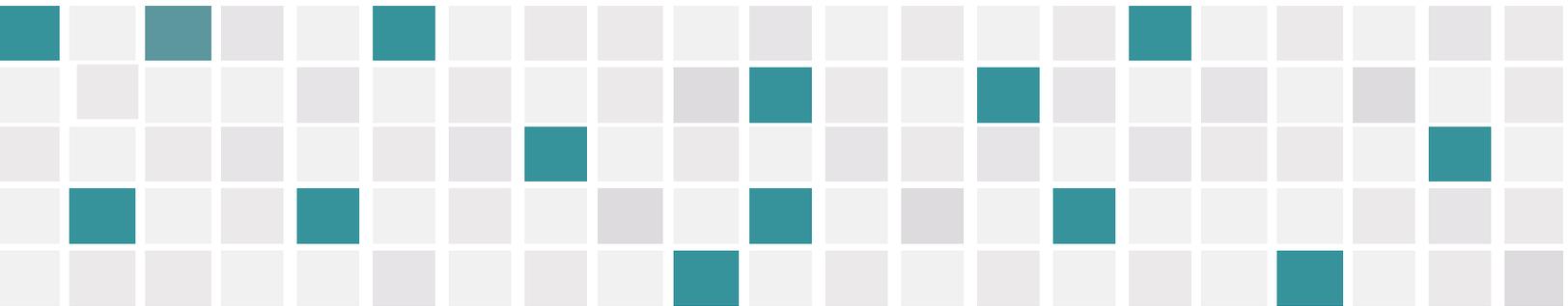


The Student Union of San José State University

(A California State University Auxiliary Organization)

Financial Report

June 30, 2010



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Independent Auditor's Report

The Board of Directors
The Student Union of San José State University
San José, CA

We have audited the accompanying statement of net assets of The Student Union of San José State University (the Student Union) as of June 30, 2010, and the related statements of revenues, expenses and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Student Union's management. Our responsibility is to express an opinion on these financial statements based on our audits. The statement of net assets of the Student Union as of June 30, 2009 and the statements of revenues, expenses and changes in net assets, and cash flows for the year then ended were audited by other auditors whose report, dated August 7, 2009, expressed an unqualified opinion on those statements.

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 audit provides a reasonable basis for our opinion.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Student Union's basic financial statements. The schedules, listed in the table of contents as supplementary information on pages 19 through 32, 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 Student Union are also included as a component unit of the basic financial statements of San José State University, the primary reporting entity.

McGladrey & Pullen, LLP

San José, CA
September 30, 2010

The Student Union of San José State University

Management's Discussion and Analysis Years Ended June 30, 2010 and 2009

Management's Discussion and Analysis

This section of the Student Union of San José State University (the Student Union) annual financial report includes management's discussion and analysis of the financial performance of the Student Union for fiscal years ended June 30, 2010 and 2009. This discussion should be read in conjunction with the financial statements and notes.

Introduction to the Student Union of San José State University

The Student Union is a California State University auxiliary organization that manages and maintains three major facilities at the San José State University campus located in downtown San José, California. The Student Union began its operations at San José State University in October 1969 and became incorporated in March 1982. The facilities include the Student Union Building, the Aquatic Center, the Event Center Building and an ATM Building. The non-profit corporation, celebrating over 40 years of operations, receives no state funding. Revenue is derived from student fees collected from the prior year as well as revenues earned from various service fees and rental of space. Students interact with the Student Union on a daily basis, either through the use of facilities or participation in sponsored events or a Student Union program. The Student Union also acts as a bridge to the greater campus community, whose members make use of recreational facilities and attend the diverse concerts and events on the San José State University campus.

To further these goals, the Student Union is undergoing a major construction project. The Student Center Facilities Project will better meet the needs and demands of students in the near future. With the construction of the new facilities and the renovation of existing space, the Student Union looks ahead to the future of San José State University's campus life. Among the construction projects is a new Student Union building and a new fitness complex. Renovated facilities will include the old Student Union building, the Aquatic Center and the Event Center. Expanded recreation facilities mean a healthier, more active student body. A larger Student Union building means more space for student-run events and essential programs. This new project looks to energize, enrich and revitalize campus life at San José State University.

The Student Union's Board of Directors is composed of eleven (11) voting members:

- Students – Six (6)
- Faculty – Two (2)
- Administrators – Two (2)
- Community Member – One (1)

The Student Union's Executive Director is the Board Secretary which is a non-voting position.

The Board of Directors meets at least once quarterly and reviews policy; reviews and approves the annual budget; and contracts with the Executive Director who manages and is administratively responsible for the day-to-day operations of the Student Union. There are four subcommittees that address personnel, facilities and programs, the annual audit and the finances and reserves of the Student Union.

The Student Union's financial reserves consist of Local Reserves held locally by Student Union and the balance of the collected student fees held in trust by San José State University. These reserves are reviewed annually by the Board of Directors to ensure a prudent financial position as well as ensuring adequate funding for the Student Union's future.

The Student Union of San José State University

Management's Discussion and Analysis Years Ended June 30, 2010 and 2009

Introduction to the Financial Statements

The Student Union's financial statements include the statements of net assets; the statements of revenues, expenses and changes in net assets; and the statements of cash flows. These statements are supported by notes to the financial statements and Management's Discussion and Analysis. All sections must be considered together to obtain a complete understanding of the financial picture of the Student Union.

Statements of net assets: The statements of net assets include all assets and liabilities. Assets and liabilities are reported on an accrual basis as of the statement date. It also identifies major categories of restrictions (if any) on the net assets of the Student Union.

Statements of revenues, expenses and changes in net assets: The statements of revenues, expenses and changes in net assets present the revenues earned and expenses incurred during the year on an accrual basis.

