

CSU FULLERTON
AUXILIARY SERVICES CORPORATION

Financial Statements and Supplementary Information

June 30, 2010

(With Independent Auditors' Report Thereon)

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Table of Contents

	Page
Independent Auditors' Report	1-2
Financial Statements:	
Statement of Financial Position	3-4
Statement of Activities	5-6
Statement of Changes in Net Assets	7
Statement of Cash Flow	8
Notes to Financial Statements	9-21
Supplementary Information	
Statement of Financial Position (by fund)	22-23
Schedule of Activity Information by Natural Classification	24
Combining Statement of Activities Information-Auxiliary Enterprise Activities	25
Source of Funding and Expenditures for Sponsored Programs	26
Schedule of Net Assets	27
Schedule of Revenues, Expenses, and Changes in Net Assets	28
Other Information	29-35

Guzman & Gray

Certified Public Accountants

4510 East Pacific Coast Highway, Suite 270
Long Beach, California 90804

Mark Gray, C.P.A.
Patrick S. Guzman, C.P.A.

(562) 498-0997 Fax: (562) 597-7359

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
CSU Fullerton,
Auxiliary Services Corporation
Fullerton, California

We have audited the accompanying statement of financial position of CSU Fullerton Auxiliary Services Corporation (a California State University Auxiliary Organization) (ASC) as of June 30, 2010, and the related statements of activities, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the ASC's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from the Organization's June 30, 2010 financial statements and, in our report dated September 2, 2010 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ASC 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2010, on our consideration of ASC's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules on pages 22 – 35 is presented for purposes of additional analysis and is not required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Guzman & Gray CPAs

A handwritten signature in cursive script, reading "Guzman & Gray".

Long Beach, California
September 7, 2010

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Statement of Financial Position

June 30, 2010

(With comparative financial information for the year ended June 30, 2009)

Assets	Total 2010	Total 2009
Current assets:		
Cash and cash equivalents	\$ 13,941,187	\$ 11,926,659
Investments	6,103,361	5,271,870
Accounts receivable:		
Sponsored programs	2,124,057	2,059,520
Other receivables	1,071,106	879,239
Less allowance for doubtful accounts	(477,830)	(406,151)
Total accounts receivable, net	2,717,333	2,532,608
Inventories	3,111,872	4,274,659
Capital lease receivable, current portion	385,000	635,000
Due from affiliates, current portion	416,188	163,436
Other current assets	189,098	4,417
Total current assets	26,864,039	24,808,649
Property, plant, and equipment:		
Land	3,078	3,078
Building and improvements	582,870	582,870
Equipment, furniture, and fixtures	6,161,157	5,729,279
Leasehold improvements	9,980,791	9,508,370
	16,727,896	15,823,597
Less accumulated depreciation and amortization	(12,219,401)	(11,334,719)
Total property, plant, and equipment, net	4,508,495	4,488,878
Other assets:		
Restricted cash – debt reserve	0	2,231,000
Restricted cash – debt service	0	2,208,118
Due from affiliates, net of current	17,334,447	17,929,094
Capital lease receivable, net of current	27,860,000	22,313,333
Annuity and life estate investments	437,739	385,595
Total other assets	45,632,186	45,067,140
Total assets	\$ 77,004,720	\$ 74,364,667

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Statement of Financial Position

June 30, 2010

(With comparative financial information for the year ended June 30, 2009)

Liabilities and Net Assets	Total 2010	Total 2009
Current liabilities:		
Accounts payable	\$ 2,146,016	\$ 2,937,932
Accrued liabilities	1,990,913	1,981,466
Accrued interest payable	243,266	768,349
Receipts in excess of expenditures on sponsored programs	3,395,961	2,957,040
Deposits held in custody for others	183,826	4,322,154
Current portion of notes payable	540,000	685,000
Current portion Post retirement benefit	78,185	68,155
Current portion of annuity and unitrust	23,858	19,262
Total current liabilities	<u>8,602,025</u>	<u>13,739,358</u>
Noncurrent liabilities:		
Noncurrent portion of notes payable	43,562,296	39,326,000
Noncurrent portion Post retirement benefit	4,560,874	3,354,128
Noncurrent portion of unitrust liabilities	280,379	246,301
Total noncurrent liabilities	<u>48,403,549</u>	<u>42,926,429</u>
Total liabilities	<u>57,005,574</u>	<u>56,665,787</u>
Net assets:		
Unrestricted net assets	19,865,644	17,575,054
Temporarily restricted – remainder interest for support of Auxiliary services	133,502	123,826
Total net assets	<u>19,999,146</u>	<u>17,698,880</u>
Total liabilities and net assets	<u>\$ 77,004,720</u>	<u>\$ 74,364,667</u>

See accompanying independent auditors' report and notes to the financial statements

**CSU FULLERTON AUXILIARY SERVICES
CORPORATION**

Statement of Activities
Year ended June 30, 2010

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:			
Enterprise Activities:			
Sales	\$ 21,577,380	\$	\$ 21,577,380
Commissions, Fees, Other	1,640,931		1,640,931
Total Enterprise Activities	<u>23,218,311</u>		<u>23,218,311</u>
Programs Activities:			
Grants and Contracts	16,408,490		16,408,490
University support programs	2,428,136		2,428,136
University Extended Education programs	4,479,963		4,479,963
Total Programs Revenue	<u>23,316,589</u>	<u>-</u>	<u>23,316,589</u>
General activities:			
Rental property	4,873,172		4,873,172
Investment Income	107,323		107,323
Net unrealized and realized gains on Investment	857,925		857,925
Charitable remainder trust investment income		73,479	73,479
Administrative Fees and Other Revenue	2,799,772		2,799,772
Total General Fund Activities	<u>8,638,192</u>	<u>73,479</u>	<u>8,711,671</u>
Total revenues and support	55,173,092	73,479	55,246,571
Net assets released from restrictions	<u>63,803</u>	<u>(63,803)</u>	<u>-</u>
Total support and revenue and net assets released from restrictions	<u>55,236,895</u>	<u>9,676</u>	<u>55,246,571</u>
Expenses and other changes			
Enterprise Activities:			
Bookstores	15,694,385		15,694,385
Dining services	5,885,836		5,885,836
Total Enterprise Activities	<u>21,580,221</u>		<u>21,580,221</u>
Programs Activities:			
Grants and Contracts	16,408,490		16,408,490
University support programs	2,851,494		2,851,494
University Extended Education programs	4,424,664		4,424,664
Charitable remainder trust expenses	63,803		63,803
Total programs expenses	<u>23,748,451</u>		<u>23,748,451</u>
General expenses:			
Rental Property Expense	4,173,053		4,173,053
Administrative	4,962,429		4,962,429
Total General expense	<u>9,135,482</u>	<u>-</u>	<u>9,135,482</u>
Designated expense	562,094		562,094
Total expenses	<u>55,026,248</u>	<u>-</u>	<u>55,026,248</u>
Increase (Decrease) in net assets from operating activities	210,647	9,676	220,323
Non-operating activities:			
Other income recognizing university support programs	4,188,697		4,188,697
Pension-related changes other than net periodic pension cost	(15,758)	-	(15,758)
Loss on defeasement of 2000A and 2000B bonds	(2,092,996)		(2,092,996)
Total Nonoperating activities:	<u>2,079,943</u>	<u>-</u>	<u>2,079,943</u>
Change in net assets	2,290,590	9,676	2,300,266
Net assets at beginning of year	17,575,054	123,826	17,698,880
Net assets at end of year	<u>\$ 19,865,644</u>	<u>\$ 133,502</u>	<u>\$ 19,999,146</u>

