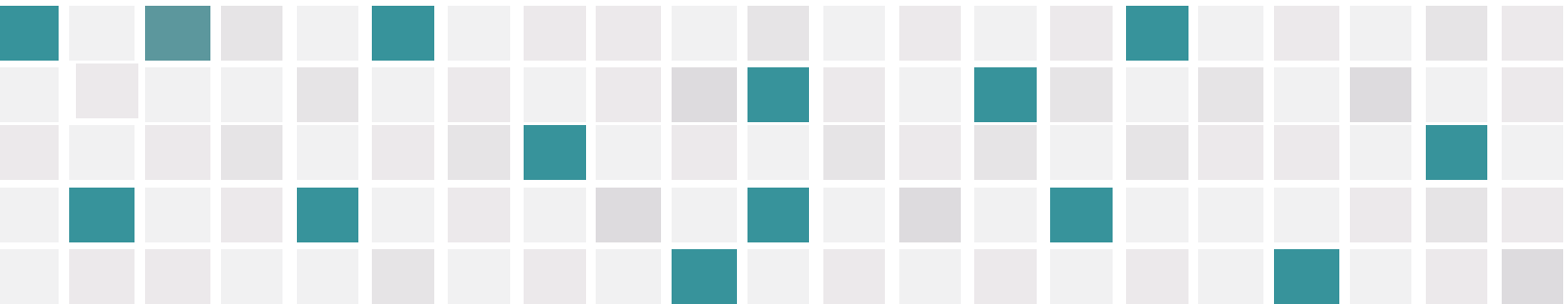


# The Associated Students, Inc. of California State University San Marcos

## Financial Report

June 30, 2010



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## Independent Auditor's Report

Board of Directors  
The Associated Students, Inc. of  
California State University San Marcos  
San Marcos, CA

We have audited the accompanying statement of financial position of The Associated Students, Inc. of California State University San Marcos (a nonprofit organization) as of June 30, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of The Associated Students, Inc. of California State University San Marcos. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of The Associated Students, Inc. of California State University San Marcos as of and for the year ended June 30, 2009 were audited by other auditors, whose report, dated September 21, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 Associated Students, Inc. of California State University San Marcos 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, which is presented in accordance with California State University reporting requirements, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based upon our audit, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

San Diego, CA  
September 14, 2010

The Associated Students, Inc. of California State University San Marcos

Statements of Financial Position  
June 30, 2010 and 2009

<b>Assets</b>	<b>2010</b>	<b>2009</b>
<b>Current Assets</b>		
Cash	\$ 127,377	\$ 201,621
Restricted cash (Note 4)	83,984	93,625
Accounts receivable, affiliate (Note 4)	599,100	404,530
Inventory	21,040	47,001
Prepaid expenses	-	2,528
<b>Total current assets</b>	<b>831,501</b>	<b>749,305</b>
<b>Noncurrent Assets</b>		
Property and equipment, net of accumulated depreciation (Note 2)	2,973	8,589
Deposits	3,000	3,000
<b>Total noncurrent assets</b>	<b>5,973</b>	<b>11,589</b>
	<b>\$ 837,474</b>	<b>\$ 760,894</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Funds held for others, affiliates (Note 4)	\$ 83,984	\$ 93,625
Accounts payable (Note 4)	20,619	11,227
Accrued wages and related expenses	44,450	57,982
Deferred revenue	116,191	118,057
<b>Total current liabilities</b>	<b>265,244</b>	<b>280,891</b>
Commitments and Contingencies (Note 3)		
Net Assets, unrestricted	572,230	480,003
	<b>\$ 837,474</b>	<b>\$ 760,894</b>

See Notes to Financial Statements.