Statements of cash flows: The statements of cash flows present the inflows and outflows of cash for the year and are summarized by operating, financing and investing activities. These statements are prepared using the direct method of cash flows and, therefore, present gross rather than net amounts for the year's activities.

Analytical Overview

Summary

The following discussion highlights management's understanding of the key financial aspects of the Student Union's financial activities as of and for the years ended June 30, 2010, 2009 and 2008. Included are comparative analyses of current and prior years' activities and balances and a discussion of restrictions (if any) of the Student Union's net assets.

The Student Union of San José State University

Management's Discussion and Analysis Years Ended June 30, 2010 and 2009

Condensed Summary of Net Assets

The Student Union's condensed summary of net assets as of June 30 is as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assets:			
Current assets	\$ 1,162,340	\$ 1,195,156	\$ 3,886,972
Other noncurrent assets	8,268,851	6,674,961	3,592,756
Total assets	<u>\$ 9,431,191</u>	<u>\$ 7,870,117</u>	<u>\$ 7,479,728</u>
Liabilities:			
Current liabilities	\$ 1,043,772	\$ 1,138,776	\$ 1,154,623
Noncurrent liabilities	619,925	403,985	262,151
Total liabilities	<u>\$ 1,663,697</u>	<u>\$ 1,542,761</u>	<u>\$ 1,416,774</u>
Net assets:			
Unrestricted:			
Investments in capital	\$ 2,500,430	\$ 1,858,508	\$ 1,360,678
Board-designated	1,569,118	1,551,539	1,381,093
Unrestricted	3,697,946	2,917,309	3,321,183
Total net assets	<u>\$ 7,767,494</u>	<u>\$ 6,327,356</u>	<u>\$ 6,062,954</u>

Assets

Total assets increased \$1.6 million from FY 2009 to FY 2010 due to gains in the investment portfolio of approximately \$800K as well as an increase of \$642K in investment in capital. Total assets increased \$390K from FY 2008 to FY 2009 primarily due to investment in capital of \$498K, offset by investment losses of \$58K.

Current assets decreased \$33K from FY 2009 to FY 2010 due to timing differences in cash balances at year-end for operational purposes. Current assets decreased \$2.7 million from FY 2008 to FY 2009 due to student fees returned for operations being invested in the Local Agency Investment Fund (LAIF) which were classified as current assets. An investment strategy to minimize risk limited funds in any one financial institution not to exceed the \$250K insured by the FDIC. This limited the amount of funds invested in LAIF in FY 2009. Student fees returned for operations in FY 2009 were invested with UBS Financial Services Inc. and were primarily classified as other noncurrent assets.

Other noncurrent assets increased \$1.6 million from FY 2009 to FY 2010 due to an increase in capital. Other noncurrent assets increased \$3.1 million from FY 2008 to FY 2009 primarily due to the investment strategy change to minimize risk by limiting the funds in LAIF to the FDIC-insured limit. Investments formerly classified as current assets are now in the other noncurrent assets category.

Liabilities

Current liabilities remained approximately the same from FY 2009 to 2010 and from FY 2008 to FY 2009. Noncurrent liabilities increased by \$216K from FY 2009 to FY 2010 and increased by \$142K from FY 2008 to FY 2009. The increases in noncurrent liabilities are primarily due to the annual funding of the Net OPEB Obligation (NOO) for Other Post-Employment Benefit Programs for retirees.

The Student Union of San José State University

**Management's Discussion and Analysis
Years Ended June 30, 2010 and 2009**

Net assets: Total net assets increased by \$1.4 million from FY 2009 to FY 2010 due to an increase in capital of \$642K, increase in Board-designated projects of \$18K and increase of \$781K in unrestricted assets. Total net assets increased by \$264K from FY 2008 to FY 2009 due to an increase in capital of \$498K, increase in Board-designated projects of \$170K and a reduction of \$404K in unrestricted assets.

Restricted resources: Net assets of the Student Union do not include any restricted resources.

Restricted net assets: All net assets of the Student Union are unrestricted.

The Student Union's condensed summary of revenues, expenses and changes in net assets for the years ended June 30 is as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating revenues:			
Student Union fees	\$ 4,743,464	\$ 4,396,233	\$ 4,764,109
Service fees	371,509	400,732	419,176
Reimbursement of event costs	520,105	700,339	515,525
Rental income	1,576,551	1,622,029	1,658,021
Reimbursement of wages and benefits	371,743	321,558	287,368
Commissions	205,728	243,164	234,202
Other	58,442	36,921	33,973
Total operating revenues	<u>7,847,542</u>	<u>7,720,976</u>	<u>7,912,373</u>
Operating expenses:			
Wages and benefits	3,481,280	3,411,613	3,304,012
Insurance	220,023	216,059	214,806
Supplies	221,840	245,746	259,160
Communications	38,789	44,451	43,586
Repairs and maintenance	179,841	183,410	164,220
Utilities	955,437	979,580	926,045
Event costs	594,629	784,202	634,019
Small equipment purchases	57,878	89,843	115,035
Depreciation	278,068	216,089	182,609
Business services	995,769	1,007,911	986,567
Miscellaneous	38,891	49,018	55,257
Project expenditures	141,231	223,823	456,184
Total operating expenses	<u>7,203,676</u>	<u>7,451,745</u>	<u>7,341,501</u>
Total operating income	643,866	269,231	570,873
Nonoperating revenues (expenses):			
Investment income (loss)	796,272	(4,829)	53,190
Increase in net assets	<u>1,440,138</u>	<u>264,402</u>	<u>624,063</u>
Net assets:			
Beginning of year	6,327,356	6,062,954	5,438,889
End of year	<u>\$ 7,767,494</u>	<u>\$ 6,327,356</u>	<u>\$ 6,062,954</u>

The Student Union of San José State University

Management's Discussion and Analysis Years Ended June 30, 2010 and 2009

Operating revenues: Total operating revenues increased \$127K from FY 2009 to FY 2010 primarily due to an increase in Student Union fees and a decrease in reimbursement of event costs. Total operating revenues decreased \$191K from FY 2008 to FY 2009 due to a decrease in Student Union fees and increased reimbursement of event costs.