See accompanying independent auditors' report and notes to the financial statements

**CSU FULLERTON AUXILIARY SERVICES
CORPORATION**

Statement of Activities
Year ended June 30, 2009

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:			
Enterprise Activities:			
Sales	23,704,706	\$	\$ 23,704,706
Commissions, Fees, Other	1,583,631		1,583,631
Total Enterprise Activities	<u>25,288,337</u>		<u>25,288,337</u>
Programs Activities:			
Grants and Contracts	17,663,206		17,663,206
University support programs	-		-
University Extended Education programs	4,274,956		4,274,956
Total Programs Revenue	<u>21,938,162</u>	<u>-</u>	<u>21,938,162</u>
General activities:			
Rental property	4,958,566		4,958,566
Investment Income	26,006		26,006
Net unrealized and realized gains on Investment	(1,044,767)		(1,044,767)
Charitable remainder trust investment income		(21,476)	(21,476)
Administrative Fees and Other Revenue	2,830,009		2,830,009
Total General Fund Activities	<u>6,769,814</u>	<u>(21,476)</u>	<u>6,748,338</u>
Total revenues and support	53,996,313	(21,476)	53,974,837
Net assets released from restrictions	-	-	-
Total support and revenue and net assets released from restrictions	<u>53,996,313</u>	<u>(21,476)</u>	<u>53,974,837</u>
Expenses and other changes			
Enterprise Activities:			
Bookstores	17,151,313		17,151,313
Dining services	6,292,631		6,292,631
Total Enterprise Activities	<u>23,443,944</u>		<u>23,443,944</u>
Programs Activities:			
Grants and Contracts	17,663,206		17,663,206
University support programs	-		-
University Extended Education programs	4,963,366		4,963,366
Charitable remainder trust expenses	-		-
Total programs expenses	<u>22,626,572</u>		<u>4,963,366</u>
General expenses:			
Rental Property Expense	4,296,966		4,296,966
Administrative	3,554,656		3,554,656
Total General expense	<u>7,851,622</u>	<u>-</u>	<u>7,851,622</u>
Designated expense	517,052		517,052
Total expenses	<u>54,439,190</u>	<u>-</u>	<u>54,439,190</u>
Increase (Decrease) in net assets from operating activities	(442,877)	(21,476)	(464,353)
Non-operating activities:			
Other income recognizing university support programs			-
Pension-related changes other than net periodic pension cost	12,389		12,389
Loss on defeasement of 2000A and 2000B bonds			-
Total Nonoperating activities:	<u>12,389</u>	<u>-</u>	<u>12,389</u>
Change in net assets	(430,488)	(21,476)	(451,964)
Net assets at beginning of year	18,005,542	145,302	18,150,844
Net assets at end of year	<u>17,575,054</u>	<u>\$ 123,826</u>	<u>\$ 17,698,880</u>

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Statement of Changes in Net Assets

Year ended June 30, 2010

(With comparative financial information for the year ended June 30, 2009)

	<u>General</u>	<u>Designated</u>	<u>Buildings Fund</u>	<u>Auxiliary Enterprises</u>	<u>Univ. Support Programs</u>	<u>Quasi- endowment</u>	<u>Total Unrestricted</u>	<u>Temporary Restricted</u>	<u>Total 2010</u>	<u>Total 2009</u>
Net assets at beginning of year	\$ 5,530,708	1,271,207	4,588,724	5,885,185	0	299,230	17,575,054	123,826	17,698,880	18,150,844
Change in net assets	(1,407,041)	(313,860)	(1,392,874)	1,638,091	(423,359)	936	(1,898,107)	9,676	(1,888,431)	(451,964)
Transfer and reclassifications		325,000		(325,000)	4,188,697		4,188,697	0	4,188,697	0
Designations from other classifications	2,073,264	0	0	(2,073,264)	0	0	0	0	0	0
Net assets at end of year	\$ 6,196,931	1,282,347	3,195,850	5,125,012	3,765,338	300,166	19,865,644	133,502	19,999,146	17,698,880

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Statement of Cash Flows

Year ended June 30, 2010

(With comparative financial information for the year ended June 30, 2009)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,300,266	\$ (451,964)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	884,683	898,256
Realized and unrealized (gain) loss on investments	(931,404)	1,063,593
Gain on the sale of equipment	-	(18,706)
Decrease (increase) in value of annuity and life estate investments	(52,144)	69,414
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(184,725)	296,051
Decrease (increase) in inventories	1,162,787	(1,096,421)
Decrease (increase) in other current assets	65,319	(34,331)
Decrease (increase) in restricted cash	4,439,118	820,540
Increase (decrease) in accounts payable	(1,316,999)	560,587
Increase (decrease) in post retirement benefit	1,216,776	405,870
Increase (decrease) in accrued liabilities	9,447	(344,744)
Increase (decrease) in receipts in excess of expenditures on specific sponsored programs	438,921	(356,572)
Increase (decrease) in deposits held in custody for others	<u>(4,138,328)</u>	<u>37,512</u>
Net cash and cash equivalents provided by operating activities	<u>3,893,717</u>	<u>1,849,085</u>
Cash and cash equivalents from investing activities:		
Purchase of fixed assets	(904,300)	(995,803)
Proceeds from sale of fixed assets	-	18,706
Purchase /Sales of investments net of (gain)/ loss	<u>99,913</u>	<u>118,309</u>
Net cash and cash equivalents used in investing activities	<u>(804,387)</u>	<u>(858,788)</u>
Cash and cash equivalents from financing activities:		
Payments on bonds and capital lease obligations	(685,000)	(605,000)
Decrease (increase) in due from affiliates	341,895	(14,328,772)
Decrease (increase) in capital lease receivable	(5,546,667)	635,000
Increase (decrease) in bond payable	4,776,296	14,341,000
Increase (decrease) in annuity and unitrust payable	<u>38,674</u>	<u>(47,938)</u>
Net cash and cash equivalents used in financing activities	<u>(1,074,802)</u>	<u>(5,710)</u>
Net increase in cash and cash equivalents	2,014,528	984,587
Cash and cash equivalents at beginning of year	<u>11,926,659</u>	<u>10,942,072</u>
Cash and cash equivalents at end of year	\$ <u>13,941,187</u>	\$ <u>11,926,659</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ <u>1,459,773</u>	\$ <u>1,491,323</u>
Cash paid during the year for income taxes	<u>None</u>	<u>None</u>

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(1) Organization

CSU Fullerton Auxiliary Services Corporation (ASC) is a nonprofit California corporation that is an auxiliary organization of California State University, Fullerton (the University). ASC assists the University in various activities, including developing and administering research and educational grants and contracts, managing bookstore, food services, college park building operations, and administering various educationally-related functions, special programs, and other activities.

(2) Summary of Significant Accounting Policies

A summary of ASC's significant accounting policies applied in the preparation of the accompanying financial statements follows:

(a) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

(b) Basis of Presentation

The financial statements of ASC have been presented in accordance with the *Auditing and Accounting Guide for Not-For-Profit Organizations* issued by the American Institute of Certified Public Accountants. Accordingly, net assets of ASC and changes therein are classified and reported as follows:

Unrestricted Net Assets

Unrestricted net assets include all net assets that are not subject to donor-imposed restrictions and can be expended for any purpose in performing the primary function of ASC. Restricted assets received and expended in the fiscal year are accounted for as unrestricted activities. ASC groups its assets, liabilities, revenues, and expenses into certain classifications within unrestricted net assets. A description of each classification follows:

General

"General" contains those transactions not included in other classifications. This classification includes administrative functions as well as sponsored programs' activity. Sponsored programs' activity includes research and educational grants and contracts from government and private institutions, as well as the non-credited University's Extended Education Program.

