

CSU FULLERTON
AUXILIARY SERVICES CORPORATION
Financial Statements and Supplementary Information
June 30, 2011
(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	29-34

Guzman & Gray

Certified Public Accountants

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

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

Mark Gray, CPA
Patrick S. Guzman, CPA

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, 2011, 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 7, 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, 2011, 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, 2011, 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 – 34 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script, appearing to read "Guzman & Gray".

Guzman & Gray CPAs
Long Beach, California
September 7, 2011

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Statement of Financial Position

June 30, 2011

(With comparative financial information for the year ended June 30, 2010)

Assets	Total 2011	Total 2010
Current assets:		
Cash and cash equivalents	\$ 17,620,149	\$ 13,941,187
Investments	7,714,918	6,103,361
Accounts receivable:		
Sponsored programs	1,984,477	2,124,057
Other receivables	814,136	1,071,106
Less allowance for doubtful accounts	(561,771)	(477,830)
Total accounts receivable, net	<u>2,236,842</u>	<u>2,717,333</u>
Inventories	4,157,208	3,111,872
Capital lease receivable, current portion	795,000	385,000
Due from affiliates, current portion	449,141	416,188
Other current assets	<u>112,870</u>	<u>189,098</u>
Total current assets	<u>33,086,128</u>	<u>26,864,039</u>
Property, plant, and equipment:		
Land	3,078	3,078
Building and improvements	582,870	582,870
Equipment, furniture, and fixtures	6,735,570	6,161,157
Leasehold improvements	<u>9,925,961</u>	<u>9,980,791</u>
	17,247,479	16,727,896
Less accumulated depreciation and amortization	<u>(13,022,838)</u>	<u>(12,219,401)</u>
Total property, plant, and equipment, net	<u>4,224,641</u>	<u>4,508,495</u>
Other assets:		
Due from affiliates, net of current	17,203,741	17,334,447
Capital lease receivable, net of current	27,065,000	27,860,000
Annuity and life estate investments	<u>472,958</u>	<u>437,739</u>
Total other assets	<u>44,741,699</u>	<u>45,632,186</u>
Total assets	<u>\$ 82,052,468</u>	<u>\$ 77,004,720</u>

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

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Statement of Financial Position

June 30, 2011

(With comparative financial information for the year ended June 30, 2010)

Liabilities and Net Assets	Total 2011	Total 2010
Current liabilities:		
Accounts payable	\$ 4,305,839	2,146,016
Accrued liabilities	2,505,607	1,990,913
Accrued interest payable	195,950	243,266
Receipts in excess of expenditures on sponsored programs	4,163,665	3,395,961
Deposits held in custody for others	114,290	183,826
Current portion of notes payable	1,102,157	540,000
Current portion Post retirement benefit	100,501	78,185
Current portion of annuity and life estate investments	25,790	23,858
Total current liabilities	12,513,799	8,602,025
Noncurrent liabilities:		
Noncurrent portion of notes payable	42,381,982	43,562,296
Noncurrent portion Post retirement benefit	4,730,305	4,560,874
Noncurrent portion of annuity and life estate investments	309,030	280,379
Total noncurrent liabilities	47,421,317	48,403,549
Total liabilities	59,935,116	57,005,574
Net assets:		
Unrestricted net assets	21,979,214	19,865,644
Temporarily restricted – annuity and life estate investments	138,138	133,502
Total net assets	22,117,352	19,999,146
Total liabilities and net assets	\$ 82,052,468	77,004,720

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

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Statement of Activities

Year ended June 30, 2011

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:			
Enterprise Activities:			
Sales	\$ 22,071,318	\$	\$ 22,071,318
Commissions, Fees, Other	1,573,900		1,573,900
Total Enterprise Activities	<u>23,645,218</u>		<u>23,645,218</u>
Programs Activities:			
Grants and Contracts	20,132,343		20,132,343
University support programs	2,540,908		2,540,908
University Extended Education programs	6,833,871		6,833,871
Total Programs Revenue	<u>29,507,122</u>		<u>29,507,122</u>
General Activities:			
Rental property	5,769,663		5,769,663
Investment Income	112,313		112,313
Net unrealized and realized gains on Investment	1,535,528		1,535,528
Annuity and life estate investment income		63,033	63,033
Administrative Fees and Other Revenue	3,283,261		3,283,261
Total General Fund Activities	<u>10,700,765</u>	<u>63,033</u>	<u>10,763,798</u>
Total revenues and support	63,853,105	63,033	63,916,138
Net assets released from restrictions	<u>58,397</u>	<u>(58,397)</u>	
Total support and revenue and net assets released from restrictions	<u>63,911,502</u>	<u>4,636</u>	<u>63,916,138</u>
Expenses and other changes			
Enterprise Activities:			
Bookstores	16,691,745		16,691,745
Dining services	5,714,901		5,714,901
Total Enterprise Activities	<u>22,406,646</u>		<u>22,406,646</u>
Programs Activities:			
Grants and Contracts	20,132,343		20,132,343
University support programs	2,830,059		2,830,059
University Extended Education programs	6,506,132		6,506,132
Annuity and life estate investment expenses	58,397		58,397
Total programs expenses	<u>29,526,931</u>		<u>29,526,931</u>
General Expenses:			
Rental Property Expense	4,718,573		4,718,573
Administrative	4,500,660		4,500,660
Total General expense	<u>9,219,233</u>		<u>9,219,233</u>
Designated expense	586,822		586,822
Total expenses	<u>61,739,632</u>		<u>61,739,632</u>
Increase (Decrease) in net assets from operating activities	2,171,870	4,636	2,176,506
Non-operating activities:			
Pension-related changes other than net periodic pension cost	<u>(58,300)</u>		<u>(58,300)</u>
Total Nonoperating activities:	<u>(58,300)</u>		<u>(58,300)</u>
Change in net assets	2,113,570	4,636	2,118,206
Net assets at beginning of year	19,865,644	133,502	19,999,146
Net assets at end of year	\$ <u>21,979,214</u>	\$ <u>138,138</u>	\$ <u>22,117,352</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>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
Annuity and life estate 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	63,803	(63,803)	
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
Annuity and life estate investment 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>9,135,482</u>
Designated expense	562,094		562,094
Total expenses	<u>55,026,248</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	<u>(2,092,996)</u>		<u>(2,092,996)</u>
Total Nonoperating activities:	<u>2,079,943</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 Changes in Net Assets

