASU) 2009-01, *Generally Accepted Accounting Principles*, and approved the FASB ASC as the single source of authoritative nongovernmental U.S. GAAP. The ASC does not change previous U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all the authoritative literature related to a particular topic in one place. All prior accounting standard documents will be superseded and all other literature not included in the ASC will be considered nonauthoritative. ASU 2009-001 is effective for interim and annual periods ending after September 15, 2009. The adoption of the ASC did not impact the Organization’s practice of preparing financial statements in conformity with U.S. GAAP.

Note 1. Nature of Operations and Summary of Significant Accounting Policies, Continued

In August 2009, the FASB issued ASU 2009-05, *Measuring Liabilities at Fair Value*, which provides amendments to the Fair Value Measurement and Disclosures—Overall Subtopic of the FASB ASC for the fair value measurement of liabilities. This Update provides clarification for the fair value measurement of liabilities in which a quoted market price in an active market for an identical liability is not available. The amendments in this Update clarify that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. The amendments in this Update also clarify that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market, when no adjustments to the quoted price of the asset are required, are Level 1 fair value measurements. The guidance provided in this Update is effective for the first reporting period (including interim periods) beginning after issuance. The adoption of this Update did not have a material impact on the Organization's financial statements.

ASU 715, *Employers' Disclosures about Postretirement Benefit Plan Assets,* requires more detailed disclosures about employers' plan assets in a defined-benefit pension or other postretirement plan, including employers' investment strategies, major categories of plan assets, concentrations of risk within plan assets, and inputs and valuation techniques used to measure the fair value of plan assets. This guidance also requires, for fair value measurements using significant unobservable inputs (Level 3), disclosure of the effect of the measurements on changes in plan assets for the period. The disclosures about plan assets required by this guidance must be provided for fiscal years ending after December 15, 2009. As this guidance is only disclosure-related and the Organization does not have any postretirement benefit plan assets, it did not have an impact on the financial position and results of operations.

Reclassification: Certain items on the financial statements as of and for the years ended June 30, 2009 have been reclassified, with no effect on the total net assets, to be consistent with the classifications adopted as of and for the year ended June 30, 2010.

Note 2. Short-Term Investments, Certificates of Deposit and Fair Value Measurements

Short-term investments and certificates of deposit consisted of the following at June 30:

	2010	2009
Certificates of deposit:		
Current	**$ 986,000**	$ 1,179,000
Noncurrent	**1,188,000**	2,174,000
	2,174,000	3,353,000
Investments, current:		
LAIF	**6,716,382**	5,875,417
GNMA	**2,606**	2,894
	6,718,988	5,878,311
	$ 8,892,988	$ 9,231,311

Investment income, including income from CDs, consisted of approximately $189,000 and $274,000 for the years ended June 30, 2010 and 2009, respectively. There was no unrealized income or loss on investments during the years ended June 30, 2010 and 2009, respectively.

Note 2. Short-Term Investments, Certificates of Deposit and Fair Value Measurements, Continued

Fair value measurements: LAIF is an investment pool managed by the California State Treasurer (State). LAIF's investments are short term and follow the investment requirements of the State. LAIF is allowed by state statutes, bond resolutions and investment policy resolutions to invest in United States government securities, federal agency securities, negotiable certificates of deposit, bankers' acceptances, commercial paper, corporate bonds, bank notes, other debt securities, repurchase agreements, reverse repurchase agreements and other investments.

Investments are presented in the financial statements at fair value in accordance with GAAP. The fair value of securities in the State's pooled investment program generally is based on quoted market prices. The State's Office performs a quarterly fair market valuation of the pooled investment program portfolio. In addition, the State's Office performs a monthly fair market valuation of all securities held against carrying cost. As of June 30, 2010, the weighted-average maturity of the securities in the pooled investment program administered by the State's Office was approximately 203 days. Weighted-average maturity is the average number of days, given a dollar-weighted value of individual investments, that the securities in the portfolio have remaining from evaluation date to stated maturity. The default credit risk of LAIF is considered minimal.