Designated

"Designated" represents the activity of certain assets which ASC's Board of Directors has set aside for specific purposes.

Buildings Fund

"Buildings Fund" activities represent transactions related to the lease financing transactions of the College Park and Police building, as well as related expenditures

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(2) Summary of Significant Accounting Policies (continued)

Auxiliary Enterprises

“Auxiliary Enterprises” represent transactions related to ASC’s ongoing revenue producing, self-supporting activities that are conducted in support of the University’s activities. It is ASC’s policy to record and group all of the enterprise activities’ administrative expenses as part of the “general” classification. The enterprise activities consist primarily of the activities of the bookstore and food service operations at the University.

University Support Programs

“University Support Programs” represent self-sustaining programs that are conducted in support of the University’s activities. ASC has entered into agreements with the University’s various colleges to carry out the activities of these programs. These programs consist primarily of Centers, Institutes, Conferences, and Workshops operations at the University. These programs are responsible for providing delivery of noncredit, instructionally related programs and services provided by ASC. Therefore ASC is obligated to report these revenues and expenses. Consequently, ASC recognized a \$4,188,697 increase in net assets for prior year University support programs in the year ended June 30, 2010.

Assets Held in Custody of Others

Funds held by ASC on behalf of University-affiliated ancillary organizations are recorded within the statements of financial position as deposits held in custody. ASC is acting as an agent for the transactions of these units, and the revenue and expense activity of the organizations is not recorded.

University Extended Education

ASC has entered into a contract with the University’s Extended Education Program. This program is responsible for providing delivery of noncredit, instructionally related programs and courses provided by ASC. For fiscal year 2010, net income totaling \$55,299 is included in the statement of activities under the general funds activities.

Quasi-Endowments

“Quasi-endowment” accounts primarily represent transactions that the ASC’s Board of Directors has designated as income-producing investments, where the principal is not to be used to support general activities of ASC. Such assets have no donor-imposed restrictions or the restrictions have already expired.

Temporarily Restricted Net Assets

Temporarily restricted net assets are net assets whose use is limited by either donor-imposed time restrictions or purpose restrictions. Time restrictions require resources to be used in a certain period or after a specified date. Purpose restrictions require resources to be used for a

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

specific purpose. ASC groups its assets, liabilities, revenues, and expenses into a certain classification within temporarily restricted net assets as follows:

(2) Summary of Significant Accounting Policies (continued)

Endowments

“Endowment” accounts include gifts made to ASC for which donor-imposed restrictions have not been met. These gifts are typically in the form of charitable remainder trusts or charitable annuities received by ASC. The assets are recorded at fair value, with both a corresponding liability representing the amounts due to the annuitant and net assets representing the remainder interest that will ultimately revert to ASC. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets

Permanently restricted net assets are net assets that are subject to donor-imposed restrictions that the principal be maintained in perpetuity and invested for the purposes of providing a permanent source of income. ASC had no permanently restricted net assets as of June 30, 2010.

(c) Grants and Contracts

ASC serves as administrator for the University various grants and contracts awarded by both governmental and private institutions. Contractual and earned receivables from grants and contracts activities totaled \$2,124,057 for June 30, 2010 and are shown in the accompanying statement of financial position as sponsored programs receivables. Amounts received by ASC in excess of expenditures totaling \$3,395,961, for June 30, 2010 are presented in the accompanying statement of financial position as receipts in excess of expenditures on sponsored programs. Support received under grants and contracts is recorded as revenue as it is earned through expenditures in accordance with the agreements. Grants and Contracts are subject to review by the grantor.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist primarily of investments in the State Treasurer’s Local Agency Investment Fund (LAIF), fixed income securities, and deposits at financial institutions. ASC considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

(e) Concentration of Credit

ASC maintains its cash accounts with several major commercial banks and financial institutions and is exposed to credit risk for amounts exceeding amounts insured by the Federal Deposit Insurance Corporation. In addition, the majority of the investment portfolio at June 30, 2010 was held by Local Agency Investment Fund. ASC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash and cash equivalents.

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(2) Summary of Significant Accounting Policies (continued)

(f) *Receivables*

“Receivables” are primarily comprised of reimbursements for grants and contract expenditures according to contractual agreements, amounts due from various University departments for bookstore sales, and catering services.

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

(g) *Investments*

ASC accounts for investments in equity securities with readily determinable fair values, investments in debt securities, and investments in real estate at fair value, with gains and losses included in the statement of activities. Gains and losses on investments are reported in the statement of activities as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by donor-imposed stipulations.

(h) *Inventories*

ASC accounts for inventories using the retail-inventory method of accounting, at the lower of cost (first-in, first-out method) or market. Inventories consist of books, computers, supplies, clothing and food.

(i) *Property, Plant, and Equipment*

Fixed assets are stated at cost or, if donated, at their estimated fair market value at the date of donation. Betterments that materially prolong the life of assets are capitalized. Repairs and maintenance that do not prolong the life of assets are expensed currently. Depreciation and amortization for the year ended June 30, 2010 was \$884,683.

Depreciation and amortization are calculated on the straight-line method and are based upon the estimated useful lives of the assets, which range from three to ten years. Leasehold improvements are amortized using the straight-line method over their estimated useful lives or the term of the lease, whichever is shorter.

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(2) Summary of Significant Accounting Policies (continued)

(j) *Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

(k) *Income Taxes*

ASC is exempt from federal income and California franchise taxes under Sections 501(c)(3) of the Internal Revenue Code and 23701(d) of the California Revenue and Taxation Code, respectively. No income tax provision has been recorded as the net income, if any, from unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

(l) *Comparative Data/Reclassification*

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ASC's financial statements for the year ended June 30, 2009. Certain reclassifications have been made to assist in comparability.

(m) *Functional Expense*

ASC's expenses were allocated between programs and management as follows:

Program	\$ 50,063,819
Management	<u>4,962,429</u>
Total Expenses	<u>\$ 55,026,248</u>

(o) *Recent Accounting Pronouncement*

The Financial Accounting Standards Board ("FASB") implemented the FASB Accounting Standards Codification (Codification) effective July 1, 2009. The codification has become the source of authoritative Generally Accepted Accounting Principles ("GAAP") recognized by FASB to be applied to nongovernmental entities. On the effective date of Codification, the Codification superseded all then existing accounting and reporting standards. All other non-grandfathered accounting literature not included in the Codification has become non-authoritative. References to GAAP included in the FASB Codification are noted as Accounting Standards Codification ("ASB").

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(2) Summary of Significant Accounting Policies (continued)

In July, 2006, the Financial Accounting Standards Board issued Financial Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, subsequently included in the Codification as ASC 740. ASC 740 establishes standards for the recognition of income taxes for tax positions taken in income tax returns. Management has determined that there is no effect on the financial statements.

In May 2009, the FASB issued FASB ASC 855, *Subsequent Events*. FASB ASC 855 establishes general standards of accounting for and disclosures of events that occur after the statement of financial position date but before financial statements are issued or are available to be issued. Among other things, SFAS requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. FASB ASC 855 is effective for interim or annual financial periods after June 15, 2009. This statement did not have an effect on ASC's financial statements. In connection with the adoption of FASB ASC 855, ASC has evaluated subsequent events through September 7, 2010 (the date the report was made available) for the year ended June 30, 2010.