Student Union fees are approximately 56 percent to 60 percent of total operating revenues. Student Union fees increased by \$347K from FY 2009 to FY 2010. These fees are returned for operations and increase or decrease to balance the annual budget and fund capital projects that are approved by the Board. Student fees decreased by \$368K from FY 2008 to FY 2009 due to an increase in projected program revenue for the United States Olympic Committee (USOC) event in July 2008 and \$165K less in budgeted capital projects.

Reimbursement of event costs decreased \$180K from FY 2009 to FY 2010 primarily due to the USOC event held in FY 2009. The increase in reimbursement of event costs of \$184K from FY 2008 to FY 2009 was primarily due to the USOC event held in July 2008.

All other operating revenues decreased by \$40K from FY 2009 to FY 2010. All other operating revenues decreased by \$8K from FY 2008 to FY 2009.

Operating expenses: Operating expenses decreased \$248K (3 percent) from FY 2009 to FY 2010. Operating expenses increased \$110K (1.5 percent) from FY 2008 to FY 2009.

Operating expenses for the Student Union are principally made up of wages and benefits which are approximately 45 percent to 48 percent of total operating expenses and other expenses that support the managing and upkeep of three main facilities on the campus. Wages and benefits increased 2 percent (\$70K) from FY 2009 to FY 2010 due to an increase in benefit premiums. The increase in wages and benefits of 3 percent (\$108K) from FY 2008 to FY 2009 is due to increases in benefit premiums. All other operating expenses decreased by \$318K from FY 2009 to FY 2010 and increased \$3K from FY 2008 to FY 2009.

Nonoperating revenues (expenses): Nonoperating revenues come from sources that are not part of the Student Union's primary business functions. Included in this classification are interest expense, investment income and changes in the fair value of investments.

Investment income increased by \$800K from FY 2009 to FY 2010 and decreased by \$58K from FY 2008 to FY 2009 due to the market fluctuations in investment performance.

Transfer of assets from affiliated organizations: The Student Union does not have any transfer of assets from affiliated organizations.

**The Student Union of San José State University
(A California State University Auxiliary Organization)**

**Statements of Net Assets
June 30, 2010 and 2009**

Assets	2010	2009
Current Assets		
Cash and cash equivalents	\$ 700,510	\$ 460,239
Investment (Note 3)	298,581	242,248
Accounts receivable, net (Note 9)	120,237	457,945
Prepaid expenses and other	43,012	34,724
Total current assets	1,162,340	1,195,156
Noncurrent Assets		
Restricted cash	25,000	25,000
Investments (Note 3)	5,615,539	4,429,757
Funds held in trust	127,882	361,696
Capital assets, net (Note 4)	2,500,430	1,858,508
Total noncurrent assets	8,268,851	6,674,961
	\$ 9,431,191	\$ 7,870,117
Liabilities and Net Assets		
Current Liabilities		
Accounts payable (Note 9)	\$ 606,850	\$ 769,789
Accrued payroll and related expenses	376,533	335,514
Other accrued liabilities	60,389	33,473
Total current liabilities	1,043,772	1,138,776
Funds Held in Trust Liability	127,882	88,298
Other Postemployment Benefits Obligation (OPEB) (Note 6)	492,043	315,687
Total liabilities	\$ 1,663,697	\$ 1,542,761
Net Assets (Note 5)		
Investment in capital assets	\$ 2,500,430	\$ 1,858,508
Unrestricted:		
Board-designated	1,569,118	1,551,539
Unrestricted	3,697,946	2,917,309
Total net assets	\$ 7,767,494	\$ 6,327,356

See Notes to Financial Statements.

**The Student Union of San José State University
(A California State University Auxiliary Organization)**

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

	2010	2009
Operating revenues:		
Student Union fees	\$ 4,743,464	\$ 4,396,233
Service fees	371,509	400,732
Reimbursement of event costs	520,105	700,339
Rental income	1,576,551	1,622,029
Reimbursed wages and benefits	371,743	321,558
Commissions	205,728	243,164
Other	58,442	36,921
Total operating revenues	7,847,542	7,720,976
Operating expenses:		
Wages and benefits	3,481,280	3,411,613
Insurance	220,023	216,059
Supplies	221,840	245,746
Communications	38,789	44,451
Repairs and maintenance	179,841	183,410
Utilities	955,437	979,580
Event costs	594,629	784,202
Small equipment purchases	57,878	89,843
Depreciation	278,068	216,089
Business services	995,769	1,007,911
Miscellaneous	38,891	49,018
Project expenditures	141,231	223,823
Total operating expenses	7,203,676	7,451,745
Operating income	643,866	269,231
Nonoperating income (loss):		
Investment income (loss), net	796,272	(4,829)
Increase in net assets	1,440,138	264,402
Net assets:		
Beginning of year	6,327,356	6,062,954
End of year	\$ 7,767,494	\$ 6,327,356

See Notes to Financial Statements.