The Associated Students, Inc. of California State University San Marcos

Statements of Activities  
Years Ended June 30, 2010 and 2009

	2010	2009
Unrestricted revenue and support:		
Student tuition and fees	\$ 1,119,963	\$ 1,018,445
Less scholarship allowance	(51,325)	(50,550)
<b>Total student tuition and fees</b>	<b>1,068,638</b>	967,895
Child care fees	-	772
Grants	-	6,510
Contributions	10,650	-
Investment income	1,994	12,642
Other income	69,687	51,651
<b>Total unrestricted revenue and support</b>	<b>1,150,969</b>	1,039,470
Expenses:		
Program services:		
Committee programs	164,087	109,413
Recreation programs	288,693	162,972
<b>Total program services</b>	<b>452,780</b>	272,385
Management and general (Note 4)	605,962	785,872
<b>Total expenses</b>	<b>1,058,742</b>	1,058,257
<b>Increase (decrease) in net assets</b>	<b>92,227</b>	(18,787)
Net assets, beginning	480,003	498,790
Net assets, ending	<b>\$ 572,230</b>	<b>\$ 480,003</b>

See Notes to Financial Statements.

The Associated Students, Inc. of California State University San Marcos

Statements of Functional Expenses  
Years Ended June 30, 2010 and 2009

	2010				Total Functional Expenses
	Program Services			Management and General	
	Committee Programs	Recreation Programs	Total		
Accounting and legal	\$ -	\$ -	\$ -	\$ 124,633	\$ 124,633
Advertisements	3,664	-	3,664	830	4,494
Bad debts	-	-	-	5,141	5,141
Bank fees	127	-	127	1,742	1,869
Benefits	-	-	-	59,915	59,915
Board of Directors retreat	4,557	-	4,557	1,022	5,579
Contract services	1,500	-	1,500	9,876	11,376
Depreciation	2,244	929	3,173	2,443	5,616
Equipment rental and maintenance	10,007	3,730	13,737	12,251	25,988
Food/entertainment	88	-	88	268	356
Insurance	-	-	-	33,841	33,841
Membership and dues	5,489	150	5,639	537	6,176
Office and other supplies	2,450	1,128	3,578	24,372	27,950
Other	333	-	333	-	333
Payroll processing fees	-	-	-	4,085	4,085
Payroll taxes	6,628	6,780	13,408	25,578	38,986
Postage	28	48	76	585	661
Printing and publications	281	100	381	641	1,022
Professional development	921	-	921	30	951
Programming/student activities	31,161	115,909	147,070	2,131	149,201
Rent	-	-	-	26,147	26,147
Repairs and maintenance	-	337	337	1,634	1,971
Salaries	86,371	159,582	245,953	257,239	503,192
Taxes and licenses	-	-	-	1,015	1,015
Telephone	-	-	-	9,821	9,821
Transportation/conference	6,082	-	6,082	185	6,267
Universal Studios	2,156	-	2,156	-	2,156
	<b>\$ 164,087</b>	<b>\$ 288,693</b>	<b>\$ 452,780</b>	<b>\$ 605,962</b>	<b>\$ 1,058,742</b>

See Notes to Financial Statements.

The Associated Students, Inc. of California State University San Marcos

Statements of Functional Expenses, Continued  
 Years Ended June 30, 2010 and 2009

	2009				Total Functional Expenses
	Program Services			Management and General	
	Committee Programs	Recreation Programs	Total		
Accounting and legal	\$ -	\$ -	\$ -	\$ 117,523	\$ 117,523
Advertising	7,656	-	7,656	965	8,621
Bad debts	-	-	-	666	666
Bank fees	-	63	63	1,900	1,963
Benefits	-	-	-	48,236	48,236
Board of Directors retreat	15,052	481	15,533	931	16,464
Contract services	-	-	-	500	500
Depreciation	3,544	928	4,472	2,442	6,914
Equipment rental and maintenance	-	-	-	32,069	32,069
Gifts and acknowledgements	243	-	243	588	831
Insurance	-	-	-	33,530	33,530
Leadership development and training	549	-	549	-	549
Memberships and dues	6,411	-	6,411	355	6,766
Office and other supplies	115	150	265	14,534	14,799
Other	-	-	-	370	370
Payroll processing fees	-	-	-	3,974	3,974
Payroll taxes	2,134	3,142	5,276	30,676	35,952
Postage	83	-	83	553	636
Printing and publications	72	640	712	407	1,119
Professional development	71	350	421	4	425
Programming/student activities	30,599	117,378	147,977	3,600	151,577
Rent	-	-	-	26,148	26,148
Repairs and maintenance	-	-	-	1,497	1,497
Salaries	31,556	39,840	71,396	428,333	499,729
Taxes and licenses	-	-	-	15,205	15,205
Telephone	-	-	-	11,232	11,232
Transportation/conferences	11,328	-	11,328	1,271	12,599
Universal Studios	-	-	-	8,363	8,363
	<u>\$ 109,413</u>	<u>\$ 162,972</u>	<u>\$ 272,385</u>	<u>\$ 785,872</u>	<u>\$ 1,058,257</u>

See Notes to Financial Statements.