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(3) Bonds Payable/Capital Lease Receivable

- (a) The CSU Fullerton Auxiliary Services Corporation, issued Auxiliary Organization Revenue Bonds, \$18,990,000 Series 2000A and \$9,275,000 Series B remarketed bonds to provide conduit financing for the acquisition of a ten-story office building adjacent to the University. On March 1, 2010, ASC entered into a loan agreement with the State of California, acting through the Board of Trustees of the California State University (Board), to refund and defease the 2000A and 2000B bond. The board assisted ASC by issuing its System Revenue Bonds Series 2010A (SRB 2010A) and depositing \$23,628,147 into an irrevocable escrow account to redeem the 2000A and 2000B series bonds maturing in 2030. Bonds 2000A and 2000B are considered defeased and are not recorded on the financial statements. SRB 2010A loan amount of \$22,040,000 bears interest at a varying rate which has averaged 3.70% annually. Loan payments are due and payable on May1 and November 1 of each year, commencing November 1, 2010, through and including November 1, 2030. The term of the related capital lease agreement between ASC and the University is 30 years during which time the University will be obligated to make rental payments to ASC at estimated market value amounts, or at least amounts sufficient to pay regularly scheduled debt service including interest on the bonds. Accordingly, ASC has recorded a capital lease receivable of \$22,040,00 (current portion: \$280,000; long term: \$21,760,000) representing the \$22,040,000 notes payable liability less \$280,000 current portion. Title to the Office Building will be transferred to the University upon the retirement or defeasance of all the outstanding bonds. The Interest expense on the SRB 2010A loan for the year ended June 30, 2010 was \$253,369.
- (b) During fiscal year 2008-2009 the CSU Fullerton Auxiliary Services Corporation agreed to support the CSUF Housing Authority in financing the loans used to acquire the University Heights project (consisting of 42 paired units in 21 buildings on a 3 acre site approximately 3 miles west of the campus in Fullerton, California) and the Creekside project, an off campus housing development in La Habra, California (consisting of 20 refurbished condominiums). On November 19, 2008 ASC entered into an a loan agreement with the State of California, acting through the Board of Trustees of the California State University (Board) to relieve the Housing Authority financial obligation. The Board assisted ASC by issuing a bond anticipated note (that will be used to secure certain commercial paper notes) in the principal amount of \$15,290,000. The loan bears interest at a varying rate which has averaged 0.37% annually. The principal balance of the loan is to be paid in full by 2019. The term of the related loan agreement between ASC and the CSUF Housing Authority will obligate the Housing Authority to make payments upon the sales of the project assets or receipt of leasing revenue to cover ASC's loan commitment.
- (c) On April 1, 2008, the CSU Fullerton Auxiliary Services Corporation simultaneously entered into a ground and facilities lease agreement (as lessee) and a sublease agreement (as lessor) with the State of California, acting through the Board of Trustees of the California State University (Board), to finance the construction of a one-story building on the campus of California State University Fullerton that will provide administrative and operational space for a police station and related facilities. Both lease agreements have a term of 30 years. The Board assisted ASC by issuing its System Revenue Bond 2008A in the principal amount

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(3) Bonds Payable/Capital Lease Receivable (continued)

of \$6,305,000. The bond bears interest at a varying rate averaging 4.25%. The principal balance of the loan is to be paid in full by 2038.

Future minimum payments on the bonds and loan are as follows:

Year Ending June 30:	Principal	Interest
2011	\$ 540,000	1,447,885
2012	1,179,314	1,370,048
2013	1,207,157	1,345,170
2014	1,262,157	1,312,906
2015	1,322,156	1,273,760
2016-2020	18,399,785	5,491,487
2021-2025	6,870,785	4,070,000
2026-2030	8,710,785	2,228,125
2031-2035	3,145,157	596,750
2036-2039	1,465,000	151,125
	<u>\$ 44,102,296</u>	<u>19,287,256</u>

(4) Investments

ASC investments are generally equity securities and publicly traded debt and are recoded at fair market value. Investments include the following at June 30, 2010:

	2010	2009
Investments:		
Equity securities	\$ 3,200,588	2,271,426
Common Fund Equity	1,778,189	1,571,593
Mutual fund	104,738	44,062
Annuities	346,195	323,546
Corporate Debt Securities	296,661	313,308
Other short-term investments	376,990	747,935
Total	<u>\$ 6,103,361</u>	<u>5,271,870</u>
Annuity & Life Estate Investments:		
Cash	\$ 1,428	2,653
Equity Securities	222,713	195,941
Money Market Funds	9,445	6,473
Mutual Funds	54,656	47,017
Debt Securities	46,479	38,372
Annual Fixed Allocation	103,018	95,139
Total	<u>\$ 437,739</u>	<u>385,595</u>

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(4) Investments (continued)

Investment return for the year ending June 30, 2010:

Realized gains and losses	\$ 68,230
Interest income and dividends	107,323
Total	<u>\$ 175,553</u>
Unrealized gains and losses on Investments	<u>\$ 789,695</u>

(5) Deferred Compensation Plan

The Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF) program is a tax-sheltered annuity program qualified under IRS Code Section 403(b). This is a defined contribution type plan under which an employee contributes 5% and ASC contributes 8% of an employee's annual salary to an account established for that employee. An option made available July 1997 allows the employee and employer to contribute an additional 2% and 4%, respectively. Both employee and ASC contributions are 100% vested when the contributions are made. The contributions accumulate earnings in an account on a tax-deferred basis, while the employee remains employed.

On termination of employment each employee is entitled to the balance of his or her account. Employees can also choose to contribute additional funds into TIAA-C Supplemental Retirement Annuity Certificates (457(b)). Employee deferrals are limited to \$20,500 per employee per year in aggregate for the 403(b) plan, and \$15,500 maximum deferral limit for the 457(b) plan. It is the policy of ASC to fund benefit costs as they are incurred. Total benefit expense for the year ended June 30, 2010 was \$438,718.

(7) Postretirement Health Benefit Plan

In addition to ASC's employer defined contribution plan, ASC provides lifetime postretirement medical coverage to employees who satisfy certain eligibility requirements. Retirees receive the same monthly allowance toward the cost of coverage as active employees.

The following table summarizes ASC's accrued postretirement benefit cost recorded in accrued liabilities in the accompanying statement of financial position at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Change in benefit obligation		
Benefit obligation at beginning of year	3,422,283	3,016,413
Service cost	164,045	150,219
Interest cost	210,392	192,844
Amendments	N/A	N/A
Actuarial loss	920,524	130,962
Acquisition	N/A	N/A
Benefits paid	<u>(78,185)</u>	<u>(68,155)</u>
Benefit obligation at end of year	<u>4,639,059</u>	<u>3,422,283</u>

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(7) Postretirement Health Benefit Plan (continued)

Change in plan assets

Fair value of plan assets at beginning of year	0	0
Actual return on plan assets	0	0
Acquisition	N/A	N/A
Employer contribution	0	0
Plan participants' contributions	0	0
Benefits paid	<u>0</u>	<u>0</u>
Fair value of plan assets at end of year	<u>0</u>	<u>0</u>

	<u>2010</u>	<u>2009</u>
Funded Status		
Benefit Obligation at June 30	4,639,059	3,422,283
Unrecognized net Transition Obligation	86,702	104,041
Unamortized prior service cost	0	0
Unrecognized net actuarial (gain)/loss	1,825,407	937,980
Accrued benefit cost	2,726,950	2,380,262
Measurement date	06/30/2010	06/30/2009
Funded status at end of year	<u>(4,639,059)</u>	<u>(3,422,283)</u>

Net Periodic Benefit Cost

Service Cost	164,045	150,219
Interest Cost	210,392	192,844
Expected return on plan assets	0	0
Amortization of Transition Obligation	17,339	17,339
Amortization of prior service cost	0	0
Amortization of net (gain) loss	<u>33,097</u>	<u>29,728</u>
Net periodic benefit cost	424,873	390,130

Assumptions

Weighted-average assumptions used to determine benefit obligations at June 30

	<u>2010</u>	<u>2009</u>
Discount Rate	5.50%	6.25%
Expected long-term return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(7) Postretirement Health Benefit Plan (continued)

For measurement purposes the 2010 weighted average assumptions used to determine the Health care cost trend rate is 7.60%, decreasing gradually to 5.50% in 2018 and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported.