**The Student Union of San José State University
(A California State University Auxiliary Organization)**

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

	2010	2009
Cash Flows From Operating Activities		
Payments to suppliers	\$ (3,091,443)	\$ (3,776,765)
Payments to employees	(2,919,076)	(2,742,496)
Payments to students	(531,838)	(591,701)
Sales and services of auxiliary enterprises	7,644,158	6,922,586
Other receipts	49,050	11,241
Net cash provided by (used in) operating activities	1,150,851	(177,135)
Cash Flows From Capital and Related Financing Activities		
Acquisitions of capital assets	(919,990)	(713,919)
Cash Flows From Investing Activities		
Investment income proceeds	329,903	181,233
Unrealized gain (loss) on investments	466,369	(186,062)
Sale of investments (purchase), net	(786,862)	844,846
Net cash provided by investing activities	9,410	840,017
Net increase (decrease) in cash and cash equivalents	240,271	(51,037)
Cash and Cash Equivalents		
Beginning of year	460,239	511,276
End of year	\$ 700,510	\$ 460,239
Reconciliation of Net Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating income	\$ 643,866	\$ 269,231
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation and amortization	278,068	216,089
Change in assets and liabilities:		
(Increase) decrease in accounts receivable, net	337,415	(229,077)
(Increase) in prepaid expenses and other current assets	(8,288)	(23,004)
(Increase) decrease in accounts payable	(162,939)	231,063
Increase in accrued salaries and benefits	41,019	22,986
Decrease in funds held in trust	(194,230)	(309,239)
Increase (decrease) in other liabilities	215,940	(355,184)
Net cash provided by (used in) operating activities	\$ 1,150,851	\$ (177,135)

See Notes to Financial Statements.

**The Student Union of San José State University
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 1. General Information

The Student Union of San José State University (the Student Union) is an auxiliary organization in the California State University system. The purpose of the Student Union is to provide cultural, educational, social and recreational services to the campus community and operate the Student Union Building, the Automated Bank (ATM) Building, the Event Center and the Aquatic Center.

Note 2. Summary of Significant Accounting Policies

Basis of presentation: The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis in conformity with accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The GASB requires the Student Union to comply with GASB pronouncements as well as Financial Accounting Standards Board (FASB) Standards and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Classification of current and noncurrent assets and liabilities: The Student Union considers those assets to be current which can be reasonably expected, as part of its normal business operation, to be converted to cash and available for liquidation of current liabilities within 12 months of the statement of net assets date. Liabilities that can be reasonably expected, as the normal operation, to be liquidated within 12 months of the statement of net assets are considered current. All other assets and liabilities are considered to be noncurrent.

Cash and cash equivalents: The Student Union considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts receivable: Accounts receivable are recorded when services are performed at the actual amount expected to be collected. Management has determined that no allowance for doubtful accounts is necessary at June 30, 2010 and 2009.

Restricted cash: The Student Union contracts with Ticketmaster to gain access to its hardware and software. The Student Union serves as a Ticketmaster outlet which allows the sale of all tickets on the system as well as Event Center Arena ticket sales. As part of the agreement, a letter of credit is required in the amount of \$25,000 payable to Ticketmaster.

Funds held in trust: The Student Union holds three (3) accounts in trust:

- **Glass Reserve Account**—This account was established upon mutual agreement between the Student Union and Spartan Shops, Inc., another auxiliary on the campus. The funds are specifically designated for the repair and replacement of any exterior glass in the Student Union Building. All repairs and replacement of glass are handled by the Student Union, as well as payment of the vendor's invoice. The balance in this account as of June 30, 2010 is \$20,201.
- **Instructionally Related Activities (IRA) Trust Account**—This account was established upon mutual agreement with San José State University in a Memorandum of Understanding dated August 1, 2006, allowing the Student Union to manage and oversee the SJSU Club Sports Program. The funds are held in trust for the following obligations:
 - Insurance for SJSU Club Sports participants

**The Student Union of San José State University
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies, Continued

- Insurance for other recognized student clubs' and organizations' events
- SJSU Club Sports teams annual allocations and contingency funds
- Reimbursement to Student Union for Club Sports departmental expenditures

The IRA Trust Account balance at June 30, 2010 is \$83,011.

- **SJSU Club Sports Checking Account**—This account was established as a result of a CSU Chancellor's Office Executive Order prohibiting any recognized student organizations from having off-campus bank accounts. As a result of the Executive Order, all recognized SJSU Club Sports teams have opened a bank account, with the Student Union overseeing the account and processing their financial transactions. The balance in this checking account as of June 30, 2010 is \$24,670.

Investments: Investments are carried at fair market value as determined by quoted market prices, with realized and unrealized gains and losses included in the statements of revenues, expenses and changes in net assets. The Student Union has certain investments in which fair value is determined by using independent quotation bureaus that utilize computerized valuation formulas to calculate current value, which approximates fair value. Dividends and interest income are accrued when earned.

Premises and equipment: The Student Union's premises are provided rent free by the California State University system. All building costs, capital equipment, operating expenses, and repairs and maintenance costs, however, are obligations of the Student Union. The Student Union capitalizes all equipment purchases over \$5,000.

Depreciation: Capital assets are stated at cost less accumulated depreciation. Depreciation is provided for using the straight-line method over the estimated useful lives of the respective assets, generally three to seven years or, in the case of leasehold improvements, generally 15 years or the life of the lease, whichever is shorter.

Compensated absences: The Student Union accrues vacation benefits for eligible employees at various rates depending upon length of service. Eligible full-time employees accrue sick leave at the rate of 96.0 hours at January 1 each year. Employees are not paid for unused sick leave at the end of employment. At June 30, 2010 and 2009, the Student Union had balances of \$175,979 and \$189,658 of compensated absences, respectively. During 2010 and 2009, \$181,743 and \$181,283, respectively, of compensated absences was earned and \$195,422 and \$153,492, respectively, was used.

Student Union employees: Certain Student Union employees are employees of the University, and are reimbursed by the Student Union.

Net assets: The Student Union's net assets are all classified as unrestricted. In addition, unrestricted net assets may be designated by the Board of Directors of the Student Union.