The Pooled Money Investment Board provides oversight of the State's pooled investment program. The purpose of the Board is to design an effective cash management and investment program, using all monies flowing through the State's Office bank accounts and keeping all available funds invested in a manner consistent with the goals of safety, liquidity, and yield. The Pooled Money Investment Board is comprised of the State Treasurer as chair, the State Controller, and the Director of Finance. This board designates the amounts of money available for investment. The State is charged with making the actual investment transactions for this program. This investment program is not registered with the Securities and Exchange Commission as an investment company.

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1—Observable inputs such as quoted market prices in active markets.
- Level 2—Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.
- Level 3—Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Level 3 classifications currently include pooled funds that include multiple investments in which the Organization does not have individual ownership of the specific assets and the Organization has an interest in the pooled investment. For these pooled investments, there is no daily pricing on an active exchange but where a substantial portion of a fund's fair value could be determined based on quoted market prices of underlying investments held by the fund and the estimated fair values of certain investments of the underlying investment pool, which may include private placements and other securities for which prices are not readily available, and are determined by the State or sponsor of the respective other investment pool and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized.

As of June 30, 2010 and 2009, the Organization 's investment in LAIF of $6,716,382 and $5,875,417, respectively, is categorized as Level 3 investments and the GNMA investment of $2,606 and $2,894, respectively, is categorized as Level 2.

Note 2. Short-Term Investments, Certificates of Deposit and Fair Value Measurements, Continued

The following table reflects a reconciliation of beginning and ending balances for the Organization's total investments in LAIF:

	2010	2009
Beginning balance	**$ 5,875,417**	$ 4,840,874
Total realized and unrealized gains (losses) net, included in change in net assets	**40,965**	104,073
Net additions, purchases, sales and maturities	**800,000**	930,470
Ending balance	**$ 6,716,382**	$ 5,875,417

Note 3. Receivables, Long-Term Debt, Long-Term Note and Related Affiliate Balances

The Organization provides services to and receives reimbursements from other auxiliaries of the University, primarily for the rental of facilities in which the Organization operates. In addition, the Organization purchases goods and services from, and may make reimbursements to, other auxiliaries of the University.

The Organization received cash receipts for services rendered and reimbursements from auxiliaries during the years ended June 30 as follows:

	2010	2009
The Campanile Foundation	**$ 118,171**	$ 123,980
Aztec Shops, Ltd.	**638,034**	916,797
San Diego State University Research Foundation	**69,287**	192,935
San Diego State University	**2,350,525**	2,075,039
	$ 3,176,017	$ 3,308,751

The Organization recorded cash disbursements for services received and reimbursements to auxiliaries during the years ended June 30 as follows:

	2010	2009
The Campanile Foundation	**$ 215,550**	$ 12,000
Aztec Shops, Ltd.	**301,041**	306,512
San Diego State University Research Foundation	**37,464**	33,319
San Diego State University	**2,094,717**	2,098,584
	$ 2,648,772	$ 2,450,415

Note 3. Receivables, Long-Term Debt, Long-Term Note and Related Affiliate Balances, Continued

The components of the Organization's receivables and customer concentrations as of June 30 are as follows:

	2010	**%**	2009	%
Customer A	**$ -**	**0%**	$ 193,600	16%
Other advertising and services	**436,042**	**39%**	334,558	28%
Related-party receivable				
Aztec Shops, Ltd.	**29,209**	**3%**	37,301	3%
San Diego State University Research Foundation	**38,924**	**3%**	11,535	1%
San Diego State University	**608,448**	**55%**	611,122	52%
	1,112,623		1,188,116	
Less allowance for doubtful accounts	**7,583**		27,535	
	$ 1,105,040		$ 1,160,581	

As of June 30, 2010, accounts payable and accrued liabilities include approximately $8,000 owed to Aztec Shops, Ltd., approximately $3,000 owed to the San Diego State University Research Foundation and approximately $499,000 owed to the University.