Year ended June 30, 2011

(With comparative financial information for the year ended June 30, 2010)

	<u>General</u>	<u>Designated</u>	<u>Buildings Fund</u>	<u>Auxiliary Enterprises</u>	<u>Univ. Support Programs</u>	<u>Quasi- endowments</u>	<u>Total Unrestricted</u>	<u>Temporary Restricted</u>	<u>Total 2011</u>	<u>Total 2010</u>
Net assets at beginning 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
Change in net assets	207,658	(227,441)	1,051,088	1,238,572	38,587	(194,894)	2,113,570	4,636	2,118,206	2,300,266
Designations from other classifications		325,000		(325,000)						
Transfer and reclassifications	(1,170,459)	(20,093)	(3)	(1,215,494)	2,504,390	(98,341)				
Net assets at end of year	<u>\$ 5,234,130</u>	<u>1,359,813</u>	<u>4,246,935</u>	<u>4,823,090</u>	<u>6,308,315</u>	<u>6,931</u>	<u>21,979,214</u>	<u>138,138</u>	<u>22,117,352</u>	<u>19,999,146</u>

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

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Statement of Cash Flows

Year ended June 30, 2011

(With comparative financial information for the year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,118,206	2,300,266
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	875,321	884,683
Realized and unrealized (gain) loss on investments	(1,598,561)	(931,404)
Gain on the sale of equipment	36,798	
Decrease (increase) in value of annuity and life estate investments	(35,219)	(52,144)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	480,491	(184,725)
Decrease (increase) in inventories	(1,045,336)	1,162,787
Decrease (increase) in other current assets	(333,772)	65,319
Decrease (increase) in restricted cash		4,439,118
Increase (decrease) in accounts payable	2,112,507	(1,316,999)
Increase (decrease) in post retirement benefit	191,747	1,216,776
Increase (decrease) in accrued liabilities	514,694	9,447
Increase (decrease) in receipts in excess of expenditures on specific sponsored programs	767,704	438,921
Increase (decrease) in deposits held in custody for others	(69,536)	(4,138,328)
Net cash and cash equivalents provided by operating activities	<u>4,015,044</u>	<u>3,893,717</u>
Cash and cash equivalents from investing activities:		
Purchase of fixed assets	(591,467)	(904,300)
Proceeds from sale of fixed assets	(36,798)	
Purchase /Sales of investments net of (gain)/ loss	(12,996)	99,913
Net cash and cash equivalents used in investing activities	<u>(641,261)</u>	<u>(804,387)</u>
Cash and cash equivalents from financing activities:		
Payments on bonds and capital lease obligations	(540,000)	(685,000)
Decrease (increase) in due from affiliates	97,753	341,895
Decrease (increase) in capital lease receivable	795,000	(5,546,667)
Increase (decrease) in bond payable	(78,157)	4,776,296
Increase (decrease) in annuity and life estate investments	30,583	38,674
Net cash and cash equivalents provided (used) in financing activities	<u>305,179</u>	<u>(1,074,802)</u>
Net increase in cash and cash equivalents	3,678,962	2,014,528
Cash and cash equivalents at beginning of year	<u>13,941,187</u>	<u>11,926,659</u>
Cash and cash equivalents at end of year	\$ <u>17,620,149</u>	<u>13,941,187</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ <u>1,447,884</u>	<u>1,459,773</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, 2011

(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, 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.

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, Police building, and the Irvine Campus building, as well as related expenditures.

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2011

(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. For fiscal year 2011, a net loss totaling (\$289,151) is included in the statement of activities under the general funds activities.

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 2011, net income totaling \$327,738 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, 2011

(2) Summary of Significant Accounting Policies (continued)

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

Annuity and Life Estate Investments

The annuity and life estate investments 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, 2011.

(c) Grants and Contracts

ASC serves as administrator for the University on various grants and contracts awarded by both governmental and private institutions. Contractual and earned receivables from grants and contracts activities totaled \$1,909,245 for June 30, 2011 and are shown in the accompanying statement of financial position as sponsored programs receivables. Amounts received by ASC in excess of expenditures, totaling \$4,163,665, for June 30, 2011 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.

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2011

(2) Summary of Significant Accounting Policies (continued)

(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, 2011 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.

(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, 2011 was \$875,321.

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, 2011

(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.

The organization recognizes the financial statements benefit of tax positions, such as filing status of tax-exempt, only after determining that the relevant tax authority would more likely than not sustain the position following the audit. It is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California purposes is generally three and four years, respectively.

(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, 2010. Certain reclassifications have been made to assist in comparability.

(m) *Functional Expense*

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

Program	\$ 57,239,032
Administrative	<u>4,500,600</u>
Total Expenses	<u>\$ 61,739,632</u>

(o) *Subsequent Events Accounting Pronouncement*

The Organization has evaluated events and transactions for potential recognition or disclosure through September 7, 2011, which represents the date the financial statements were available to be issued.