**The Student Union of San José State University
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies, Continued

Revenue: San José State University returns a portion of students' fees to the Student Union based upon the Student Union's annual budget needs. Fees are recognized as revenue when received. Rental income is recognized as revenue when earned and consists of fees from conference room rentals, audio-visual operations and other services within the Student Union Building, Event Center and Aquatic Center. The Student Union receives a share of entrance fees, parking fees and concession sales collected at events held in the Event Center. Commission revenue (from event concessions, parking, ticket sales, vending, etc.) is recognized when earned. The Student Union also charges a rental fee to promoters who stage events in the Event Center, which represents a reimbursement of costs incurred by the Student Union. This reimbursement is reflected as revenue when earned.

Concentrations: The Student Union's customer base is composed primarily of San José State University students, faculty, staff, alumni and other auxiliary organizations.

Income taxes: The Student Union is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenues and Taxation Code, respectively.

Use of estimates: In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: Certain reclassifications have been made to the prior year's numbers in order to conform to the current period financial statement presentation.

Pronouncement issues: The Student Union adopted GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*; and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. These Statements did not have a significant impact on the financial statements.

In February 2009, the GASB issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for the years beginning after June 15, 2010; and in June 2010, the GASB issued GASB Statement No. 59, *Financial Instruments Omnibus*, effective for periods beginning after June 15, 2010. Management has not currently determined what, if any, impact the implementation of these GASB pronouncements may have on the financial statements of the Student Union.

**The Student Union of San José State University
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Notes to Financial Statements

Note 3. Investments

	2010		2009	
	Fair Value	Unrealized Gain (Loss)	Fair Value	Unrealized Gain (Loss)
Local agency	\$ 244,416	\$ -	\$ 242,248	\$ -
Corporate bonds and notes	49,582	451	131,545	(7,585)
Mutual funds, equities	706,599	44,495	580,840	(26,052)
Mutual funds, fixed income	4,386,972	305,867	2,740,205	107,034
Mutual funds, other	331,135	(20,072)	395,432	(92,387)
Certificates of deposit	141,251	1,251	432,070	2,070
Cash and money balances	54,165	-	-	-
	\$ 5,914,120	\$ 331,992	\$ 4,522,340	\$ (16,920)

Investment policy: The Student Union's investment policy (the Policy) sets forth the guidelines for the investments of the Student Union.

The Student Union held investments in Local Agency Investment Fund (LAIF), corporate bonds and notes, mortgage-backed securities, mutual funds and U.S. government securities. These investments are classified as deposits covered by depository insurance and are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution or (c) collateralized with securities held by the pledging financial institution's Trust Department or agent but not in the depositor-government's name.

Interest rate risk: Interest rate risk is the risk that the changes in market interest rate will adversely affect the fair value of an investment. In accordance with the Policy, the Student Union manages the risk of market value fluctuations due to overall changes in general levels of interest rates by limiting the average maturity of investments within the portfolios.

		June 30, 2010						
		Market Value	<1 Year	<2 Year	<3 Year	<4 Year	<5 Year	>5 Year
Intermediate-term investments		\$ 4,578,070	\$ 1,095,945	\$ -	\$ 26,505	\$ 223,828	\$ 45,667	\$ 3,186,125

		June 30, 2009						
		Market Value	<1 Year	<2 Year	<3 Year	<4 Year	<5 Year	>5 Year
Intermediate-term investments		\$ 3,460,471	\$ 1,370,144	\$ 205,959	\$ 1,145,251	\$ -	\$ 41,500	\$ 697,617

Credit risk: Fixed income securities are subject to credit risk, which is the risk that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors, such as financial weakness, bankruptcy, litigation and/or adverse political developments. A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond and, ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond rating agencies such as Moody's Investors Service or Standard and Poor's. The lower the rating, the greater the chance that the bond issuer will default or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher the yield should be to compensate for the additional risk.

**The Student Union of San José State University
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 3. Investments, Continued

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have risk.

The credit risk profile for fixed income securities at June 30 is as follows:

Investment Type	2010	2009	S&P Credit Rating
Fixed Income Mutual Funds	\$ 871,207	\$ 1,055,485	AAA
Fixed Income Mutual Funds	210,133	287,709	AA
Fixed Income Mutual Funds	407,767	592,860	A
Corporate Bonds	49,582	131,545	A
Fixed Income Mutual Funds	1,926,910	1,078,271	BBB
Fixed Income Mutual Funds	984,743	70,851	BB
Fixed Income Mutual Funds	77,827	58,640	B
Fixed Income Mutual Funds	49,901	35,446	Below B
Fixed Income Mutual Funds	-	-	Not rated
Total fixed income securities	\$ 4,578,070	\$ 3,310,807	

Concentration of credit risk: The Policy of the Student Union contains certain limitations on the amount that can be invested in any one issuer and is listed in the table above. The Student Union did not have any investments in any one issuer (other than U.S. Treasury securities and mutual funds) that represent 5 percent or more of the Student Union's total investments as of June 30, 2010 and 2009.

Custodial credit risk: Custodial credit risk for deposits is the risk that the Student Union will not be able to recover its deposits in the event of a failure of a depository institution. In the ordinary course of the Student Union's operations, deposit balances in checking accounts can exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. In accordance with the Student Union's investment policy, all certificates of deposit are FDIC-insured and limited to \$250,000 at any one institution.

Custodial credit risk for investments is the risk that if the counterparty to an investment transaction were to fail, the Student Union would not be able to recover its investment. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to indirect investment in securities through the use of mutual funds and government investment pools. U.S. Treasury issues and federally sponsored enterprise issues are held by Securities Investor Protection Corporation-insured brokers and are not registered with the issuer in the Student Union's name.