The Associated Students, Inc. of California State University San Marcos

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

	2010	2009
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 92,227	\$ (18,787)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,616	6,914
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(194,570)	15,974
Inventory	25,961	(14,544)
Prepaid expenses	2,528	12,199
Increase (decrease) in liabilities:		
Accounts payable	9,392	(4,483)
Accrued wages and related expenses	(13,532)	4,398
Deferred revenue	(1,866)	9,064
<b>Net increase (decrease) in cash</b>	<b>(74,244)</b>	<b>10,735</b>
Cash, beginning	201,621	190,886
Cash, ending	<u>\$ 127,377</u>	<u>\$ 201,621</u>
Cash and Restricted Cash, beginning	\$ 295,246	\$ 270,347
Net increase (decrease) in operating cash	(74,244)	10,735
Increase (decrease) in funds held for others	(9,641)	14,164
Cash and Restricted Cash, ending	<u>\$ 211,361</u>	<u>\$ 295,246</u>
Cash, operating	\$ 127,377	\$ 201,621
Restricted Cash	83,984	93,625
<b>Cash and restricted cash</b>	<u>\$ 211,361</u>	<u>\$ 295,246</u>

See Notes to Financial Statements.



**The Associated Students, Inc.  
of California State University San Marcos**

**Notes to Financial Statements**

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

**Nature of operations:** The Associated Students, Inc. of California State University San Marcos (the Organization) is a nonprofit California corporation organized in 1994 as an auxiliary organization to California State University San Marcos (the University) operated in accordance with the General Nonprofit Corporation Law of the State of California. The Organization administers various student programs and activities. The Organization also operated the Early Learning Center, which provided child care and development services to children of the University's students, faculty, staff and the community. The Early Learning Center closed in October 2007. Student activity fees and other revenues are collected for the support of student-related programs and for the acquisition of assets that benefit the student body.

The Organization's financial statements are included as a component unit of the University's annual general-purpose financial statements. This is required by government accounting standards which apply to the University.

**Affiliated organizations:** The Organization is related to other auxiliaries of the University, including University Auxiliary and Research Services Corporation and San Marcos University Corporation. 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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *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.

**Notes to Financial Statements**

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

**Cash:** The Organization maintains an account with a financial institution with funds insured by the Federal Deposit Insurance Corporation (FDIC). The Organization's account 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 expire December 31, 2013. At June 30, 2010, the Organization's cash balance was fully insured.

**Inventory:** Inventory consists of tickets purchased by the Organization to local theme parks and movie theaters. The tickets are sold to the students so that they can benefit from group discounts. The tickets are recorded at cost.

**Property and equipment:** Acquisitions of property and equipment of \$500 or more are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Expenditures for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of 5 to 10 years.

**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.

**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. Actual results could differ from those estimates. These estimates include assessing the lives and methods for recording depreciation and amortization of property and equipment.

**Deferred revenue:** The Organization recognizes revenue related to student activity fees during the semester. Accordingly, certain student activity fees received in advance of the semester are included in deferred revenue.

**Revenue and support:** Each matriculated student of California State University San Marcos was required to pay \$50 per semester during the spring and fall semesters for an associated student body fee for the years ended June 30, 2010 and 2009, respectively. Extended education students pay \$45 per semester. During the summer semester, each student is required to pay \$50. These payments support the Organization's operations and are collected by the University Business Office and remitted to the Organization, at which time they are recorded as revenue. A portion of the student activity fees, based on anticipated student withdrawals, is maintained by the University Business Office for refunds. Each matriculated student is also required to pay \$35 per semester as a recreation fee. The Organization receives \$12 out of the \$35 on a reimbursement basis, at which time it is recorded as revenue.