As of June 30, 2009, accounts payable and accrued liabilities included approximately $24,000 owed to Aztec Shops, Ltd. and approximately $971,000 owed to the University.

Long-term debt: On June 30, 2010, the Organization entered into a loan agreement with the University to finance implementation of Associated Students-approved Green Love Projects, which provided for borrowings of $600,000 bearing interest of 3.5 percent. The agreement requires annual payments of $132,000, inclusive of interest, annually for four years beginning on January 1, 2011 and one annual payment of $124,618 in the final year of the agreement. The agreement is due to expire on January 1, 2015. The University reserves the right to accelerate debt repayment for any future University purpose at the balance due plus any accrued interest; therefore, the entire balance is classified as a current liability.

Approximate future minimum loan payments, if not accelerated by the University, are due under the loan agreement at June 30, 2010 as follows:

Years Ending June 30,	Amount
2011	$ 122,000
2012	115,000
2013	119,000
2014	124,000
2015	120,000
	$ 600,000

Long-term note receivable: On June 30, 2009, a vendor purchased a boat from the Organization and the Organization executed a noninterest-bearing promissory note in the amount of approximately $30,000 commencing on February 15, 2010. The promissory note requires monthly payments of $200 for the first six months and monthly payments of approximately $500 thereafter. The Organization retains ownership of the boat until the boat is paid in full. During the year ended June 30, 2010, the Organization received payments of approximately $2,500.

Note 4. Buildings, Improvements and Equipment

The major cost classifications and accumulated depreciation as of June 30 are as follows:

	2010	2009
Buildings	**$ 10,761**	$ 10,761
Building improvements	**565,887**	565,887
Leasehold improvements	**1,866,692**	543,134
Equipment	**5,678,958**	5,889,893
	8,122,298	7,009,675
Less accumulated depreciation and amortization	**(4,299,209)**	(3,927,906)
Construction in process	**7,444**	227,000
	$ 3,830,533	$ 3,308,769

Note 5. PERS Benefit Plans

The Organization contracts with PERS to provide its salaried employees retirement and disability benefits which are paid by the State of California. In addition, employee group health insurance coverage (other) is obtained through PERS, and the contract requires the Organization to pay a minimum portion of the health insurance premiums of retirees after certain required periods of employment. Through June 30, 2003, the PERS retirement and disability plan was an agent multiemployer retirement plan.

Effective July 1, 2003, the Organization began participating in a CalPERS cost-sharing multiemployer pension plan whereby other entities with benefits similar to the Organization participate in the same cost-sharing plan. At the date the Organization began participating in the cost-sharing plan, a liability was determined by CalPERS for each of the cost-sharing plan participants, called a "side fund liability," which was established to account for each Organization's share of the Pool's unfunded liability. The side fund liability is calculated by CalPERS annually and includes liability calculations for the subsequent two years using estimated employer payroll and estimated return on plan assets.

The following table sets forth the calculation of the Organization's side fund liability as of June 30:

	Other Benefits	
	2010	2009
Side fund liability at beginning of year	**$ 359,529**	$ 375,545
Service cost	**156,926**	148,771
Actual contributions	**(203,259)**	(195,258)
Amount allocated to interest on side fund liability	**27,609**	30,471
Side fund liability at end of year	**$ 340,805**	$ 359,529

Service cost was calculated using 9.4 percent and 9.2 percent of actual payroll for years ended June 30, 2010 and 2009, respectively. Contribution rates to CalPERS were 12.2 percent and 12.1 percent of actual payroll for the years ended June 30, 2010 and 2009, respectively. Interest on side fund earnings was calculated using CalPERS actual investment return, net of fees, of negative 28 percent and negative 2.5 percent for the years ended June 30, 2010 and 2009, respectively. Actual payroll was $1,713,006 and $1,600,540 for the years ended June 30, 2010 and 2009, respectively.