**The Student Union of San José State University
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Notes to Financial Statements

Note 4. Capital Assets

Capital assets consist of the following at June 30:

	2009	Additions	Deletions	2010
Computer equipment	\$ 46,185	\$ -	\$ -	\$ 46,185
Software	56,300	-	-	56,300
Furniture and equipment	779,187	271,433	-	1,050,620
Leasehold improvements	3,511,666	544,589	-	4,056,255
Equipment installation in progress	-	103,968	-	103,968
	4,393,338	919,990	-	5,313,328
Less accumulated depreciation	(2,534,830)	(278,068)	-	(2,812,898)
Net book value	\$ 1,858,508	\$ 641,922	\$ -	\$ 2,500,430

Depreciation expense amounted to \$278,068 and \$216,089 for 2010 and 2009, respectively.

Note 5. Board-Designated Net Assets

Board-designated net assets are comprised of the following at June 30:

	2010	2009
Board-designated:		
Capital equipment	\$ 297,815	\$ 250,744
Other designated assets	1,271,303	1,300,795
	<u>\$ 1,569,118</u>	<u>\$ 1,551,539</u>

Other designated assets represent projects approved by the Board for leasehold improvements.

Note 6. Employment Benefit and Compensation Plans

Other Postretirement Benefit Obligation (OPEB):

Plan description: The Student Union provides lifetime retiree medical coverage to eligible employees and their dependents who retire at age 50 or older with five or more years of employment with the Student Union. The medical plan benefits are contracted with the California Public Employees' Retirement System (CalPERS) under the Public Employees' Medical and Hospital Care Act (PEMHCA).

Funding policy: The Student Union adopted entry age normal cost method prefunding prospectively. The entry age normal actuarial cost method, with the contributions determined as a percent of payroll, is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future, as well as those already accrued. The plan supports the use of a 7.75 percent interest rate and amortizes unfunded actuarial accrued liability over 30 years on a level dollar basis, with projected salary increases of 3.25 percent per year.

**The Student Union of San José State University
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 6. Employment Benefit and Compensation Plans, Continued

The Student Union has selected the equal contribution method, where it is obligated to contribute the same amount for retirees as contributed toward the active employees' medical plan coverage. The Student Union currently pays the employees' medical plan premiums for employees and their dependents at a rate approved by the Board of Directors annually.

Annual cost and funding progress: Based on the latest actuarial valuation report (dated August 2008 and available at the Student Union upon request), the funded status of the OPEB program as of June 30 was as follows:

	<u>2010</u>	<u>2009</u>
Actuarial accrued liability (AAL)	\$ 2,081,664	\$ 1,801,763
Actuarial value of plan assets	315,687	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,397,351</u>	<u>\$ 1,801,763</u>
Funded ratio (actuarial value of plan asset/AAL)	- %	- %
Annual covered payroll (active plan member)	\$ 1,700,000	\$ 1,424,976
UAAL as a percentage of annual covered payroll	141%	126%

Based on the report, the Student Union's annual required contribution is \$211,765. The Student Union's contributions for fiscal years 2009 and 2008 were \$54,015 and \$53,828, respectively.

The net OPEB obligation (NOO) as of June 30 was as follows:

	<u>2010</u>	<u>2009</u>
Annual required contribution (ARC)	\$ 225,849	\$ 212,276
Contributions during the year	(49,493)	(54,015)
Increase in NOO	<u>176,356</u>	<u>158,261</u>
NOO, beginning of year	<u>315,687</u>	<u>157,426</u>
NOO, end of year	<u>\$ 492,043</u>	<u>\$ 315,687</u>

\$492,043 was set up as a payable to be transferred into a trust account in the coming year.

Retirement plan: The Student Union has an annuity purchase plan under Section 403(b) of the Internal Revenue Code (IRC). Under this plan, eligible employees may defer their salary through contributions to the plan, subject to IRC limits, and the Student Union will match up to 6 percent for eligible employees as well as employer discretionary contributions. The Student Union's plan contributions for fiscal years 2010 and 2009 were \$130,076 and \$124,358, respectively.

Note 7. Event Activity

The Student Union Event Center box office collects monies from ticket sales for major concerts, cultural events and athletic events, for which the organization is responsible for settling. Of the total amounts collected, a portion was recognized as rental revenue and a portion was recognized as reimbursement of direct costs. The remaining box office receipts were forwarded to the various event promoters.

**The Student Union of San José State University
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 8. Operating Leases

The following properties are leased at no charge from the Trustees of the California State University: the Student Union Building, the ATM Building, the Aquatic Center and the Event Center. The renewed lease agreement expires on June 30, 2012 and requires the Student Union's compliance with various conditions concerning operation of the facilities. The Student Union does not pay monthly rent to the University. The Student Union paid the University \$410,275 and \$408,916 in 2010 and 2009, respectively, for facility costs and insurance.

The Student Union leases space in its facilities to other auxiliary organizations of the University, departments of the University and organizations external to the University.

Note 9. Related Parties

The Student Union is a nonprofit organization incorporated to provide various services to the students and the campus community at San José State University. Accordingly, related parties include the University, other auxiliary organizations of the University, its students and student organizations, as well as the Student Union Board of Directors (consisting of students and administrative personnel).

Receivables from affiliates at June 30 are as follows:

	<u>2010</u>	<u>2009</u>
Receivable from San José State University	\$ 57,684	\$ 51,634
Receivable from auxiliary organizations:		
Spartan Shops	44,454	39,165
Associated Students, Inc.	7,783	3,009
SJSU Foundation	3,745	1,103
SJSU Tower Foundation	3,202	2,150
	<u>\$ 116,868</u>	<u>\$ 97,061</u>

The receivables from affiliates are included in the accompanying statements of net assets as accounts receivable.

Payables to affiliates at June 30 are as follows:

	<u>2010</u>	<u>2009</u>
Payable to San José State University	\$ 405,475	\$ 274,025
Payable to auxiliary organizations:		
Spartan Shops	6,467	993
Associated Students, Inc.	2,298	1,321
	<u>\$ 414,240</u>	<u>\$ 276,339</u>

The payables from affiliates are included in the accompanying statements of net assets as accounts payable and other accrued liabilities.

