

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

June 30, 2010 and 2009

(With Independent Auditors' Report Thereon)

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

AUDIT REPORT

June 30, 2010 and 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
University Student Union, Inc.
California State University, Northridge
(A California State University Auxiliary Organization)
Northridge, California

We have audited the statements of financial position of the University Student Union, Inc., California State University, Northridge (a California State University Auxiliary Organization) (Union) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Union's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University Student Union, Inc., California State University, Northridge (a California State University Auxiliary Organization) as of June 30, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on pages 14-26 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplementary information is the responsibility of the Union's management. Such supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the Union's financial statements taken as a whole.

Vicenti, Lloyd & Stutzman LLP
VICENTI, LLOYD & STUTZMAN LLP

August 26, 2010

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**STATEMENTS OF FINANCIAL POSITION
June 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,003,581	\$ 2,543,625
Accounts receivable, net	38,952	28,530
Prepaid expenses and deposits	<u>37,378</u>	<u>57,885</u>
Total current assets	<u>3,079,911</u>	<u>2,630,040</u>
Property and equipment		
Equipment and software	1,146,316	1,134,094
Leasehold improvements	952,360	756,597
Accumulated depreciation	<u>(1,077,327)</u>	<u>(1,027,492)</u>
Total property and equipment, net	<u>1,021,349</u>	<u>863,199</u>
TOTAL ASSETS	<u><u>\$ 4,101,260</u></u>	<u><u>\$ 3,493,239</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 328,006	\$ 539,222
Accrued liabilities	245,898	294,276
Deferred revenue	<u>126,445</u>	<u>117,472</u>
Total current liabilities	<u>700,349</u>	<u>950,970</u>
Noncurrent liabilities		
Postretirement benefit payable	<u>1,159,080</u>	<u>769,421</u>
TOTAL LIABILITIES	<u>1,859,429</u>	<u>1,720,391</u>
NET ASSETS		
Unrestricted net assets	<u>2,241,831</u>	<u>1,772,848</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,101,260</u></u>	<u><u>\$ 3,493,239</u></u>

The accompanying notes are an integral part of these financial statements.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**STATEMENTS OF ACTIVITIES
For the Fiscal Years Ended June 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
REVENUES		
Student activity fees	\$6,400,000	\$6,250,000
Program revenue	249,111	229,728
Rental income	666,572	719,866
Commission income	110,356	85,369
Other income	51,889	46,884
Total revenue	<u>7,477,928</u>	<u>7,331,847</u>
EXPENSES		
Program services	5,225,592	5,258,504
General and administrative	<u>1,588,101</u>	<u>1,726,305</u>
Total expenses	<u>6,813,693</u>	<u>6,984,809</u>
Operating income	<u>664,235</u>	<u>347,038</u>
NONOPERATING REVENUES (EXPENSES)		
Pension related changes other than net periodic pension costs	(203,944)	67,992
Interest income	8,692	51,052
Investment income	<u>6,006</u>	<u>6,006</u>
Net nonoperating revenues (expenses)	<u>(195,252)</u>	<u>125,050</u>
CHANGE IN UNRESTRICTED NET ASSETS	468,983	472,088
NET ASSETS AT BEGINNING OF YEAR	<u>1,772,848</u>	<u>1,300,760</u>
NET ASSETS AT END OF YEAR	<u>\$2,241,831</u>	<u>\$1,772,848</u>

The accompanying notes are an integral part of these financial statements.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended June 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 468,983	\$ 472,088
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	255,294	206,304
Loss on disposal of property and equipment	352	1,401
(Increase) in accounts receivable	(10,422)	(4,291)
(Increase) decrease in prepaid assets	20,507	(25,363)
Increase (decrease) in accounts payable	(211,216)	353,691
(Decrease) in accrued liabilities	(48,378)	(38,433)
Increase in deferred revenue	8,973	18,971
Increase in postretirement benefit payable	<u>389,659</u>	<u>117,723</u>
Net cash provided by operating activities	<u>873,752</u>	<u>1,102,091</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(413,796)</u>	<u>(452,759)</u>
Net cash used by investing activities	<u>(413,796)</u>	<u>(452,759)</u>
NET INCREASE IN CASH	459,956	649,332
CASH AT BEGINNING OF YEAR	<u>2,543,625</u>	<u>1,894,293</u>
CASH AT END OF YEAR	<u><u>\$ 3,003,581</u></u>	<u><u>\$ 2,543,625</u></u>