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2011

(3) Notes 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 May 1 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 loan. Accordingly, ASC has recorded a capital lease receivable of \$21,760,000 (current portion: \$690,000; long term: \$21,070,000) representing the \$21,760,000 notes payable liability, less \$690,000 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, 2011 was \$1,447,884.
- (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, 2011

(3) Notes 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 notes payable and loans are as follows:

Year Ending June 30:	Principal	Interest
2012	\$ 1,102,157	1,369,469
2013	1,207,157	1,344,591
2014	1,262,157	1,312,327
2015	1,322,156	1,273,184
2016	1,685,785	1,230,729
2017-2021	18,268,785	5,248,884
2022-2026	7,205,785	3,740,895
2027-2031	8,775,157	1,801,250
2032-2036	1,530,000	480,500
2037-2039	1,125,000	86,375
	<u>\$ 43,484,139</u>	<u>17,888,204</u>

(4) Investments

ASC investments are generally equity securities and publicly traded debt and are recorded at fair market value. Investments include the following at June 30, 2011:

Investments:	2011	2010
Equity securities	\$ 4,348,536	3,200,588
Common Fund Equity	2,260,305	1,778,189
Mutual Funds		104,738
Annuities	370,428	346,195
Corporate Debt Securities	255,626	296,661
Other short term-investments	480,023	376,990
Total	<u>\$ 7,714,918</u>	<u>6,103,361</u>

Annuity & Life Estate Investments:	2011	2010
Cash	\$ 2,061	1,428
Equity Securities	255,340	222,713
Money Market Funds	11,084	9,445
Mutual Funds	58,547	54,656
Debt Securities	38,436	46,479
Annual Fixed Allocation	107,490	103,018
Total	<u>\$ 472,958</u>	<u>437,739</u>

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2011

(4) Investments (continued)

Investment return for the year ending June 30, 2011:

Realized gains and losses	\$	455,213
Unrealized gains and losses		<u>1,080,315</u>
Total	\$	<u>1,535,528</u>
Interest and dividend income	\$	<u>112,313</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, after two years of employment, an employee contributes 2% or 5%, and ASC contributes 4% or 8%, respectively, of the employee's annual salary to an account established for that employee. 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 of the Tax Deferred Annuity Plan 403(b) and the Private Plan 457(b). Employee deferrals are limited to \$16,500 with an additional \$5,500 for age 50 or more per employee per year in aggregate for the 403(b) plan, and \$16,500 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, 2011 was \$493,088.00

(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, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Change in benefit obligation		
Benefit obligation at beginning of year	4,639,059	3,422,283
Service cost	275,062	164,045
Interest cost	251,999	210,392
Amendments	N/A	N/A
Actuarial loss	(234,813)	920,524
Acquisition	N/A	N/A
Benefits paid	<u>(100,501)</u>	<u>(78,185)</u>
Benefit obligation at end of year	<u>4,830,806</u>	<u>4,639,059</u>

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2011

(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>2011</u>	<u>2010</u>
Funded Status		
Benefit Obligation at June 30	4,830,806	4,639,059
Unrecognized net Transition Obligation	69,363	86,702
Unamortized prior service cost	0	0
Unrecognized net actuarial (gain)/loss	1,514,955	1,825,407
Accrued benefit cost	3,246,488	2,726,950
Measurement date	06/30/2011	06/30/2010
Funded status at end of year	<u>(4,830,806)</u>	<u>(4,639,059)</u>

Net Periodic Benefit Cost

Service Cost	275,062	164,045
Interest Cost	251,999	210,392
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>75,639</u>	<u>33,097</u>
Net periodic benefit cost	620,039	424,873

Assumptions

Weighted-average assumptions used to determine benefit obligations at June 30	<u>2011</u>	<u>2010</u>
Discount Rate	5.75%	5.50%
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, 2011

(7) Postretirement Health Benefit Plan (continued)

For measurement purposes the 2011 weighted average assumptions used to determine the Health care cost trend rate is 7.30 %, 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. The following table contains annual projections for postretirement costs.

Projected Cost	
2012	\$ 227,545
2013	238,263
2014	249,486
2015	261,237
2016	299,919
Total	<u>1,276,450</u>
In aggregate for the next five years thereafter	<u>1,725,286</u>
	<u>\$ 3,001,736</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, 2011:

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

In addition, as shown on the Statement of Changes in Net Assets, \$1,359,813 was designated at June 30, 2011 for indirect cost funding mandated by the Cal State Administration.

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2011

(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, 2011 was \$688,124.

Future minimum payments under operating lease agreements are as follows:

Year ending June 30:		
2012	\$	1,487,435
2013		1,506,587
2014		1,526,058
2015		1,545,856
2016		1,565,989
Total	\$	<u>7,631,925</u>

As described more fully in Note 3a, ASC receives rental income for a building on the Fullerton campus. It also receives lease income from a building on its Irvine campus. Future amounts to be received from these sources are:

Year ending June 30:		
2012	\$	5,712,046
2013		5,760,166
2014		5,760,166
2015		5,808,768
2016		5,808,768
Thereafter		69,622,754
Total	\$	<u>98,472,668</u>

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2011

(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 \$219,141.
- (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 0.5% above Local Agency Investment Fund, adjusted semiannually on July 1 and January 2. As of June 30, 2011, the CSU Housing Authority has utilized \$1,249,991.
- (c) On April 14, 2011, ASC entered in to a line of credit agreement with Cal State University Fullerton to support the University in the purchase and installation of photo-voltaic equipment. The line of credit maximum is \$4,800,000. Interest is calculated on the outstanding balance at a rate of 0.5% above the Wall Street Journal Prime rate. The repayment of the outstanding balance should not exceed six (6) years from the date of completion of the project. As of June 30, 2011, the CSU Fullerton has not drawn down on the line of credit.

(11) Related party Transactions

ASC and the University provide a variety of services on each other's behalf. At June 30, 2011, receivables due from the University are \$123,638. Accounts payable include \$1,795,194 due to the University on June 30, 2011. 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, 2011 total \$11,722,763. Amounts billed to ASC included in expenses for the year ended June 30, 2011 totaled \$8,079,105. Amounts due to CSU Fullerton ASI at June 30, 2011 totaled \$2,626. Amounts billed to CSU Fullerton ASI and included in receivables at June 30, 2011 totaled \$13,932.