Note 5. PERS Benefit Plans, Continued

Postretirement health care benefit plan: In addition, the Organization contracts with PERS to provide its salaried employees group health insurance through PERS under a postretirement health care benefit plan. The contract requires the Organization to pay a minimum portion of the health insurance premiums of retirees after certain required periods of employment. The postretirement health care benefit plan requires retirees and active employees to pay a portion of the monthly health insurance premium cost. For the years ended June 30, 2010 and 2009, the Organization paid employees' health insurance premiums as they came due.

The following table sets forth the funded status of the postretirement health care benefits and the amounts recognized in the accompanying statements of financial position as of June 30:

	Other Benefits	
	2010	2009
Projected benefit obligation	**$ 1,357,253**	$ 1,115,398
Plan assets, at fair value	**-**	-
Deficiency of plan assets (under) projected benefit obligation	**(1,357,253)**	(1,115,398)
Accrued employee benefit cost	**$ (1,357,253)**	$ (1,115,398)
Benefit cost	**$ 111,905**	$ 106,339
Employer contribution	**$ 40,733**	$ 42,837

Weighted-average assumptions used in the computation of the health care premiums as of June 30, 2010 and 2009 include a discount rate of 5.3 percent and 6.3 percent, respectively.

The Organization estimates that its premiums for postretirement health care benefits will be approximately $123,000 for the year ending June 30, 2011.

Note 6. Commitments and Contingencies

Operating agreements and leases: Under a master operating agreement, which expires on June 30, 2014 and includes two five-year extension options, the Organization operates the Aztec Center, Viejas Arena, Aztec Recreation Center, Aquaplex and Children's Center for the benefit of the student body on behalf of the University. The use of the facilities are governed by the terms of the agreement, and the agreement requires the Organization to promote, staff, insure, repair, maintain and improve the facility when needed, and cover the cost of utilities program expenses, including the costs to operate these facilities. For the years ended June 30, 2010 and 2009, the Organization recognized approximately $1,947,000 and $1,941,000, respectively, of employee-related costs, insurance, repair, maintenance, facility improvements and utilities costs, which are included in the programs' expenses and deductions and facility expenses.

Note 6. Commitments and Contingencies, Continued

Under a master operating agreement, which expires on June 30, 2014 and includes two five-year extension options, the Organization operates the Open Air Theatre, Scripps Cottage, Daily Aztec and a portion of the Peterson Gym for the benefit of the student body on behalf of the University. The use of the facilities is governed by the terms of the agreement, and the agreement requires the Organization to promote, staff, insure, repair, maintain and improve the facility when needed, and cover the cost of utilities program expenses, including the costs to operate these facilities. For the years ended June 30, 2010 and 2009, the Organization recognized approximately $310,000 and $332,000, respectively, of employee-related costs, insurance, repair, maintenance, facility improvements and utilities costs, which are included in the programs' expenses and deductions and facility expenses.

The Organization operates the Mission Bay Aquatic Center for the benefit of the student body on behalf of the University and the community of the City of San Diego. During 2009 the Organization amended its contract and entered into a long-term agreement with the City of San Diego for the Mission Bay Aquatic Center. The operating agreement runs through August 31, 2023, has a 10-year renewal option and requires payment of an annual fee based on gross income from certain activities, as defined in the agreement conducted during the previous 12 months.

The use of the facilities is governed by the terms of the agreement, and the agreement requires the Organization to promote, staff, insure, repair, maintain and improve the facility when needed, and cover the cost of utilities. For the years ended June 30, 2010 and 2009, the Organization recognized approximately $89,000 and $101,000, respectively, of employee-related costs, insurance, repair, maintenance and utilities costs, which are included in the program's expenses and deductions.