**The Student Union of San José State University
(A California State University Auxiliary Organization)**

Notes to Financial Statements

Note 10. Concentration of Credit Risk

The Student Union maintains its cash balances in several financial institutions in the Greater Bay Area and, at times, may exceed federally insured limits. The majority of the liquid funds are in mutual funds which are maintained by UBS Financial Services, Inc. The Student Union has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Student Union of San José State University
(A California State University Auxiliary Organization)**

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

Assets

Current Assets	
Cash and cash equivalents	\$ 700,510
Short-term investments	298,581
Accounts receivable, net	120,237
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	43,012
Total current assets	<u>1,162,340</u>
Noncurrent Assets	
Restricted cash and cash equivalents	25,000
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	5,615,539
Capital assets, net	2,500,430
Other assets (funds held in trust)	127,882
Total noncurrent assets	<u>8,268,851</u>
Total assets	<u>\$ 9,431,191</u>

Liabilities

Current Liabilities	
Accounts payable	\$ 606,850
Accrued salaries and benefits payable	200,554
Accrued compensated absences, current portion	175,979
Deferred revenue	-
Capitalized lease obligations, current portion	-
Long-term debt obligations, current portion	-
Self-insurance claims liability, current portion	-
Depository accounts	-
Other liabilities	60,389
Total current liabilities	<u>1,043,772</u>
Noncurrent Liabilities	
Accrued compensation 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	127,882
Other postemployment benefits obligation	492,043
Other liabilities	-
Total noncurrent liabilities	<u>619,925</u>
Total liabilities	<u>\$ 1,663,697</u>

**Student Union of San José State University
(A California State University Auxiliary Organization)**

**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	\$ 2,500,430
Restricted for:	
Nonexpendable, endowments	-
Expendable:	
Scholarships and fellowships:	
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	5,267,064
Total net assets	<u><u>\$ 7,767,494</u></u>

**Student Union of San José State University
(A California State University Auxiliary Organization)**

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

Revenues:	
Operating revenues:	
Student tuition and fees, net of scholarship allowances of \$0	\$ -
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	7,789,098
Other operating revenues	58,444
Total operating revenues	<u>7,847,542</u>
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	-
Operations and maintenance of plant	-
Student grants and scholarships	3,300
Auxiliary enterprise expenses	6,922,308
Depreciation and amortization	278,068
Total operating expenses	<u>7,203,676</u>
Operating income	<u>643,866</u>
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	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income, net	796,272
Endowment income	-
Interest expenses	-
Other nonoperating revenues	-
Net nonoperating revenues	<u>796,272</u>
Income before other additions	<u>1,440,138</u>
State appropriations, capital	-
Grants and gifts, capital	-
Additions to permanent endowments	-
Increase in net assets	<u>1,440,138</u>
Net assets:	
Net assets at beginning of year, as previously reported	6,327,356
Restatements	-
Net assets at beginning of year, as restated	<u>6,327,356</u>
Net assets at end of year	<u>\$ 7,767,494</u>

**Student Union of San José State University
(A California State University Auxiliary Organization)**

**Other Information
Year Ended June 30, 2010
(For inclusion in the California State University)**

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

Portion of restricted cash and cash equivalents related to endowments	\$ -
All other restricted cash and cash equivalents	25,000
	<u>\$ 25,000</u>

2.1 Composition of investments at June 30, 2010:

	Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	\$ -	\$ -	\$ -	\$ -
State of California Local Agency Investment Fund (LAIF)	244,416	-	-	-	244,416
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	-	49,582	-	49,582	49,582
Equity securities	-	706,599	-	706,599	706,599
Fixed income securities (treasury notes, GNMAs)	-	4,386,972	-	4,386,972	4,386,972
Land and other real estate	-	-	-	-	-
Certificates of deposit	-	141,251	-	141,251	141,251
Notes receivable	-	-	-	-	-
Mutual funds	-	331,135	-	331,135	331,135
Money Market Funds	54,165	-	-	-	54,165
Collateralized mortgage obligations:					
Inverse floaters	-	-	-	-	-
Interest-only strips	-	-	-	-	-
Agency pass-through	-	-	-	-	-
Private pass-through	-	-	-	-	-
Other investments:					
Add description	-	-	-	-	-
Add description	-	-	-	-	-
Total investments	298,581	5,615,539	-	5,615,539	5,914,120
Less endowment investments	-	-	-	-	-
	<u>\$ 298,581</u>	<u>\$ 5,615,539</u>	<u>\$ -</u>	<u>\$ 5,615,539</u>	<u>\$ 5,914,120</u>

**Student Union of San José State University
(A California State University Auxiliary Organization)**

**Other Information, Continued
Year Ended June 30, 2010
(For inclusion in the California State University)**

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	-
Total restricted current investments at June 30, 2010	\$ -

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

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

**Student Union of San José State University
(A California State University Auxiliary Organization)**

**Other Information, Continued
Year Ended June 30, 2010
(For inclusion in the California State University)**

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	-	-	-	-	103,968	-	-	103,968
Intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable capital assets	-	-	-	-	103,968	-	-	103,968
Depreciable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	3,511,666	-	-	3,511,666	544,589	-	-	4,056,255
Personal property:								
Equipment	881,672	-	-	881,672	271,433	-	-	1,153,105
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total depreciable capital assets	4,393,338	-	-	4,393,338	816,022	-	-	5,209,360
Total cost	4,393,338	-	-	4,393,338	919,990	-	-	5,313,328
Less accumulated depreciation:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than building	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(1,887,335)	-	-	(1,887,335)	(169,965)	-	-	(2,057,300)
Personal property:								
Equipment	(647,495)	-	-	(647,495)	(108,103)	-	-	(755,598)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation	(2,534,830)	-	-	(2,534,830)	(278,068)	-	-	(2,812,898)
Net capital assets	\$ 1,858,508	\$ -	\$ -	\$ 1,858,508	\$ 641,922	\$ -	\$ -	\$ 2,500,430