ASC does not expect to contribute any funds to the plan during the next fiscal year. The following table contains annual projections for postretirement costs.

Projected Cost	
2010	\$ 116,073
2011	130,078
2012	145,424
2013	160,413
2014	169,949
Total	721,938
In aggregate for the next five years thereafter	1,062,832
	<u>\$ 1,784,769</u>

(8) Designated Net Assets

ASC designated unrestricted net assets for specific purposes. The following are the unexpended net asset balances that have been designated for specific purposes by the Board of Directors as of June 30, 2010:

	2010
Working Capital	\$ 2,177,000
Capital Replacement	3,623,000
Current Operations	200,000
Natural Disaster	200,000
Total	<u>\$ 6,200,000</u>

(9) Operating Lease Commitments

The ASC has various land and facilities operating leases, from both the University and Associated Students, Inc. These lease agreements are renegotiated periodically. Among other provisions, the leases require that ASC make payments based upon various percentages of net income received. ASC makes rental payments for various facilities. The rental expense for the year ended June 30, 2010 was \$252,436.

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(9) Operating Lease Commitments (continued)

Future minimum payments under operating lease agreements at June 30, 2010 are as follows:

Year ending June 30, 2010:

2011	\$	1,235,683
2012		1,540,758
2013		1,561,509
2014		1,582,628
2015		1,604,123
Total	\$	<u>7,524,701</u>

(10) Commitments and Contingencies

- (a) On June 16, 2005, the Board of Directors approved a loan request of \$3,500,000 to the University to assist in the funding of the construction of the College of Business and Economics building. The loan funds were transferred to the University on November 15, 2007. From the time of Board approval to the time of loan funds transferred, ASC accumulated in excess of \$500,000 to apply to the loan balance from various sources. This amount was applied to the principle amount on the first scheduled payment. The loan is to be retired as quickly as possible, but no later than December 31, 2021. The loan is collateralized by the University committing to a minimum repayment of \$375,000 per year. Loan payments shall consist of all available concession commissions, beverage marketing funds, and any additional funds required to bring the loan payment amount up to at least \$375,000 yearly. Interest on the loan shall be 0.5% above Local Agency Investment Fund, adjusted semi-annually on June 30 and December 31 of each year. Based on prior year Local Agency Investment Fund interest rate, the current portion of the loan is estimated at \$243,024.
- (b) During fiscal year 2008-2009, ASC increased the line of credit to the CSU Fullerton Housing Authority for the purpose of providing interim cash flow in anticipation of sales of the remaining housing units at the University Heights development. The line of credit maximum is \$1,250,000. Interest is calculated on the outstanding balance at .05% above Local Agency Investment Fund, adjusted semiannually on July 1 and January 2. As of June 30, 2010, the CSU Housing Authority has utilized \$970,815.

(11) Related party Transactions

ASC and the University provide a variety of services on each other's behalf. At June 30, 2010 receivables due from the University are \$693,169. Accounts payable include \$842,327 due to the University on June 30, 2010. These are the results of transactions in providing and receiving services. Amounts billed by ASC and included in revenues for the year ended June 30, 2010

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2010

(11) Related party Transactions (continued)

total \$12,698,749. Amounts billed to ASC included in expenses for the Year ended June 30, 2010 totaled \$5,954,507. Amounts due to CSU Fullerton ASI at June 30, 2010 totaled \$95,796. Amounts billed to CSU Fullerton ASI and included in receivables at June 30, 2010 totaled \$15,412.

(12) Fair Value Measurement

Fair values of assets measured on a recurring basis at June 30, 2010 are as follows:

		Quoted Prices in Active Markets	Observable Inputs	Unobservable Inputs
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Investments	\$ 6,103,361	6,103,361	-	-
Annuity & Life Estate	437,739	437,739	-	-

Fair values for investments and Annuity & Life Estate investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

SUPPLEMENTARY INFORMATION

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Statement of Financial Position

June 30, 2010

(With comparative financial information for the year ended June 30, 2009)

	General	Designated	Buildings Fund	Enterprises Activities	Univ. Support Programs	Quasi- endowments	Total Unrestricted	Temporary Restricted	Total 2010	Total 2009
Assets										
Current assets:										
Cash and cash equivalents	\$ 2,851,496	1,262,253	2,305,995	3,226,704	3,994,573	300,166	13,941,187	—	13,941,187	11,926,659
Investments	6,033,109	—	—	—	70,252	—	6,103,361	—	6,103,361	5,271,870
Accounts receivable:										
Sponsored programs	2,124,057	—	—	—	—	—	2,124,057	—	2,124,057	2,059,520
Other receivables	654,878	—	320	314,821	101,087	—	1,071,106	—	1,071,106	879,239
Less allowance for doubtful accounts	(402,519)	—	—	(75,311)	—	—	(477,830)	—	(477,830)	(406,151)
Total accounts receivable, net	2,376,416	—	320	239,510	101,087	—	2,717,333	—	2,717,333	2,532,608
Inventories	—	—	—	3,111,872	—	—	3,111,872	—	3,111,872	4,274,659
Capital lease receivable, current portion	—	—	385,000	—	—	—	385,000	—	385,000	635,000
Due from affiliates, current portion	416,188	—	—	—	—	—	416,188	—	416,188	163,436
Other current assets	183,964	—	—	3,552	1,582	—	189,098	—	189,098	4,417
Total current assets	11,861,173	1,262,253	2,691,315	6,581,638	4,167,494	300,166	26,864,039	—	26,864,039	24,808,649
Property, plant, and equipment:										
Land	—	—	—	—	3,078	—	3,078	—	3,078	3,078
Building and improvements	—	—	—	533,842	49,028	—	582,870	—	582,870	582,870
Equipment, furniture, and fixtures	1,790,648	—	21,589	4,320,963	27,957	—	6,161,157	—	6,161,157	5,729,279
Leasehold improvements	106,172	—	3,916,568	5,930,053	27,998	—	9,980,791	—	9,980,791	9,508,370
Less accumulated depreciation and amortization	1,896,820	—	3,938,157	10,784,858	108,061	—	16,727,896	—	16,727,896	15,823,597
Total property, plant, and equipment, net	(1,803,629)	—	(1,166,323)	(9,144,465)	(104,984)	—	(12,219,401)	—	(12,219,401)	(11,334,719)
Other assets:										
Restricted cash – debt reserve	93,191	—	2,771,834	1,640,393	3,077	—	4,508,495	—	4,508,495	4,488,878
Restricted cash – debt service	—	—	—	—	—	—	—	—	—	0
Due from affiliates, net of current	17,334,447	—	—	—	—	—	17,334,447	—	17,334,447	17,929,094
Capital lease receivable, net of current	—	—	27,860,000	—	—	—	27,860,000	—	27,860,000	22,313,333
Annuity and life estate investments	—	—	—	—	—	—	—	437,739	437,739	385,595
Total other assets	17,334,447	—	27,860,000	—	—	—	45,194,447	437,739	45,632,186	45,067,140
Total assets	\$ 29,288,811	1,262,253	33,323,149	8,222,031	4,170,571	300,166	76,566,981	437,739	77,004,720	74,364,667