In a prior year, the Organization entered into a usage agreement for certain athletic facilities owned by the University for the purpose of conducting intramural programs for students through June 2020. The usage fee charge is negotiated annually, by July 1 for the upcoming year, and the Organization paid $20,000 to the University for each of the years ended June 30, 2010 and 2009, which was recorded as a component of Aztec Recreation program expenses.

The Organization leases administrative space under a master lease agreement from the University and recognized rent expense of approximately $149,000 and $148,000 during the years ended June 30, 2010 and 2009, respectively. The Organization recognized approximately $56,000 and $53,000 in rent expense under a parking lot lease with the University during the years ended June 30, 2010 and 2009, respectively.

Approximate future minimum lease payments due under noncancelable operating leases at June 30, 2010 are as follows:

Years Ending June 30,	Amount
2011	$ 149,000
2012	149,000
2013	149,000
2014	149,000
	$ 596,000

Subleases: The Organization subleases portions of its buildings to others. These sublease agreements expire in June 2014.

Note 6. Commitments and Contingencies, Continued

Approximate future minimum sublease rentals due to the Organization under noncancelable operating leases at June 30, 2010 are as follows:

Years Ending June 30,		Amount
2011	$	120,000
2012		121,000
2013		122,000
2014		123,000
	$	486,000

Sublease rental income, which is included in facility revenue and user fees, amounted to approximately $306,000 and $334,000 for the years ended June 30, 2010 and 2009, respectively.

Sponsorship revenues: In December 2006, the Organization entered into a sponsorship agreement with the University granting, the University the right to rent signage space for the benefit of the Organization. Under the terms of the agreement, the Organization will receive sponsorship revenue related to the Arena and other campus venues through June 30, 2017 under agreements entered into by the University with individual sponsors.

During the year ended June 30, 2009, the University and the Organization signed an amendment to the December 2006 sponsorship agreement. Under the terms of the amendment, the Organization will receive sponsorship revenue related to the Arena through June 30, 2017 under the agreement entered into by the University with the sponsor. As the Organization paid for a portion of these costs incurred, the University will reimburse the Organization for such costs until they are fully reimbursed under the stipulation the Organization fulfills their commitment to the sponsorship agreement with the University. The University will deduct all costs incurred relating to the sponsorship revenue earned and distribute 50 percent of the remaining balance to the Organization.

During the years ended June 30, 2010 and 2009, the Organization recognized revenue of approximately $363,000 and $494,000, respectively, under the sponsorship agreements, of which approximately $19,000 was remitted to the University and recognized in facility expenses for each of the years then ended. The associated revenues are included in facility revenue and user fees.

Approximate future income from sponsorship revenue agreements at June 30, 2010 are as follows:

Years Ending June 30,		Amount
2011	$	327,000
2012		333,000
2013		389,000
2014		396,000
2015		403,000
Thereafter		690,000
	$	2,538,000

Note 7. Income Taxes

Tax-exempt status: The Organization is exempt from federal and state income taxes. In order to maintain that status, the Organization is precluded from making certain expenditures, principally in support of political parties. Management believes that no such expenditures have been made.

Unrelated business income tax: The Tax Reform Act of 1969 imposes a corporate income tax on the UBIT of an otherwise tax-exempt organization. A provision, if necessary, for applicable federal and state income taxes is made in accordance with these statutes. There was no income tax expense related to UBIT for the years ended June 30, 2010 and 2009.

Note 8. Designated Net Assets

The Organization has designated unrestricted net assets at June 30 as follows:

	2010	2009
General activities	**$ 2,204,060**	$ 2,157,885
Various programs	**165,743**	1,081,938
Equipment replacement	**2,831,884**	2,159,831
Future facility	**2,365,854**	1,996,979
	$ 7,567,541	$ 7,396,633