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Notes to Financial Statements

June 30, 2011

(12) Fair Value Measurement

Fair values of assets measured on a recurring basis at June 30, 2011 are as follows:

		Quoted Prices in Active Markets	Observable Inputs	Unobservable Inputs
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Investments	\$ 7,714,918	7,714,918		
Annuity & Life Estate Inv.	472,958	472,958		

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, 2011

(With comparative financial information for the year ended June 30, 2010)

Assets	General	Designated	Buildings Fund	Enterprises Activities	Univ. Support Programs	Quasi- endowments	Total Unrestricted	Temporary Restricted	Total 2011	Total 2010
Current assets:										
Cash and cash equivalents	\$ 3,213,420	1,349,913	3,210,726	2,867,378	6,971,781	6,931	17,620,149	—	17,620,149	13,941,187
Investments	7,631,407	—	—	—	83,511	—	7,714,918	—	7,714,918	6,103,361
Accounts receivable:								—		
Sponsored programs	1,909,245	—	75,232	—	—	—	1,984,477	—	1,984,477	2,124,057
Other receivables	51,636	9,900	—	326,759	425,841	—	814,136	—	814,136	1,071,106
Less allowance for doubtful accounts	(489,580)	—	—	(72,191)	—	—	(561,771)	—	(561,771)	(477,830)
Total accounts receivable, net	1,471,301	9,900	75,232	254,568	425,841	—	2,236,842	—	2,236,842	2,717,333
Inventories	—	—	—	4,157,208	—	—	4,157,208	—	4,157,208	3,111,872
Capital lease receivable, current portion	—	—	795,000	—	—	—	795,000	—	795,000	385,000
Due from affiliates, current portion	449,141	—	—	—	—	—	449,141	—	449,141	416,188
Other current assets	—	—	106,503	6,367	—	—	112,870	—	112,870	189,098
Total current assets	12,765,269	1,359,813	4,187,461	7,285,521	7,481,133	6,931	33,086,128	—	33,086,128	26,864,039
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	1,852,975	—	161,328	4,693,310	27,957	—	6,735,570	—	6,735,570	6,161,157
Work in progress	39,417	—	—	64,041	—	—	103,458	—	103,458	—
Leasehold improvements	89,383	—	4,130,912	5,574,210	27,998	—	9,822,503	—	9,822,503	9,980,791
	1,981,775	—	4,292,240	10,865,403	108,061	—	17,247,479	—	17,247,479	16,727,896
Less accumulated depreciation and amortization	(1,859,686)	—	(1,597,549)	(9,460,619)	(104,984)	—	(13,022,838)	—	(13,022,838)	(12,219,401)
Total property, plant, and equipment, net	122,089	—	2,694,691	1,404,784	3,077	—	4,224,641	—	4,224,641	4,508,495
Other assets:										
Due from affiliates, net of current	17,203,741	—	—	—	—	—	17,203,741	—	17,203,741	17,334,447
Capital lease receivable, net of current	—	—	27,065,000	—	—	—	27,065,000	—	27,065,000	27,860,000
Annuity and life estate investments	—	—	—	—	—	—	—	472,958	472,958	437,739
Total other assets	17,203,741	—	27,065,000	—	—	—	44,268,741	472,958	44,741,699	45,632,186
Total assets	\$ 30,091,099	1,359,813	33,947,152	8,690,305	7,484,210	6,931	81,579,510	472,958	82,052,468	77,004,720

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

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Statement of Financial Position

June 30, 2011

(With comparative financial information for the year ended June 30, 2010)

Liabilities and Net Assets	General	Designated	Buildings Fund	Enterprises Activities	Univ. Support Programs	Quasi- endowments	Total Unrestricted	Temporary Restricted	Total 2011	Total 2010
Current liabilities:										
Accounts payable	\$ 1,544,320	—	133,805	2,627,714	—	—	4,305,839	—	4,305,839	2,146,016
Accrued liabilities	161,328	—	43,173	1,239,501	1,061,605	—	2,505,607	—	2,505,607	1,990,913
Accrued interest payable	23,850	—	172,100	—	—	—	195,950	—	195,950	243,266
Receipts in excess of expenditures on sponsored programs	4,163,665	—	—	—	—	—	4,163,665	—	4,163,665	3,395,961
Deposits held in custody for others	—	—	—	—	114,290	—	114,290	—	114,290	183,826
Current portion of notes payable	230,000	—	872,157	—	—	—	1,102,157	—	1,102,157	540,000
Current portion Post retirement benefit	100,501	—	—	—	—	—	100,501	—	100,501	78,185
Current portion of annuity and life estate inv.	—	—	—	—	—	—	—	25,790	25,790	23,858
Total current liabilities	6,223,664	—	1,221,235	3,867,215	1,175,895	—	12,488,009	25,790	12,513,799	8,602,025
Noncurrent liabilities:										
Noncurrent portion of notes payable	13,903,000	—	28,478,982	—	—	—	42,381,982	—	42,381,982	43,562,296
Noncurrent portion Post retirement benefit	4,730,305	—	—	—	—	—	4,730,305	—	4,730,305	4,560,874
Noncurrent portion of annuity and life estate inv	—	—	—	—	—	—	—	309,030	309,030	280,379
Total noncurrent liabilities	18,633,305	—	28,478,982	—	—	—	47,112,287	309,030	47,421,317	48,403,549
Total liabilities	24,856,969	—	29,700,217	3,867,215	1,175,895	—	59,600,296	334,820	59,935,116	57,005,574
Net assets:										
Unrestricted net assets	5,234,130	1,359,813	4,246,935	4,823,090	6,308,315	6,931	21,979,214	—	21,979,214	19,865,644
Temporarily restricted – annuity and life estate investments	—	—	—	—	—	—	—	138,138	138,138	133,502
Total net assets	5,234,130	1,359,813	4,246,935	4,823,090	6,308,315	6,931	21,979,214	138,138	22,117,352	19,999,146
Total liabilities and net assets	\$ 30,091,099	1,359,813	33,947,152	8,690,305	7,484,210	6,931	81,579,510	472,958	82,052,468	77,004,720