**Student Union of San José State University
(A California State University Auxiliary Organization)**

**Other Information, Continued
Year Ended June 30, 2010
(For inclusion in the California State University)**

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

Depreciation and amortization expense related to capital assets	\$ 278,068
Amortization expense related to other assets	-
Total depreciation and amortization	<u>\$ 278,068</u>

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

	<u>Nonamortizable</u>	<u>Amortizable</u>	<u>Accumulated Amortization</u>
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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Student Union of San José State University
(A California State University Auxiliary Organization)**

**Other Information, Continued
Year Ended June 30, 2010
(For inclusion in the California State University)**

4. Long-term liabilities activity schedule:

	Balance June 30, 2009	Prior Period Adjustments	Reclassifications	Balance June 30, 2009 (Restated)	Additions	Reductions	Balance June 30, 2010	Current Portion	Long-Term Portion
Accrued compensated absences	\$ -	\$ -	\$ 189,658	\$ 189,658	\$ 181,743	\$ (195,422)	\$ 175,979	\$ 175,979	\$ -
Capitalized lease obligations:									
Gross balance	-	-	-	-	-	-	-	-	-
Unamortized premium (discount) on capitalized lease obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	189,658	-	-	-	-	-	-
Long-term debt obligations:									
Revenue bonds	-	-	-	-	-	-	-	-	-
Other bonds (nonrevenue bonds)	-	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-	-
Unamortized bond premium (discount)	-	-	-	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	-	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ -	\$ -	\$ 189,658	\$ 189,658	\$ 181,743	\$ (195,422)	\$ 175,979	\$ 175,979	\$ -

**Student Union of San José State University
(A California State University Auxiliary Organization)**

**Other Information, Continued
Year Ended June 30, 2010
(For inclusion in the California State University)**

5. Future minimum capital lease payments:

Years Ending June 30,	Principal	Interest	Principal and Interest
2011	\$ -	\$ -	\$ -
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015			
2016–2020	-	-	-
2021–2025	-	-	-
2026–2030	-	-	-
2031–2035	-	-	-
2036–2040	-	-	-
2041–2045	-	-	-
2046–2050	-	-	-
2051–2055	-	-	-
2056–2060	-	-	-
Total minimum lease payments			-
Less amounts representing interest			-
Present value of future minimum lease payments			-
Less current portion			-
Capitalized lease obligations, net of current portion			\$ -

**Student Union of San José State University
(A California State University Auxiliary Organization)**

**Other Information, Continued
Year Ended June 30, 2010
(For inclusion in the California State University)**

6. Long-term debt obligation schedule:

Years 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
2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2012	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016–2020	-	-	-	-	-	-	-	-	-
2021–2025	-	-	-	-	-	-	-	-	-
2026–2030	-	-	-	-	-	-	-	-	-
2031–2035	-	-	-	-	-	-	-	-	-
2036–2040	-	-	-	-	-	-	-	-	-
2041–2045	-	-	-	-	-	-	-	-	-
2046–2050	-	-	-	-	-	-	-	-	-
2051–2055	-	-	-	-	-	-	-	-	-
2056–2060	-	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Student Union of San José State University
(A California State University Auxiliary Organization)**

**Other Information, Continued
Year Ended June 30, 2010
(For inclusion in the California State University)**

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

	Auxiliary Organizations		Total Auxiliaries
	GASB	FASB	
Capital assets, net of accumulated depreciation	\$ 2,500,430	\$ -	\$ 2,500,430
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	-	-	-
Net assets, invested in capital assets, net of related debt	\$ 2,500,430	\$ -	\$ 2,500,430

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	\$ -	\$ -	\$ -

**Student Union of San José State University
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**Other Information, Continued
Year Ended June 30, 2010
(For inclusion in the California State University)**

8. Transactions with related entities:

	Total
Reimbursements to University for salaries of University personnel working on contracts, grants and other programs	\$ 589,629
Reimbursements to University for other than salaries of University personnel	1,651,862
Payments received from University for services, space and programs	1,447,406
Gifts-in-kind to University from Auxiliary Organizations	-
Gifts (cash or assets) to University from recognized Auxiliary Organizations	3,300
Accounts (payable to) University (enter as negative number)	(405,475)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University	57,684
Other amounts receivable from University	-

9. Other Postemployment Benefits Obligation (OPEB):

Annual required contribution (ARC)	\$ 225,849
Contributions during the year	<u>(49,493)</u>
Increase in net OPEB obligation (NOO)	176,356
NOO - beginning of year	<u>315,687</u>
NOO - end of year	<u><u>\$ 492,043</u></u>

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**Other Information, Continued
Year Ended June 30, 2010
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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	<u>-</u>
Less current portion	-
Pollution remediation liabilities, net of current portion	<u><u>\$ -</u></u>

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

	Net Asset Class	Amount
Net assets as of June 30, 2009, as previously reported		\$ 6,327,356
Prior period adjustments:		
1. (list description of each adjustment)		-
2. (list description of each adjustment)		-
3. (list description of each adjustment)		-
4. (list description of each adjustment)		-
5. (list description of each adjustment)		-
6. (list description of each adjustment)		-
Net assets as of June 30, 2009, as restated		<u><u>\$ 6,327,356</u></u>

**Student Union of San José State University
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**Other Information, Continued
Year Ended June 30, 2010
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Provide a detailed breakdown of the journal entries booked to record each prior period adjustment:

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