Supplementary Information

Associated Students of San Diego State University

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

Assets		
Current Assets		
Cash and cash equivalents	$	1,402,392
Short-term investments		7,704,988
Accounts receivable, net		1,105,040
Leases receivable, current portion		-
Notes receivable, current portion		6,000
Pledges receivable, net		-
Prepaid expenses and other assets		330,559
Total current assets		10,548,979
Noncurrent Assets		
Restricted cash and cash equivalents		-
Accounts receivable, net		-
Leases receivable, net of current portion		-
Notes receivable, net of current portion		20,675
Student loans receivable, net		-
Pledges receivable, net		-
Endowment investments		-
Other long-term investments		1,188,000
Capital assets, net		3,830,533
Other assets		154,874
Total noncurrent assets		5,194,082
Total assets	$	15,743,061

Liabilities		
Current Liabilities		
Accounts payable	$	849,368
Accrued salaries and benefits payable		313,348
Accrued compensated absences—current portion		235,909
Deferred revenue		237,215
Capitalized lease obligations—current portion		9,605
Long-term debt obligations—current portion		600,000
Self-insurance claims liability—current portion		-
Depository accounts		-
Other liabilities		401,484
Total current liabilities		2,646,929
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 liabilities, net of current portion		-
Depository accounts		-
Other postemployment benefits obligation		1,357,253
Other liabilities		340,805
Total noncurrent liabilities		1,698,058
Total liabilities	$	4,344,987

Associated Students of San Diego State University

Schedule of Net Assets, Continued
June 30, 2010
(for inclusion in the California State University)

Net Assets		
Invested in capital assets, net of related debt	$	3,220,928
Restricted for:		
Nonexpendable—endowments		-
Expendable:		
Scholarships and fellowships		-
Research		-
Loans		-
Capital projects		-
Debt service		-
Other		-
Unrestricted		8,177,146
Total net assets	$	11,398,074

Associated Students of San Diego State University

Schedule of Revenues, Expenses and Changes in Net Assets
Year Ended June 30, 2010
(for inclusion in the California State University)

Operating revenues:	
Student tuition and fees (net of scholarship allowances of $0)	$ 5,473,508
Grants and contracts, noncapital:	
Federal	61,146
State	245,219
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises (net of scholarship allowances of $0)	13,400,400
Other operating revenues	-
Total operating revenues	19,180,273
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	17,996,036
Depreciation and amortization	680,070
Total operating expenses	18,676,106
Operating income	504,167
Nonoperating revenues:	
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	-
Gifts, noncapital	-
Investment income, net	188,505
Endowment income	-
Interest expenses	-
Other nonoperating revenues	-
Net operating revenues	188,505
Income before other additions	692,672
State appropriations, capital	-
Grants and gifts, capital	-
Additions to permanent endowments	-
Increase in net assets	692,672
Net assets:	
Net assets at beginning of year, as previously reported	10,705,402
Restatements	-
Net assets at beginning of year, as restated	10,705,402
Net assets at end of year	$ 11,398,074

1. Restricted cash and cash equivalents at June 30, 2010:

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

2.1—Composition of investments at June 30, 2010:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State of California Local Agency Investment Fund (LAIF)	6,716,382	-	6,716,382	-	-	-	6,716,382
Wachovia Short-Term Fund	-	-	-	-	-	-	-
Wachovia Medium-Term Fund	-	-	-		-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
U.S. Bank SWIFT Pool	-	-	-	-	-	-	-
Common Fund - Short-Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMAs)	2,606	-	2,606	-	-	-	2,606
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	986,000	-	986,000	1,188,000	-	1,188,000	2,174,000
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:	-	-	-	-	-	-	-
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Private pass-through	-	-	-	-	-	-	-
Other major investments:	-	-	-	-	-	-	-
Total investments	7,704,988	-	7,704,988	1,188,000	-	1,188,000	8,892,988
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	$ 7,704,988	$ -	$ 7,704,988	$ 1,188,000	$ -	$ 1,188,000	$ 8,892,988

2.2—Investments held by the University under contractual agreements at June 30, 2010:

Portion of investments in Note 2.1 held by the University under contractual agreements at June 30, 2010	$	-	$	-	$	-	$	-	$	-	$	-	$	-