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Statement of Financial Position

June 30, 2010

(With comparative financial information for the year ended June 30, 2009)

	General	Designated	Buildings Fund	Enterprises Activities	Univ. Support Programs	Quasi- endowments	Total Unrestricted	Temporary Restricted	Total 2010	Total 2009
Liabilities and Net Assets										
Current liabilities:										
Accounts payable	\$ 475,249	—	16,200	1,654,567	—	—	2,146,016	—	2,146,016	2,937,932
Accrued liabilities	737,772	—	54,540	811,434	387,167	—	1,990,913	—	1,990,913	1,981,466
Accrued interest payable	—	—	243,266	—	—	—	243,266	—	243,266	768,349
Receipts in excess of expenditures on sponsored programs	3,395,961	—	—	—	—	—	3,395,961	—	3,395,961	2,957,040
Deposits held in custody for others	—	—	—	—	183,826	—	183,826	—	183,826	4,322,154
Current portion of notes payable	155,000	—	385,000	—	—	—	540,000	—	540,000	685,000
Current portion Post retirement benefit	78,185	—	—	—	—	—	78,185	—	78,185	68,155
Current portion of annuity and unitrust	—	—	—	—	—	—	—	23,858	23,858	19,262
Total current liabilities	4,842,167	—	699,006	2,466,001	570,993	—	8,578,167	23,858	8,602,025	13,739,358
Noncurrent liabilities:										
Noncurrent portion of notes payable	14,134,000	—	29,428,296	—	—	—	43,562,296	—	43,562,296	39,326,000
Noncurrent portion Post retirement benefit	4,560,874	—	—	—	—	—	4,560,874	—	4,560,874	3,354,128
Noncurrent portion of unitrust liabilities	—	—	—	—	—	—	—	280,379	280,379	246,301
Total noncurrent liabilities	18,694,874	—	29,428,296	—	—	—	48,123,170	280,379	48,403,549	42,926,429
Total liabilities	23,537,041	—	30,127,302	2,466,001	570,993	—	56,701,337	304,237	57,005,574	56,665,787
Net assets:										
Unrestricted net assets	5,751,770	1,262,253	3,195,847	5,756,030	3,599,578	300,166	19,865,644	—	19,865,644	17,575,054
Temporarily restricted – remainder interest for support of Auxiliary services	—	—	—	—	—	—	—	133,502	133,502	123,826
Total net assets	5,751,770	1,262,253	3,195,847	5,756,030	3,599,578	300,166	19,865,644	133,502	19,999,146	17,698,880
Total liabilities and net assets	\$ 29,288,811	1,262,253	33,323,149	8,222,031	4,170,571	300,166	76,566,981	437,739	77,004,720	74,364,667

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION
Schedule of Activity Information by Natural Classification
Year ended June 30, 2010
(With summarized financial information for the year ended June 30, 2009)

	General	Designated	Real Property College Park	Enterprises Activities	University Support Programs	University Extended Education	Total Unrestricted	Temporary Restricted	Total 2010	Total 2009
Operating:										
Revenues, gains, and other support:										
Sales	\$ —	—	—	21,577,380	52,023	—	21,629,403	—	21,629,403	23,704,706
Program income	—	—	—	—	2,164,805	4,479,963	6,644,768	—	6,644,768	—
Administrative services	614,817	—	—	—	—	—	614,817	—	614,817	584,604
Indirect cost recovery	1,299,514	—	—	—	—	—	1,547,748	—	1,547,748	1,659,109
Grants and contracts	16,408,490	248,234	—	—	—	—	16,408,490	—	16,408,490	17,663,206
Quasi Endowment Interest income	936	—	—	—	—	—	936	—	936	4,274,956
Commission income	298	—	—	422,166	11,765	—	434,229	—	434,229	461,581
Investment Interest and dividend income	107,323	—	—	—	—	—	107,323	—	107,323	428,549
Rental income	8,775	—	4,757,789	439,349	—	—	5,205,913	—	5,205,913	5,337,264
Realized and unrealized gain (loss) on investments	857,925	—	—	—	—	—	857,925	73,479	931,404	(1,063,593)
Other income	627,196	—	115,386	779,416	199,542	—	1,721,540	—	1,721,540	924,455
Total revenues and other support	19,925,274	248,234	4,873,175	23,218,311	2,428,135	4,479,963	55,173,092	73,479	55,246,571	53,974,837
Payroll expense:										
Salaries and wages	2,146,640	—	186,629	3,642,088	1,072,946	2,016,475	9,064,778	—	9,064,778	6,290,415
Staff and benefits	1,522,734	—	17,583	795,901	160,731	485,472	2,982,421	—	2,982,421	1,438,568
Total payroll expenses	3,669,374	—	204,212	4,437,989	1,233,677	2,501,947	12,047,199	—	12,047,199	7,728,983
Operating expenses:										
Cost of sales	—	—	—	13,840,577	—	—	13,840,577	—	13,840,577	15,226,507
Advertising	1,059	—	—	67,444	5,555	9,067	83,125	—	83,125	80,386
Public Relations	17,846	—	—	34,011	30,991	17,940	100,788	—	100,788	70,839
Communications	34,210	—	2,755	78,044	23,641	68,739	207,389	—	207,389	122,252
Printing	39,779	—	—	17,221	159,335	47,507	263,842	—	263,842	62,369
Commissions Expense	—	—	28,802	442,112	—	—	470,914	—	470,914	288,945
Depreciation and amortization	74,107	—	221,563	589,013	—	215,622	884,683	—	884,683	898,256
Insurance	19,702	—	107,486	67,237	370	410,417	410,417	—	410,417	186,419
Audit and Legal fees	70,527	—	12,056	—	—	—	82,583	—	82,583	156,850
Repairs and maintenance	150,437	—	140,258	227,934	53,388	34,166	606,183	—	606,183	543,291
Supplies and materials	9,640	—	1,681	348,307	146,495	46,697	552,820	—	552,820	461,339
Scholarships	—	13,498	—	36,850	106,426	60,628	217,402	—	217,402	38,837
Rental	196,651	—	—	44,394	11,391	—	252,436	—	252,436	266,004
Contracted services	52,494	—	431,786	356,139	238,052	198,770	1,277,241	—	1,277,241	1,021,083
Travel	21,599	—	—	1,582	88,858	608,795	720,834	—	720,834	52,947
Utilities	—	—	465,411	224,805	6,519	—	696,735	—	696,735	734,664
Administrative fee	—	—	307,782	47,500	180,558	—	535,840	—	535,840	334,141
Debt service	28,147	—	2,191,209	—	—	—	2,219,356	—	2,219,356	2,096,323
Grants & contracts	16,408,490	—	—	154,155	66,465	—	16,408,490	—	16,408,490	17,663,206
Franchise royalty	—	—	—	—	—	—	220,620	—	220,620	146,453
Research support	—	246,736	—	—	—	—	246,736	—	246,736	256,748
Community outreach	—	255,532	—	—	—	—	255,532	—	255,532	187,911
General Faculty research awards	—	46,328	—	—	—	—	46,328	—	46,328	72,393
Property taxes	—	—	21,575	—	—	—	21,575	—	21,575	70,279
Other direct costs	576,858	—	36,477	564,906	499,773	614,786	2,292,800	63,803	2,356,603	5,671,765
Total operating expenses	17,701,546	562,094	3,968,841	17,142,231	1,617,817	1,922,717	42,915,246	63,803	42,979,049	46,710,207
Total expenses	21,370,920	562,094	4,173,053	21,580,220	2,851,494	4,424,664	54,962,445	63,803	55,026,248	54,439,190
Increase (Decrease) in net assets from operating activities	(1,445,646)	(313,860)	700,122	1,638,091	(423,359)	55,299	210,647	9,676	220,323	(464,353)
Nonoperating:										
Other recognizing university support programs	—	—	—	—	4,188,697	—	4,188,697	—	4,188,697	—
Pension-related changes other than net periodic pension cost	(15,758)	—	(2,092,996)	—	—	—	(15,758)	—	(15,758)	12,389
Loss on defeasement of 2000A and 2000B bonds	—	—	—	—	—	—	(2,092,996)	—	(2,092,996)	—
Change in net assets	\$ (1,461,404)	(313,860)	(1,392,874)	1,638,091	3,765,338	55,299	2,290,590	9,676	2,300,266	(451,964)