**Notes to Financial Statements**

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

Revenue from grants/contracts is recognized to the extent of eligible costs incurred up to an amount not to exceed the total grant/contract authorized. Deferred revenue results from grant awards received that are applicable to the subsequent period.

Program service fees are reported as revenue when earned. Revenue from grants is recognized in program support as expenditures are made.

**Fair value of financial instruments:** The carrying amounts of financial instruments are recorded at fair value.

**Functional allocation of expenses:** The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income taxes:** The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Organization is not a private foundation.

**Subsequent events:** The organization has evaluated subsequent events through September 14, 2010, the completion date of this report, and has determined that there were no subsequent events to recognize in these financial statements.

**Reclassification:** Certain items on the financial statements as of and for the year 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.

**Recent accounting pronouncements:** In June 2009, the FASB issued ASU 2009-01, *Generally Accepted Accounting Principles* and approved the FASB Accounting Standards Codification (ASC or Codification) as the single source of authoritative nongovernmental U.S. GAAP. The Codification does not change previous US 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 accounting literature not included in the Codification will be considered non-authoritative. ASU 2009-01 is effective for interim and annual periods ending after September 15, 2009. The implementation of this update did not have an impact on the Organization's financial statements.

In July 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109* (FIN 48), which is primarily codified in ASC 740. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure and transition. The Organization has adopted FIN 48 for the year ending June 30, 2010 and the tax positions of the Organization were evaluated for uncertainty. FIN 48 did not have any impact on the Organization's financial statements.

**The Associated Students, Inc.  
of California State University San Marcos**

**Notes to Financial Statements**

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**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 for 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.

**Note 2. Property and Equipment**

Property and equipment consist of the following at June 30:

	<u>2010</u>	<u>2009</u>
Furniture and fixtures	\$ 84,888	\$ 84,888
Machinery and equipment	29,369	29,369
	<u>114,257</u>	<u>114,257</u>
Less accumulated depreciation	(111,284)	(105,668)
	<u>\$ 2,973</u>	<u>\$ 8,589</u>

**Note 3. Commitments and Contingencies**

**Operating leases:** The Organization leases office space from the University with annual rent of \$26,147. The lease expired in June 2010, but the Organization continues to occupy the space and intends to renew the lease during the year ending June 30, 2011. Total rent for the years ended June 30, 2010 and 2009 was \$26,147 and \$26,148, respectively.

The Organization leases equipment under noncancellable leases expiring at various times through 2014. The Organization also leases equipment under month-to-month lease agreements. Rent expense associated with equipment leases was \$25,382 and \$32,069 for the years ended June 30, 2010 and 2009, respectively.

Future minimum lease payments for these operating leases at June 30, 2010 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2011	\$ 5,137
2012	5,137
2013	5,137
2014	2,140
	<u>\$ 17,551</u>

**The Associated Students, Inc.  
of California State University San Marcos**

**Notes to Financial Statements**

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**Note 4. Transactions with Affiliates**

The Organization received accounting and other personnel services and reimbursed costs from the University during the years ended June 30, 2010 and 2009. Fees paid to the University for these services during the years ended June 30, 2010 and 2009 totaled \$194,300 and \$191,854, respectively. Related accounts payable for reimbursed services due to the University at June 30, 2010 and 2009 totaled \$4,671 and \$542, respectively. Payments received from the University for services, space and programs during the years ended June 30, 2010 and 2009 totaled \$79,901 and \$65,829, respectively.

The Organization had a receivable due from the University for cost reimbursements at June 30, 2009 in the amount of \$155. The amount was included in accounts receivable in the statements of financial position.

Excess money of the Organization is held by the University in a pooled investment account. The amount held on behalf of the Organization and its proportional share of investment income is included in accounts receivable. At June 30, 2010 and 2009, the amount held by the University in the pooled investment account was \$599,100 and \$404,375, respectively. This account is made up of Level 1 investments, in its entirety. The Organization's proportionate share of the investment return for the years ended June 30, 2010 and 2009 was \$1,944 and \$12,642, respectively.

At June 30, 2010 and 2009, the Organization was holding funds for various student organizations in the amount of \$83,984 and \$93,625, respectively. The Organization has recorded a liability for these funds held for others and has classified the related cash as restricted in the statements of financial position.