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, 2011
(With summarized financial information for the year ended June 30, 2010)

	General	Designated	Buildings Fund	Enterprises Activities	University Support Programs	University Extended Education	Total Unrestricted	Temporary Restricted	Total 2011	Total 2010
Operating:										
Revenues, gains, and other support:										
Sales	\$ —	—	—	22,071,319	55,256	3,856	22,130,431	—	22,130,431	21,629,403
Program income	—	—	—	—	2,257,276	6,830,014	9,087,290	—	9,087,290	6,644,768
Administrative services	814,490	—	20,180	—	—	—	834,670	—	834,670	614,817
Indirect cost recovery	1,488,806	359,381	—	—	—	—	1,848,187	—	1,848,187	1,547,748
Grants and contracts	20,132,343	—	—	—	—	—	20,132,343	—	20,132,343	16,408,490
Quasi Endowment Interest income	—	—	—	—	—	—	—	35	35	936
Commission income	—	—	—	445,884	—	—	445,884	—	445,884	434,229
Investment Interest and dividend income	276,718	—	23,310	—	—	—	300,028	—	300,028	107,323
Rental income	5,850	—	5,297,373	464,572	—	—	5,767,795	—	5,767,795	5,205,913
Realized gain (loss) on investments	455,213	—	—	—	—	—	455,213	—	455,213	68,230
Unrealized gain (loss) on investments	1,080,315	—	—	—	—	—	1,080,315	63,033	1,143,348	863,174
Other income	450,297	—	428,798	663,443	228,376	—	1,770,914	—	1,770,914	1,721,540
Total revenues, and other support	24,704,032	359,381	5,769,661	23,645,218	2,540,908	6,833,870	63,853,070	63,068	63,916,138	55,246,571
Payroll expense:										
Salaries and wages	2,259,262	—	211,502	3,598,902	1,104,370	3,425,208	10,599,244	—	10,599,244	9,064,778
Staff and benefits	778,039	—	25,942	737,858	159,842	695,426	2,397,107	—	2,397,107	2,982,421
Total payroll expenses	3,037,301	—	237,444	4,336,760	1,264,212	4,120,634	12,996,351	—	12,996,351	12,047,199
Operating expenses:										
Cost of sales	—	—	—	14,716,039	—	—	14,716,039	—	14,716,039	13,840,577
Advertising	2,714	—	—	53,747	2,863	7,472	66,796	—	66,796	83,125
Public Relations	40,310	—	—	25,199	35,828	9,812	111,149	—	111,149	100,788
Communications	32,941	—	7,914	78,081	16,520	70,006	205,462	—	205,462	207,389
Printing	8,241	—	1,017	7,903	35,769	57,521	110,451	—	110,451	263,842
Commissions Expense	—	—	—	431,811	—	—	431,811	—	431,811	470,914
Depreciation and amortization	56,056	—	238,655	580,610	—	—	875,321	—	875,321	884,683
Insurance	20,510	—	144,274	67,711	1,395	298,581	532,471	—	532,471	410,417
Audit and Legal fees	141,887	—	48,550	—	—	—	190,437	—	190,437	82,583
Repairs and maintenance	140,326	—	835,153	257,693	140,027	13,728	1,386,927	—	1,386,927	606,183
Supplies and materials	129,719	—	1,351	459,212	364,603	326,500	1,281,385	—	1,281,385	552,820
Scholarships	—	9,475	—	41,850	129,818	—	181,143	—	181,143	217,402
Rental	170,398	—	480,489	26,458	3,729	40,930	722,004	—	722,004	252,436
Contracted services	49,574	—	731,254	311,201	116,509	324,153	1,532,691	—	1,532,691	1,277,241
Travel	32,428	—	1,059	18,661	121,535	950,667	1,124,350	—	1,124,350	720,834
Utilities	—	—	542,265	265,518	6,510	—	814,293	—	814,293	696,735
Administrative fee	—	—	436,737	—	—	—	436,737	—	436,737	535,840
Debt service	—	—	949,068	—	—	—	949,068	—	949,068	2,219,356
Grants & contracts	20,132,343	—	—	—	—	—	20,132,343	—	20,132,343	16,408,490
Franchise royalty	—	—	—	145,139	—	—	145,139	—	145,139	220,620
Research support	—	265,690	—	—	—	—	265,690	—	265,690	246,736
Community outreach	—	269,886	—	—	—	—	269,886	—	269,886	255,532
General Faculty research awards	—	41,771	—	—	—	—	41,771	—	41,771	46,328
Property taxes	—	—	41,773	—	—	—	41,773	—	41,773	21,575
Other direct costs	443,326	—	21,570	583,053	590,741	286,128	1,924,818	253,326	2,178,144	2,356,603
Total operating expenses	21,400,773	586,822	4,481,129	18,069,886	1,565,847	2,385,498	48,489,955	253,326	48,743,281	42,979,049
Total expenses	24,438,074	586,822	4,718,573	22,406,646	2,830,059	6,506,132	61,486,306	253,326	61,739,632	55,026,248
Increase (Decrease) in net assets from operating activities	265,958	(227,441)	1,051,088	1,238,572	(289,151)	327,738	2,366,764	(190,258)	2,176,506	220,323
Nonoperating:										
Other recognizing university support programs	—	—	—	—	—	—	—	—	—	4,188,697
Pension-related changes other than net periodic pension cost	(58,300)	—	—	—	—	—	(58,300)	—	(58,300)	(15,758)
Loss on defeasement of 2000A and 2000B bonds	—	—	—	—	—	—	—	—	—	(2,092,996)
Change in net assets	\$ 207,658	(227,441)	1,051,088	1,238,572	(289,151)	327,738	2,308,464	(190,258)	2,118,206	2,300,266