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION
Combining Statement of Activities Information – Auxiliary Enterprise Activities
Year ended June 30, 2010
(With summarized financial information for the year ended June 30, 2009)

	Bookstore	Food service	Vending	Total 2010	Total 2009
Sales	\$ 15,779,198	5,798,182	—	21,577,380	23,704,706
Cost of sales	12,075,101	1,765,476	—	13,840,577	15,226,507
Gross margin	3,704,097	4,032,706	—	7,736,803	8,478,199
Other revenue:					
Commissions	259,726	110,156	52,284	422,166	461,581
Contributions	—	—	—	—	—
Interest	—	—	—	—	—
Rental	435,749	3,600	—	439,349	496,883
Other	529,422	23,145	226,845	779,413	625,167
Total other revenues	1,224,897	136,901	279,129	1,640,928	1,583,631
Operating expenses:					
Salaries and wages	1,704,180	1,937,908	—	3,642,088	3,980,547
Staff and benefits	348,415	486,263	—	834,678	934,716
Administration and general transfers and service fees	6,000	41,500	—	47,500	46,000
Advertising	2,965	64,478	—	67,443	80,386
Communications	59,866	18,178	—	78,044	78,381
Commissions expense	74,694	183,470	183,949	442,113	278,388
Computer costs	—	—	—	—	—
Contracted services	129,751	65,899	—	195,650	332,713
Custodial services and supplies	77,730	82,759	—	160,489	169,981
Depreciation and amortization	397,320	191,693	—	589,013	608,872
Discount charges	268,207	119,991	—	388,198	394,731
Equipment	7,383	23,913	—	31,296	40,656
Franchise royalty	—	154,155	—	154,155	146,454
Insurance	24,716	42,521	—	67,237	66,953
Legal and accounting	—	—	—	—	—
Repairs and maintenance	96,917	131,017	—	227,934	236,403
Supplies	126,463	216,912	—	343,375	383,462
Scholarships	36,850	—	—	36,850	38,837
Rental	9,012	4,086	—	13,098	11,851
Travel	726	856	—	1,582	12,525
Utilities	112,423	99,783	12,599	224,805	150,291
Other direct costs	135,664	58,355	73	194,092	225,292
Total operating expenses	3,619,282	3,923,737	196,621	7,739,640	8,217,439
Excess revenues over expenses	\$ 1,309,712	245,870	82,508	1,638,091	1,844,391

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION
Source of Funding and Expenditures for Sponsored Programs
Year ended June 30, 2010

Source of funding (direct):	
Federal government	\$ 9,637,072
State of California and local governments	4,936,335
For-profit organizations	547,757
Foundations and other tax-exempt organizations	1,287,326
Total source of direct funding	<u>16,408,490</u>
Source of indirect cost reimbursement:	
Federal government	949,978
State of California and local governments	368,443
For-profit organizations	112,270
Foundations and other tax-exempt organizations	117,057
Total source of indirect cost reimbursement	<u>1,547,748</u>
Total funding	<u><u>17,956,238</u></u>
Direct expenditures:	
Salaries and wages	7,622,674
Staff benefits	1,475,039
Operating expenditures	2,975,598
Consultants	198,988
Sub-Contractors	2,542,790
Equipment	408,744
Stipends	1,184,656
Total direct expenditures	<u>16,408,490</u>
Indirect expenditures:	
Salaries and wages	605,654
Staff benefits	150,606
Operating expenditures	219,126
Equipment	—
Research and support	160,000
Other administration support	412,362
Total indirect expenditures	<u>1,547,748</u>
Total expenditures	<u><u>\$ 17,956,238</u></u>

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Schedule of Net Assets

June 30, 2010

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 5,005,688
Short-term investments	15,038,860
Accounts receivable, net	2,717,333
Leases receivable, current portion	385,000
Notes receivable, current portion	416,188
Pledges receivable, net	—
Prepaid expenses and other assets	3,300,970
Total current assets	<u>26,864,039</u>

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	27,860,000
Notes receivable, net of current portion	17,334,447
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	437,739
Capital assets, net	4,508,495
Other assets	—
Total noncurrent assets	<u>50,140,681</u>
Total assets	<u>77,004,720</u>

Liabilities:

Current liabilities:

Accounts payable	2,146,016
Accrued salaries and benefits payable	235,908
Accrued compensated absences— current portion	—
Deferred revenue	—
Capitalized lease obligations — current portion	—
Long-term debt obligations — current portion	540,000
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	5,680,101
Total current liabilities	<u>8,602,025</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	235,908
Deferred revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	43,562,296
Self-insurance claims liabilities, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	4,560,874
Other liabilities	44,471
Total noncurrent liabilities	<u>48,403,549</u>
Total liabilities	<u>57,005,574</u>

Net assets:

Invested in capital assets, net of related debt	(39,593,801)
Restricted for:	
Nonexpendable — endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	59,592,947
Total net assets	<u>\$ 19,999,146</u>

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

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 \$ _____)	\$ —
Grants and contracts, noncapital:	
Federal	10,587,050
State	2,594,778
Local	2,710,000
Nongovernmental	2,064,409
Sales and services of educational activities	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$ _____)	34,999,582
Other operating revenues	2,799,772
	<hr/>
Total operating revenues	55,755,591

Expenses:

Operating expenses:

Instruction	10,134,803
Research	1,632,136
Public service	2,236,503
Academic support	8,759,470
Student services	3,031,578
Institutional support	—
Operation and maintenance of plant	—
Student grants and scholarships	
Auxiliary enterprise expenses	29,894,823
Depreciation and amortization	884,682
	<hr/>
Total operating expenses	56,573,995
	<hr/>
Operating income (loss)	(818,404)

Nonoperating revenues (expenses):

State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	
Endowment income (loss), net	107,323
Interest Expenses	—
Other nonoperating revenues (expenses)	3,011,347
	<hr/>

Net nonoperating revenues (expenses) 3,118,670

Income (loss) before other additions 2,300,266

State appropriations, capital

Grants and gifts, capital

Additions (reductions) to permanent endowments

Increase (decrease) in net assets 2,300,266

Net assets:

Net assets at beginning of year, as previously reported	17,698,880
Restatements	—
Net assets at beginning of year, as restated	17,698,880
	<hr/>
Net assets at end of year	\$ 19,999,146

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

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
 Total restricted cash and cash equivalents