## **Supplemental Schedules**

The Associated Students, Inc. of California State University San Marcos

Schedule of Net Assets

June 30, 2010

(for inclusion in the California State University)

**Assets**

<b>Current Assets</b>	
Cash and cash equivalents	\$ 127,377
Short-term investments	-
Accounts receivable, net	599,100
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	21,040
<b>Total current assets</b>	<u>747,517</u>
<b>Noncurrent Assets</b>	
Restricted cash and cash equivalents	83,984
Accounts receivable, net	-
Leases receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	2,973
Other assets	3,000
<b>Total noncurrent assets</b>	<u>89,957</u>
<b>Total assets</b>	<u>\$ 837,474</u>

**Liabilities**

<b>Current Liabilities</b>	
Accounts payable	\$ 20,619
Accrued salaries and benefits payable	44,450
Accrued compensated absences, current portion	-
Deferred revenue	116,191
Capitalized lease obligations, current portion	-
Long-term debt obligations, current portion	-
Self-insurance claims liability, current portion	-
Other liabilities	83,984
<b>Total current liabilities</b>	<u>265,244</u>
<b>Noncurrent Liabilities</b>	
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	
Other liabilities	
<b>Total noncurrent liabilities</b>	<u>-</u>
<b>Total liabilities</b>	<u>\$ 265,244</u>

The Associated Students, Inc. of California State University San Marcos

Schedule of Net Assets, Continued

June 30, 2010

(for inclusion in the California State University)

**Net Assets**

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Invested in capital assets, net of related debt	\$	2,973
Restricted for:		
Nonexpendable, endowments		-
Expendable:		
Scholarships and fellowships		-
Research		-
Loans		-
Capital projects		-
Debt service		-
Other		-
Unrestricted		<u>569,257</u>
<b>Total net assets</b>	\$	<u><u>572,230</u></u>



**The Associated Students, Inc. of California State University San Marcos**

**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 \$51,235)	\$ 1,068,638
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)	80,337
Other operating revenues	-
<b>Total operating revenues</b>	<u>1,148,975</u>
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	148,027
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	905,099
Depreciation and amortization	5,616
<b>Total operating expenses</b>	<u>1,058,742</u>
<b>Operating income (loss)</b>	<u>90,233</u>
Nonoperating revenues (expenses):	
State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	1,994
Endowment income	-
Interest expenses	-
Other nonoperating revenues	-
<b>Net operating revenues</b>	<u>1,994</u>
<b>Income before other additions</b>	<u>92,227</u>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
<b>Increase (decrease) in net assets</b>	<u>92,227</u>
Net assets:	
Net assets at beginning of year, as previously reported	480,003
Restatements	-
Net assets at beginning of year, as restated	<u>480,003</u>
Net assets at end of year	<u>\$ 572,230</u>

**The Associated Students, Inc. of California State University San Marcos**  
 Other Information  
 June 30, 2010  
 (for inclusion in the California State University)

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

Portion of restricted cash and cash equivalents related to endowments	\$ -
All other restricted cash and cash equivalents	83,984
Total restricted cash and cash equivalents	\$ 83,984

**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)			-			-	-
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, GNMA's)			-			-	-
Land and other real estate			-			-	-
Certificates of deposit			-			-	-
Notes receivable			-			-	-
Mutual funds			-			-	-
Collateralized mortgage obligations:			-			-	-
Inverse floaters			-			-	-
Interest-only strips			-			-	-
Agency pass-through			-			-	-
Private pass-through			-			-	-
Other major investments:			-			-	-
Add description			-			-	-
Add description			-			-	-
Add description			-			-	-
Add description			-			-	-
Add description			-			-	-
Total investments	-	-	-	-	-	-	-
Less endowment investments (enter as negative number)							
Total investments	\$ -	-	-	-	-	-	-

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**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:**