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, 2011
(With summarized financial information for the year ended June 30, 2010)

	<u>Bookstore</u>	<u>Food Services</u>	<u>Vending</u>	<u>Total 2011</u>	<u>Total 2010</u>
Sales	\$ 16,778,970	5,390,688	—	22,169,658	21,577,380
Cost of sales	<u>12,966,828</u>	<u>1,749,212</u>	<u>—</u>	<u>14,716,040</u>	<u>13,840,577</u>
Gross margin	<u>3,812,142</u>	<u>3,641,476</u>	<u>—</u>	<u>7,453,618</u>	<u>7,736,803</u>
Other revenue:					
Commissions	258,570	127,688	59,626	445,884	422,166
Rental	418,773	45,799	—	464,572	439,349
Other	<u>271,303</u>	<u>76,516</u>	<u>217,285</u>	<u>565,104</u>	<u>779,413</u>
Total other revenues	<u>948,646</u>	<u>250,003</u>	<u>276,911</u>	<u>1,475,560</u>	<u>1,640,928</u>
Operating expenses:					
Salaries and wages	1,708,400	1,890,502	—	3,598,902	3,642,088
Staff and benefits	344,893	436,111	—	781,004	834,678
Administration and general transfers and service fees	6,000	42,000	—	48,000	47,500
Advertising	4,480	49,159	108	53,747	67,443
Communications	60,729	17,352	—	78,081	78,044
Commissions expense	86,604	167,570	177,637	431,811	442,113
Computer costs	—	—	—	—	—
Contracted services	125,483	34,222	—	159,705	195,650
Custodial services and supplies	74,955	76,541	—	151,496	160,489
Depreciation and amortization	440,912	139,698	—	580,610	589,013
Discount charges	292,717	147,951	—	440,668	388,198
Equipment	15,129	25,406	—	40,535	31,296
Franchise royalty	—	145,139	—	145,139	154,155
Insurance	26,304	41,407	—	67,711	67,237
Legal and accounting	—	—	—	—	—
Repairs and maintenance	105,984	151,709	—	257,693	227,934
Supplies	114,857	213,887	—	328,743	343,375
Scholarships	41,850	—	—	41,850	36,850
Rental	10,372	16,086	—	26,458	13,098
Travel	8,091	10,570	—	18,661	1,582
Utilities	136,039	119,952	9,527	265,518	224,805
Other direct costs	<u>121,328</u>	<u>52,945</u>	<u>—</u>	<u>174,274</u>	<u>194,092</u>
Total operating expenses	<u>3,725,127</u>	<u>3,778,207</u>	<u>187,272</u>	<u>7,690,606</u>	<u>7,739,640</u>
Excess revenues over expenses	\$ <u>1,035,661</u>	<u>113,272</u>	<u>89,639</u>	<u>1,238,572</u>	<u>1,638,091</u>

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, 2011

Source of funding (direct):

Federal government	\$ 11,988,021
State of California and local governments	6,007,915
For-profit organizations	569,088
Foundations and other tax-exempt organizations	1,567,319
Total source of direct funding	<u>20,132,343</u>

Source of indirect cost reimbursement:

Federal government	1,250,028
State of California and local governments	380,595
For-profit organizations	87,571
Foundations and other tax-exempt organizations	129,993
Total source of indirect cost reimbursement	<u>1,848,187</u>
Total funding	<u>\$ 21,980,530</u>

Direct expenditures:

Salaries and wages	\$ 8,117,361
Staff benefits	1,414,758
Operating expenditures	4,379,125
Consultants	339,325
Sub-Contractors	3,773,304
Equipment	363,262
Stipends	1,745,208
Total direct expenditures	<u>20,132,343</u>

Indirect expenditures:

Salaries and wages	649,561
Staff benefits	156,693
Operating expenditures	127,818
Equipment	—
Research and support	507,674
Other administration support	406,441
Total indirect expenditures	<u>1,848,187</u>
Total expenditures	<u>\$ 21,980,530</u>

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Schedule of Net Assets

June 30, 2011

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 5,671,724
Short-term investments	19,663,342
Accounts receivable, net	2,236,842
Leases receivable, current portion	795,000
Notes receivable, current portion	449,141
Pledges receivable, net	—
Prepaid expenses and other assets	4,270,079
Total current assets	<u>33,086,128</u>

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	27,065,000
Notes receivable, net of current portion	17,203,741
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	472,958
Capital assets, net	4,224,641
Other assets	—
Total noncurrent assets	<u>48,966,340</u>

Total assets	<u>82,052,468</u>
--------------	-------------------

Liabilities:

Current liabilities:

Accounts payable	4,305,839
Accrued salaries and benefits payable	—
Accrued compensated absences— current portion	—
Deferred revenue	—
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	1,025,000
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	6,717,490
Total current liabilities	<u>12,048,329</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	388,313
Deferred revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	42,459,139
Self-insurance claims liabilities, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	4,730,305
Other liabilities	309,030
Total noncurrent liabilities	<u>47,886,787</u>

Total liabilities	<u>59,935,116</u>
-------------------	-------------------

Net assets:

Invested in capital assets, net of related debt	(39,259,498)
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	61,376,850
Total net assets	<u>\$ 22,117,352</u>

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Schedule of Revenues, Expenses, and Changes in Net Assets

Year Ended June 30, 2011

(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$_____)	\$ —
Grants and contracts, noncapital:	
Federal	11,988,021
State	2,895,351
Local	3,112,564
Nongovernmental	2,136,407
Sales and services of educational activities	
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)	33,019,997
Other operating revenues	<u>5,769,663</u>
Total operating revenues	<u>58,922,003</u>