\$ -
 -
 \$ -

2.1 Composition of investments at June 30, 2010:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
\$	\$						
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-	-	-
Wachovia Short Term Fund	8,935,499	-	8,935,499	-	-	-	8,935,499
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
US Bank SWIFT pool	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	1,778,189	-	1,778,189	-	-	-	1,778,189
Debt securities	296,662	-	296,662	-	47,257	47,257	343,919
Equity securities	3,200,585	-	3,200,585	-	222,713	222,713	3,423,298
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Manual funds	104,738	-	104,738	-	54,656	54,656	159,394
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:	-	-	-	-	-	-	-
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Private pass-through	-	-	-	-	-	-	-
Other major investments:	-	-	-	-	-	-	-
Cash Money Market sweep	376,992	-	376,992	-	10,094	10,094	387,086
Annuities	346,195	-	346,195	-	103,019	103,019	449,214
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	15,038,860	-	15,038,860	-	437,739	437,739	15,476,599
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	15,038,860	-	15,038,860	-	437,739	437,739	15,476,599

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

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Other Information

June 30, 2010

(for inclusion in the California State University)

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

Endowment investment	\$	---
Amnity and life estate investments C.R.T.	\$	437,739
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
Add description	—	—
Total restricted noncurrent investments at June 30, 2010	\$	437,739

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	\$ 3,078	-	-	3,078	-	-	-	3,078
Works of art and historical treasures	25,035	-	-	25,035	440,636	(107,506)	-	358,165
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable capital assets	28,113	-	-	28,113	440,636	(107,506)	-	361,243
Depreciable capital assets:								
Buildings and building improvements	582,870	-	-	582,870	-	-	-	582,870
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	9,514,394	-	-	9,514,394	131,971	-	-	9,646,365
Personal property:								
Equipment	5,698,220	-	-	5,698,220	439,198	-	-	6,137,418
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total depreciable capital assets	15,795,484	-	-	15,795,484	571,169	-	-	16,366,653
Total capital assets	15,823,597	-	-	15,823,597	1,011,805	(107,506)	-	16,727,896
Less accumulated depreciation:								
Buildings and building improvements	(566,499)	-	-	(566,499)	(16,225)	-	-	(582,724)
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(5,572,810)	-	-	(5,572,810)	(397,009)	-	-	(5,969,819)
Personal property:								
Equipment	(5,195,410)	-	-	(5,195,410)	(471,448)	-	-	(5,666,858)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation	(11,334,719)	-	-	(11,334,719)	(884,682)	-	-	(12,219,401)
Total capital assets, net	\$ 4,488,878	-	-	4,488,878	127,123	(107,506)	-	4,508,495

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

Depreciation and amortization expense related to capital assets	\$ 884,682
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 884,682

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Other Information

June 30, 2010

(for inclusion in the California State University)

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

Essements	Nonamortizable	Amortizable	Accumulated Amortization
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	-	-	-
Total Intangible Assets	\$ -	\$ -	\$ -

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Other Information

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	\$ 507,767	—	—	507,767	-	(271,859)	235,908	—	235,908
Capitalized lease obligations:	—	—	—	—	—	—	—	—	—
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:	—	—	—	—	—	—	—	—	—
Revenue Bonds	—	—	—	—	28,345,000	(100,000)	28,245,000	385,000	27,860,000
Other bonds (non-Revenue Bonds)	25,670,000	—	—	25,670,000	—	(25,670,000)	—	—	—
Commercial Paper	—	—	—	—	—	—	—	—	—
Other:	14,291,000	—	—	14,291,000	—	(2,000)	14,289,000	155,000	14,134,000
Bond anticipated note	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	39,961,000	—	—	39,961,000	28,345,000	(25,772,000)	42,534,000	540,000	41,994,000
Unamortized bond premium / (discount)	—	—	—	—	1,588,147	(19,851)	1,568,296	—	1,568,296
Unamortized loss on refunding	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	39,961,000	—	—	39,961,000	29,933,147	(25,791,851)	44,102,296	540,000	43,562,296
Total long-term liabilities	\$ 40,468,767	—	—	40,468,767	29,933,147	(26,063,710)	44,338,204	540,000	43,798,204

5 Future minimum lease payments - capital lease obligations:

Year 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 obligation, net of current portion	\$ -	-	-

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION
Other Information
June 30, 2010
(for inclusion in the California State University)

6 Long-term debt obligation schedule

	Revenue Bonds		Principal and Interest		All other long-term debt obligations		Principal and Interest		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Year ending June 30:										
2011	\$ 385,000	-	385,000		155,000	40,690	195,690		540,000	580,690
2012	690,000	1,407,195	2,097,195		230,000	-	230,000		920,000	1,407,195
2013	810,000	1,317,752	2,127,752		315,000	-	315,000		1,125,000	1,317,752
2014	840,000	1,293,152	2,133,152		340,000	-	340,000		1,180,000	1,293,152
2015	885,000	1,261,202	2,146,202		355,000	-	355,000		1,240,000	1,261,202
2016 - 2020	4,535,000	1,222,149	5,757,149		12,894,000	-	12,894,000		17,429,000	1,222,149
2021 - 2025	6,300,000	5,439,931	11,739,931		-	-	-		6,300,000	5,439,931
2026 - 2030	8,080,000	4,064,838	12,144,838		-	-	-		8,080,000	4,064,838
2031 - 2035	2,800,000	2,228,125	5,028,125		-	-	-		2,800,000	2,228,125
2036 - 2040	1,455,000	596,750	2,051,750		-	-	-		1,455,000	596,750
2041 - 2045	1,465,000	151,125	1,616,125		-	-	-		1,465,000	151,125
2046 - 2050	-	-	-		-	-	-		-	-
2051 - 2055	-	-	-		-	-	-		-	-
2056 - 2060	-	-	-		-	-	-		-	-
Total	\$ 28,245,000	18,982,219	47,227,219		14,289,000	40,690	14,329,690		42,534,000	61,556,909

7 Calculation of net assets

7.1 Calculation of net assets - Invested in capital assets, net of related debt

Capital assets, net of accumulated depreciation	\$		4,508,495	4,508,495
Capitalized lease obligations - current portion	-	-	-	-
Capitalized lease obligations, net of current portion	-	-	-	-
Long-term debt obligations - current portion	-	(540,000)	(540,000)	(540,000)
Long-term debt obligations, net of current portion	-	(43,562,296)	(43,562,296)	(43,562,296)
Portion of outstanding debt that is unspent at year-end	-	-	-	-
Other adjustments: (please list)	-	-	-	-
Add description	-	-	-	-
Add description	-	-	-	-
Add description	-	-	-	-
Add description	-	-	-	-
Add description	-	-	-	-
Net assets - invested in capital assets, net of related debt	\$	(39,593,801)	(39,593,801)	(39,593,801)

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	-	-	-	-
Net assets - Restricted for nonexpendable - endowments per SNA	\$	-	-	-

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Other Information

June 30, 2010

(for inclusion in the California State University)

8 Transactions with Related Entities

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other pro	4,784,915
Payments to University for other than salaries of University personnel	1,169,592
Payments received from University for services, space, and programs	12,698,749
Gifts-in-kind to the University from Auxiliary Organizations	—
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	325,000
Accounts (payable to) University (enter as negative number)	(417,327)
Other amounts (payable to) University (enter as negative number)	(148,844)
Accounts receivable from University	693,169
Other amounts receivable from University	—

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$ 4,639,059
Contributions during the year	—
Increase (decrease) in net OPEB obligation (NOO)	4,639,059
NOO - beginning of year	—
NOO - end of year	\$ 4,639,059

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	—
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	\$ 17,698,880
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	\$ 17,698,880

See accompanying independent auditors' report and notes to the financial statements

CSU FULLERTON AUXILIARY SERVICES CORPORATION
 Other Information
 June 30, 2010
 (for inclusion in the California State University)

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

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