	<b>Amount</b>
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:**

	<b>Amount</b>
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	\$ -

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

	<u>Balance June 30, 2009</u>	<u>Prior Period Adjustments</u>	<u>Reclassifications</u>	<u>Balance June 30, 2009 (restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfers of Completed CWIP</u>	<u>Balance June 30, 2010</u>
Nondepreciable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	114,257	-	-	114,257	-	-	-	114,257
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total depreciable capital assets	<u>114,257</u>	<u>-</u>	<u>-</u>	<u>114,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,257</u>
Total capital assets	<u>114,257</u>	<u>-</u>	<u>-</u>	<u>114,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,257</u>
Less accumulated depreciation:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(105,668)	-	-	(105,668)	(5,616)	-	-	(111,284)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation	<u>(105,668)</u>	<u>-</u>	<u>-</u>	<u>(105,668)</u>	<u>(5,616)</u>	<u>-</u>	<u>-</u>	<u>(111,284)</u>
Total capital assets, net	<u>\$ 8,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,589</u>	<u>\$ (5,616)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,973</u>

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

Depreciation and amortization expense related to capital assets	\$ 5,616
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 5,616

**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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capitalized lease obligations:									
Gross balance	-	-	-	-	-	-	-	-	-
Unamortized premium (discount) on capitalized lease obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-	-
Long-term debt obligations:									
Revenue bonds	-	-	-	-	-	-	-	-	-
Other bonds (non-revenue bonds)	-	-	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	-	-	-
Other:									
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-	-
Unamortized bond premium (discount)	-	-	-	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	-	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**5 Future minimum lease payments, capital lease obligations:**

<u>Years Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
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>
Total minimum lease payments			-
Less amounts representing interest			<u>          </u>
Present value of future minimum lease payments			-
Less current portion			<u>          </u>
<b>Capitalized lease obligation, net of current portion</b>			<u><u>          </u></u> <u>          </u>

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**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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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**7.1 Calculation of net assets invested in capital assets, net of related debt**

	<u>Auxiliary Organizations</u>		<u>Total Auxiliaries</u>
	<u>GASB</u>	<u>FASB</u>	
Capital assets, net of accumulated depreciation	\$ -	\$ 2,973	\$ 2,973
Capitalized lease obligations, current portion	-	-	-
Capitalized lease obligations, net of current portion	-	-	-
Long-term debt obligations, current portion	-	-	-
Long-term debt obligations, net of current portion	-	-	-
Portion of outstanding debt that is unspent at year-end	-	-	-
Other adjustments: (please list)			
(Add description)	-	-	-
(Add description)	-	-	-
(Add description)	-	-	-
(Add description)	-	-	-
Net assets invested in capital assets, net of related debt	<u>\$ -</u>	<u>2,973</u>	<u>2,973</u>

**7.2 Calculation of net assets - Restricted for nonexpendable - endowments**

Portion of restricted cash and cash equivalents related to endowments	\$ -	\$ -	\$ -
Endowment investments	-	-	-
Other adjustments: (please list)			
(Add description)	-	-	-
(Add description)	-	-	-
(Add description)	-	-	-
(Add description)	-	-	-
(Add description)	-	-	-
(Add description)	-	-	-
(Add description)	-	-	-
(Add description)	-	-	-
(Add description)	-	-	-
(Add description)	-	-	-
Net assets - Restricted for nonexpendable - endowments per SNA	<u>\$ -</u>	<u>-</u>	<u>-</u>



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**8 Transactions with related entities:**

	<b>Amount</b>
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	194,300
Payments received from University for services, space and programs	79,901
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)	(4,671)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University	-
Bond principal and interest payments paid to the University	-

**9 Other Postemployment Benefits Obligation (OPEB)**

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

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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	-
Add description	-
Total pollution remediation liabilities	\$ -
Less current portion	-
Pollution remediation liabilities, net of current portion	-

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

	Net Asset Class	Amount Dr. (Cr.)
Net assets as of June 30, 2009, as previously reported		\$ 480,003
Prior period adjustments:		
1 (list description of each adjustment)		-
2 (list description of each adjustment)		-
3 (list description of each adjustment)		-
4 (list description of each adjustment)		-
5 (list description of each adjustment)		-
6 (list description of each adjustment)		-
7 (list description of each adjustment)		-
8 (list description of each adjustment)		-
9 (list description of each adjustment)		-
10 (list description of each adjustment)		-
Net assets as of June 30, 2009, as restated		\$ 480,003

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

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