2.3—Restricted current investments at June 30, 2010 related to:

		Amount
Add description	$	-
Add description		-
Add description		-
Add description		-
Add description		-
Add description		-
Add description		-
Add description		-
Add description		-
Add description		-
Total restricted current investments at June 30, 2010	$	-

2.4—Restricted noncurrent investments at June 30, 2010 related to:

	Amount
Add description	$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Total restricted noncurrent investments at June 30, 2010	$ -

3.1—Composition of capital assets at June 30, 2010:

	Balance June 30, 2009	Prior period Adjustments	Reclassifications	Balance June 30, 2009 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2010
Nondepreciable capital assets:								
Land and land improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	227,000	-	-	227,000	7,444	-	(227,000)	7,444
Intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable capital assets	227,000	-	-	227,000	7,444	-	(227,000)	7,444
Depreciable capital assets:								
Buildings and building improvements	576,648	-	-	576,648	-	-	-	576,648
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	543,134	-	-	543,134	1,096,558	-	227,000	1,866,692
Personal property:								
Equipment	5,889,893	-	-	5,889,893	218,010	(428,945)	-	5,678,958
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total depreciable capital assets	7,009,675	-	-	7,009,675	1,314,568	(428,945)	227,000	8,122,298
Total capital assets	7,236,675	-	-	7,236,675	1,322,012	(428,945)	-	8,129,742
Less accumulated depreciation:								
Buildings and building improvements	(576,648)	-	-	(576,648)	-	-	-	(576,648)
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(15,221)	-	-	(15,221)	(64,052)	-	-	(79,273)
Personal property:								
Equipment	(3,336,037)	-	-	(3,336,037)	(616,018)	308,767	-	(3,643,288)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation	(3,927,906)	-	-	(3,927,906)	(680,070)	308,767	-	(4,299,209)
Total capital assets, net	$ 3,308,769	$ -	$ -	$ 3,308,769	$ 641,942	$ (120,178)	$ -	$ 3,830,533

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

Depreciation and amortization expense related to capital assets	$	680,070
Amortization expense related to other assets		-
Total depreciation and amortization	$	680,070

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

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

4. Long-term liabilities activity schedule:

	Balance June 30, 2009	Prior Period Adjust-ments	Reclassi-fications	Balance June 30, 2009 (Restated)	Additions	Reductions	Balance June 30, 2010	Current Portion	Long-Term Portion
Accrued compensated absences	$ 241,978	$ -	$ -	$ 241,978	$ 330,691	$ (336,760)	$ 235,909	$ 235,909	$ -
Capitalized lease obligations:									
Gross balance	123,376	-	-	123,376	-	(113,771)	9,605	9,605	-
Unamortized premium (discount) on capitalized lease obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	123,376	-	-	123,376	-	(113,771)	9,605	9,605	-
Long-term debt obligations:									
Revenue Bonds	-	-	-	-	-	-	-	-	-
Other bonds (non-Revenue Bonds)	-	-	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	-	-	-
Other:									
Long-term loan	-	-	-	-	600,000	-	600,000	600,000	-
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	600,000	-	600,000	600,000	-
Unamortized bond premium (discount)	-	-	-	-	-	-	-		-
Unamortized loss on refunding	-	-	-	-	-	-	-		-
Total long-term debt obligations, net	-	-	-	-	600,000	-	600,000	600,000	-
Total long-term liabilities	$ 365,354	$ -	$ -	$ 365,354	$ 930,691	$ (450,531)	$ 845,514	$ 845,514	$ -

5. Future minimum lease payments—capital lease obligations:

Year Ending June 30:	Principal	Interest	Principal and Interest
2011	$ 9,605	$ 16	$ 9,621
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015			
2016-2020	-	-	-
2021-2025	-	-	-
2026-2030	-	-	-
2031-2035	-	-	-
2036-2040	-	-	-
2041-2045	-	-	-
2046-2050	-	-	-
2051-2055	-	-	-
2056-2060	-	-	-
Total minimum lease payments			9,621
Less amounts representing interest			(16)
Present value of future minimum lease payments			9,605
Less current portion			9,605
Capitalized lease obligation, net of current portion			$ -