Expenses:

Operating expenses:

Instruction	5,386,503
Research	2,529,701
Public service	2,578,774
Academic support	5,909,985
Student services	3,727,380
Institutional support	—
Operation and maintenance of plant	4,776,970
Student grants and scholarships	—
Auxiliary enterprise expenses	30,867,516
Depreciation and amortization	<u>875,321</u>
Total operating expenses	<u>56,652,150</u>
Operating income (loss)	<u>2,269,853</u>

Nonoperating revenues (expenses):

State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	112,313
Endowment income (loss), net	—
Interest Expenses	—
Other nonoperating revenues (expenses)	<u>(263,960)</u>
Net nonoperating revenues (expenses)	<u>(151,647)</u>
Income (loss) before other additions	2,118,206

State appropriations, capital

Grants and gifts, capital

Additions (reductions) to permanent endowments

	<u>—</u>
Increase (decrease) in net assets	2,118,206

Net assets:

Net assets at beginning of year, as previously reported	19,999,146
Restatements	—
Net assets at beginning of year, as restated	<u>19,999,146</u>
Net assets at end of year	<u>\$ 22,117,352</u>

CSU FULLERTON AUXILIARY SERVICES CORPORATION
Other Information
June 30, 2011
(for inclusion in the California State University)

- 1 Restricted cash and cash equivalents at June 30, 2011:**
Portion of restricted cash and cash equivalents related to endowments
All other restricted cash and cash equivalents
Total restricted cash and cash equivalents

\$ -

\$ -

2.1 Composition of investments at June 30, 2011:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIIF)	11,948,425	-	11,948,425	-	-	-	11,948,425
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
US Bank SWIFT pool	-	-	-	-	-	-	-
Common Fund - Short Term Fund	2,102,904	-	2,102,904	-	-	-	2,102,904
Common Fund - Others	157,401	-	157,401	-	-	-	157,401
Debt securities	255,626	-	255,626	-	38,436	38,436	294,062
Equity securities	4,265,025	-	4,265,025	-	255,340	255,340	4,520,365
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	933,961	-	933,961	-	58,547	58,547	58,547
Money Market funds	-	-	-	-	13,145	13,145	947,106
Collateralized mortgage obligations:							
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Private pass-through	-	-	-	-	-	-	-
Other major investments:							
Annuities	-	-	-	-	107,490	107,490	107,490
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	19,663,342	-	19,663,342	-	472,958	472,958	20,136,300
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	19,663,342	-	19,663,342	-	472,958	472,958	20,136,300

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

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

- 4,599,000 4,599,000 - - - 4,599,000

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

Amount
\$ ---

Total restricted current investments at June 30, 2011
\$ ---

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

Amount
\$ ---
Endowment investment
 Annuity and life estate investments C.R.T.
 472,958
Add description
Add description
Add description
Add description
Add description
Add description
Total restricted noncurrent investments at June 30, 2011
\$ 472,958

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Other Information

June 30, 2011

(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2011:

	Balance June 30, 2010	Prior period Adjustments	Reclassifications	Balance June 30, 2010 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2011	
Nondepreciable/nonamortizable capital assets:									
Land and land improvements	\$ 3,078	-	-	3,078	-	-	-	3,078	
Works of art and historical treasures	-	-	-	-	-	-	-	-	
Construction work in progress (CWIP)	358,165	-	-	358,165	171,424	(426,132)	-	103,457	
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-	
Licenses and permits	-	-	-	-	-	-	-	-	
Other intangible assets:	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
Total intangible assets	-	-	-	-	-	-	-	-	
Total nondepreciable/nonamortizable capital assets	361,243	-	-	361,243	171,424	(426,132)	-	106,535	
Depreciable/amortizable capital assets:									
Buildings and building improvements	582,870	-	-	582,870	-	-	-	582,870	
Improvements, other than buildings	-	-	-	-	-	-	-	-	
Infrastructure	-	-	-	-	-	-	-	-	
Leasehold improvements	9,646,365	-	-	9,646,365	172,839	-	-	9,819,204	
Personal property:									
Equipment	6,137,418	-	-	6,137,418	691,964	(90,512)	-	6,738,870	
Library books and materials	-	-	-	-	-	-	-	-	
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	
Rights and easements	-	-	-	-	-	-	-	-	
Patents, copyright and trademarks	-	-	-	-	-	-	-	-	
Licenses and permits	-	-	-	-	-	-	-	-	
Other intangible assets:	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
Total intangible assets	-	-	-	-	-	-	-	-	
Total depreciable/amortizable capital assets	16,366,653	-	-	16,366,653	864,803	(90,512)	-	17,140,944	
Total capital assets	16,727,896	-	-	16,727,896	1,036,227	(516,644)	-	17,247,479	
Less accumulated depreciation/amortization:									
Buildings and building improvements	(582,724)	-	-	(582,724)	(178)	-	-	(582,902)	
Improvements, other than buildings	-	-	-	-	-	-	-	-	
Infrastructure	-	-	-	-	-	-	-	-	
Leasehold improvements	(5,969,819)	-	-	(5,969,819)	(415,303)	-	-	(6,385,122)	
Personal property:									
Equipment	(5,666,858)	-	-	(5,666,858)	(459,841)	71,885	-	(6,054,814)	
Library books and materials	-	-	-	-	-	-	-	-	
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	
Rights and easements	-	-	-	-	-	-	-	-	
Patents, copyright and trademarks	-	-	-	-	-	-	-	-	
Licenses and permits	-	-	-	-	-	-	-	-	
Other intangible assets:	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
Total intangible assets	-	-	-	-	-	-	-	-	
Total accumulated depreciation/amortization	(12,219,401)	-	-	(12,219,401)	(875,322)	71,885	-	(13,022,838)	1,322,838.00
Total capital assets, net	\$ 4,508,495	-	-	4,508,495	160,905	(444,759)	-	4,224,641	