6. Long-term debt obligation schedule:

	Revenue Bonds			All Other Long-Term Debt Obligations			Total		
Year Ending June 30:	**Principal**	**Interest**	**Principal and Interest**	**Principal**	**Interest**	**Principal and Interest**	**Principal**	**Interest**	**Principal and Interest**
2011	$ -	$ -	$ -	$ 121,586 *	$ 10,414	$ 132,000	$ 121,586	$ 10,414	$ 132,000
2012	-	-	-	115,256 *	16,744	132,000	115,256	16,744	132,000
2013	-	-	-	119,289 *	12,711	132,000	119,289	12,711	132,000
2014	-	-	-	123,465 *	8,535	132,000	123,465	8,535	132,000
2015	-	-	-	120,404 *	4,214	124,618	120,404	4,214	124,618
2016-2020	-	-	-	-	-	-	-	-	-
2021-2025	-	-	-	-	-	-	-	-	-
2026-2030	-	-	-	-	-	-	-	-	-
2031-2035	-	-	-	-	-	-	-	-	-
2036-2040	-	-	-	-	-	-	-	-	-
2041-2045	-	-	-	-	-	-	-	-	-
2046-2050	-	-	-	-	-	-	-	-	-
2051-2055	-	-	-	-	-	-	-	-	-
2056-2060	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ 600,000	$ 52,618	$ 652,618	$ 600,000	$ 52,618	$ 652,618

* The University reserves the right to accelerate debt repayment for any future University purpose at the balance due plus any accrued interest; therefore, the entire balance is classified as a current liability.

7.1—Calculation of net assets—Invested in capital assets, net of related debt:

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
Capital assets, net of accumulated depreciation	$ -	$ 3,830,533	$ 3,830,533
Capitalized lease obligations—current portion	-	(9,605)	(9,605)
Capitalized lease obligations, net of current portion	-	-	-
Long-term debt obligations—current portion	-	(600,000)	(600,000)
Long-term debt obligations, net of current portion	-	-	-
Portion of outstanding debt that is unspent at year-end	-	-	-
Other adjustments:			
(description)	-	-	-
(description)	-	-	-
(description)	-	-	-
(description)	-	-	-
(description)	-	-	-
Net assets—invested in capital assets, net of related debt	$ -	$ 3,220,928	$ 3,220,928

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	$ -	$ -	$ -

8. Transactions with related entities

	Amount
Reimbursements to University for salaries of University personnel working on contracts, grants and other programs	$ -
Reimbursements to University for other than salaries of University personnel	2,094,717
Payments received from University for services, space and programs	2,350,525
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)	(499,323)
Other amounts (payable to) University (enter as negative number)	(600,000)
Accounts receivable from University	580,464
Other amounts receivable from University	27,984

9. Other Postemployment Benefits Obligation (OPEB):

Annual required contribution (ARC)	$ 282,588
Contributions during the year	(40,733)
Increase (decrease) in net OPEB obligation (NOO)	241,855
NOO, beginning of year	1,115,398
NOO, end of year	$ 1,357,253

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	-
Total pollution remediation liabilities	-
Less: current portion	-
Pollution remedition 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
Net assets as of June 30, 2009, as previously reported		$ 10,705,402
Prior period adjustments:		
(list description of each adjustment)		-
(list description of each adjustment)		-
(list description of each adjustment)		-
(list description of each adjustment)		-
(list description of each adjustment)		-
(list description of each adjustment)		-
(list description of each adjustment)		-
(list description of each adjustment)		-
(list description of each adjustment)		-
(list description of each adjustment)		-
		$ 10,705,402

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)		
	-	
		-