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2011:

Depreciation and amortization expense related to capital assets	\$ 875,322
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 875,322

CSU FULLERTON AUXILIARY SERVICES CORPORATION
Other Information
June 30, 2011
(for inclusion in the California State University)

4 Long-term liabilities activity schedule:

	Balance June 30, 2010	Prior period adjustments	Reclassifications	Balance June 30, 2010 (restated)	Additions	Reductions	Balance June 30, 2011	Current portion	Long-term portion
Accrued compensated absences	\$ 235,908	—	—	235,908	152,405	-	388,313	—	388,313
Capitalized lease obligations:									
Gross balance	—	—	—	—	-	-	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	-	-	—	—	—
Total capitalized lease obligations	—	—	—	—	-	-	—	—	—
Long-term debt obligations:									
Revenue Bonds	28,245,000	—	—	28,245,000	-	(385,000)	27,860,000	795,000	27,065,000
Other bonds (non-Revenue Bonds)	—	—	—	—	-	-	—	—	—
Commercial Paper	—	—	—	—	-	-	—	—	—
Other:									
Bond anticipated note	14,289,000	—	—	14,289,000	-	(156,000)	14,133,000	230,000	13,903,000
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Total long-term debt obligations	42,534,000	—	—	42,534,000	-	(541,000)	41,993,000	1,025,000	40,968,000
Unamortized bond premium / (discount)	1,568,296	—	—	1,568,296	-	(77,157)	1,491,139	—	1,491,139
Unamortized loss on refunding	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	44,102,296	—	—	44,102,296	—	(618,157)	43,484,139	1,025,000	42,459,139
Total long-term liabilities	\$ 44,338,204	—	—	44,338,204	152,405	(618,157)	43,872,452	1,025,000	42,847,452

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2012	-	-	—
2013	-	-	—
2014	-	-	—
2015	-	-	—
2016	-	-	—
2017 - 2021	-	-	—
2022 - 2026	-	-	—
2027 - 2031	-	-	—
2032 - 2036	-	-	—
2037 - 2041	-	-	—
2042 - 2046	-	-	—
2047 - 2051	-	-	—
2052 - 2056	-	-	—
2057 - 2061	-	-	—
Total minimum lease payments			—
Less amounts representing interest			—
Present value of future minimum lease payments			—
Less: current portion			—
Capitalized lease obligation, net of current portion			\$ —

CSU FULLERTON AUXILIARY SERVICES CORPORATION

Other Information

June 30, 2011

(for inclusion in the California State University)

6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2012	\$ 795,000	1,317,750	2,112,750	230,000	51,719	281,719	1,025,000	1,369,469	2,394,469
2013	815,000	1,293,150	2,108,150	315,000	51,441	366,441	1,130,000	1,344,591	2,474,591
2014	845,000	1,261,200	2,106,200	340,000	51,127	391,127	1,185,000	1,312,327	2,497,327
2015	890,000	1,222,150	2,112,150	355,000	51,034	406,034	1,245,000	1,273,184	2,518,184
2016	930,000	1,179,750	2,109,750	370,000	50,979	420,979	1,300,000	1,230,729	2,530,729
2017 - 2021	5,360,000	5,197,962	10,557,962	12,523,000	50,923	12,573,923	17,883,000	5,248,885	23,131,885
2022 - 2026	6,820,000	3,734,938	10,554,938	-	5,957	5,957	6,820,000	3,740,895	10,560,895
2027 - 2031	8,750,000	1,801,250	10,551,250	-	-	-	8,750,000	1,801,250	10,551,250
2032 - 2036	1,530,000	480,500	2,010,500	-	-	-	1,530,000	480,500	2,010,500
2037 - 2041	1,125,000	86,375	1,211,375	-	-	-	1,125,000	86,375	1,211,375
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-
2057 - 2061	-	-	-	-	-	-	-	-	-
Total	\$ 27,860,000	17,575,025	45,435,025	14,133,000	313,180	14,446,180	41,993,000	17,888,205	59,881,205

7 Calculation of net assets

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
7.1 Calculation of net assets - Invested in capital assets, net of related debt			
Capital assets, net of accumulated depreciation	\$ —	4,224,641	4,224,641
Capitalized lease obligations - current portion	—	—	—
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations - current portion	—	(1,025,000)	(1,025,000)
Long-term debt obligations, net of current portion	—	(42,459,139)	(42,459,139)
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	\$ —	(39,259,498)	(39,259,498)
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	\$ —	—	—

CSU FULLERTON AUXILIARY SERVICES CORPORATION
Other Information
June 30, 2011
(for inclusion in the California State University)

8 Transactions with Related Entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 5,158,286
Payments to University for other than salaries of University personnel	1,341,650
Payments received from University for services, space, and programs	11,722,763
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)	(1,795,194)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	123,638
Other amounts receivable from University	—

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$ 191,747
Contributions during the year	<u>—</u>
Increase (decrease) in net OPEB obligation (NOO)	191,747
NOO - beginning of year	4,639,059
NOO - end of year	<u><u>\$ 4,830,806</u></u>

10 Pollution remediation liabilities under GASB Statement No. 49:

<u>Description</u>	<u>Amount</u>
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	<u>—</u>
Total pollution remediation liabilities	\$ —
Less: current portion	<u>—</u>
Pollution remediation liabilities, net of current portion	<u><u>—</u></u>

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

	<u>Net Asset</u>	<u>Amount</u>
	<u>Class</u>	<u>Dr. (Cr.)</u>
Net assets as of June 30, 2010, as previously reported		\$ 19,999,146
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)		<u>—</u>
Net assets as of June 30, 2010, as restated		<u><u>\$ 19,999,146</u></u>

CSU FULLERTON AUXILIARY SERVICES CORPORATION
Other Information
June 30, 2011
(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)	—	—