The accompanying notes are an integral part of these financial statements.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009**

NOTE 1 - ORGANIZATION:

The University Student Union, Inc., California State University, Northridge (a California State University Auxiliary Organization) (Union) is a nonprofit auxiliary organization related to California State University, Northridge. The Union was organized to provide a variety of unique and convenient programs and services on the University campus. The Union operates the Student Union buildings as well as sponsors various campus activities that complement the instructional program and initiatives of the University.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the Union'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 the Union 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. The guide states that net assets and revenues, expenses, gains and losses be classified based on the existence or absence of donor-imposed restrictions. As of June 30, 2010, the Union did not have any restricted net assets. Accordingly, net assets of the Union and changes therein are classified as unrestricted net assets.

C. Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments, which are readily convertible into cash and have maturities of three months or less.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Concentration of Credit Risk

The Union maintains its cash balances at two financial institutions and is exposed to credit losses for amounts exceeding Federal Deposit Insurance Corporation insurance limits (\$250,000) in the event of nonperformance by the bank. The Union has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

E. Accounts Receivable

Accounts receivable is primarily comprised of amounts due from room rentals, commercial leases, and interest receivable.

F. Capital Equipment

Equipment and software are stated at cost. Depreciation is provided by the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Leasehold improvements are stated at cost and are amortized using the straight-line method over the estimated useful life of fifteen years.

G. 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 and 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.

H. Functional Expenses

The costs of providing various programs and other activities of the Union have been summarized on a functional basis in the statement of activities. Expenses that benefit more than one activity are allocated between those activities.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

I. Income Taxes

The Union is exempt from federal income taxes and California franchise taxes under section 501 (c) (3) of the Internal Revenue Code and section 23701 (d) of the California Revenue and Taxation Code, respectively.

The Union has evaluated its tax positions and the certainty as to whether those tax positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to the Union's continued qualification as a tax-exempt organization and whether there is unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not (>50%) of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

The Union files informational tax returns in the U.S. federal jurisdictions and the state of California. With few exceptions, the Union is no longer subject to U.S. federal and state examinations by tax authorities for years before 2005.

J. Revenue Recognition

The Union recognizes revenues for student fees and services when earned.

K. Subsequent Events

The organization has evaluated subsequent events through August 26, 2010, which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2010 and 2009

NOTE 3 - ACCOUNTS RECEIVABLE:

Accounts receivable at June 30, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
Accounts receivable from related parties	\$ 29,851	\$ 28,910
Interest receivable	836	7,699
Other receivables	<u>19,346</u>	<u>4,958</u>
Total accounts receivable	50,033	41,567
Allowance for doubtful accounts	<u>(11,081)</u>	<u>(13,037)</u>
Total accounts receivable, net	\$ <u><u>38,952</u></u>	\$ <u><u>28,530</u></u>

NOTE 4 - ACCOUNTS PAYABLE:

Accounts payable at June 30, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
Accounts payable	\$ 322,344	\$ 531,709
Amount due to others	<u>5,662</u>	<u>7,513</u>
Total accounts payable	\$ <u><u>328,006</u></u>	\$ <u><u>539,222</u></u>

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009**

NOTE 5 - RELATED PARTY TRANSACTIONS:

The Union provides and receives services from the University, Associated Students, Inc., the CSUN Foundation and The University Corporation. At June 30, 2010 and 2009, accounts receivable and payable to related organizations, which are included in the financial statements, are as follows:

<u>Receivables</u>	<u>2010</u>	<u>2009</u>
California State University, Northridge	\$ 28,216	\$ 22,271
Associated Students, Inc.	564	1,708
The CSUN Foundation	1,071	3,327
The University Corporation	<u>-</u>	<u>1,604</u>
	<u>\$ 29,851</u>	<u>\$ 28,910</u>
<u>Payables</u>		
California State University, Northridge	\$ 9,376	\$ 5,810
Associated Students, Inc.	2,144	1,287
The University Corporation	<u>5,975</u>	<u>4,037</u>
	<u>\$ 17,495</u>	<u>\$ 11,134</u>

At June 30, 2010 and 2009, amounts paid by the University to the Union totaled \$557,467 and \$565,593 respectively:

	<u>2010</u>	<u>2009</u>
Invoice Payments	\$ 451,751	\$ 484,155
Work Study	<u>105,716</u>	<u>81,438</u>
	<u>\$ 557,467</u>	<u>\$ 565,593</u>

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009**

NOTE 5 - RELATED PARTY TRANSACTIONS: (continued)

At June 30, 2010 and 2009, amounts billed by the University to the Union totaled \$1,177,541 and \$895,339 respectively:

	<u>2010</u>	<u>2009</u>
Services	\$ 1,140,463	\$ 842,555
Salaries	<u>37,078</u>	<u>52,784</u>
	<u>\$ 1,177,541</u>	<u>\$ 895,339</u>

The Union and the University entered into an agreement, which is to be renewed on a revolving basis, to provide rental space to the University's Student Development and International Programs. Rental income from this agreement was \$219,154 for the years ended June 30, 2010 and 2009 respectively.

The Union and the University entered into an agreement to provide rental space to the University's Intensive English Program. Rental income from this agreement was \$43,948 and \$44,773 for the years ended June 30, 2010 and 2009 respectively.

The Union and Associated Students, Inc. entered into an agreement whereby the Union agreed to provide space for the fitness center to Associated Students, Inc. to operate the facilities as stipulated in the agreement. This agreement expires on June 30, 2011.

The Union entered into an agreement with Associated Students, Inc. for space, custodial, and utilities reimbursement. The Union was reimbursed \$40,837 and \$35,302 for the years ended June 30, 2010 and 2009 in connection with this agreement.

The Union entered into an agreement with the Office of Human Resource Services (a department of the University) which stipulates that the Office of Human Resource Services is to provide the Union with personnel related services. The Union is to reimburse the University for the actual cost of position announcements placed through Human Resource Services plus an annual rate per employee based on the calculation stipulated in the agreement. This agreement has an indefinite term. The Union expensed \$22,424 and \$22,949 related to such services for the years ended June 30, 2010 and 2009 respectively.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009**

NOTE 5 - RELATED PARTY TRANSACTIONS: (continued)

During the fiscal year ended June 30, 2010, the CSUN Foundation received a pledge donation in the amount of \$400,000. The terms of the pledge call for the donation to be used for the benefit of the Student Recreation Center which will be operated by the University Student Union. The donation will be available in five yearly increments of \$80,000 beginning in fiscal year ended 2011/2012.

Revenue bonds were issued by the Trustees of the California State University and Colleges ("Trustees") for the construction, repair and maintenance of the University's Student Union building. Legal title to the Student Union Building is vested, along with related debt, with the Trustees. Accordingly, both the building and debt are carried on the books of the Trustees. Student Union fees are collected by the University and remitted to the Union's revenue fund managed by the University on behalf of the Union. The Union has entered into a five-year revolving agreement with the Chancellor's Office, which expires on June 30, 2012 and provides, among other things, that the excess of the student fees (after satisfying certain reserve requirements and servicing principal and interest payments on the revenue bonds) is available, after approval by the University of the Union's operating budget for payment of expenses incurred in operation of the Union. \$6,400,000 and \$6,250,000 were transferred to the Union's operating fund from the revenue fund for its operations for the fiscal years ended June 30, 2010 and 2009, respectively.

NOTE 6 - PENSION PLAN:

The Union provides pension benefits through a noncontributory defined contribution plan to all eligible employees (as defined by the plan agreement). The Union's total pension expense for the years ended June 30, 2010 and 2009 was \$110,294 and \$100,459 respectively.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009**

NOTE 7 - POSTRETIREMENT BENEFIT PLAN:

In 2007, the Union implemented a postretirement benefit plan which provides retirement benefits to all eligible employees (as defined by the plan agreement). The following tables provide further information about the Union's postretirement benefit plan:

Obligations and Funding Status:	<u>2010</u>	<u>2009</u>
Benefit obligation at June 30	\$ 1,159,080	\$ 769,421
Employer contributions	-	-
Participant contributions	-	-
Benefit payments	-	-
Fair value of plan assets at June 30	<u>-</u>	<u>-</u>
Net funded (unfunded) status of the plan	\$ <u>(1,159,080)</u>	\$ <u>(769,421)</u>

Amounts recognized in the statement of financial position consist of:

Noncurrent liabilities	\$ <u>(1,159,080)</u>	\$ <u>(769,421)</u>
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Amounts recognized in the statement of activities consist of:

Service cost	\$ 78,621	\$ 78,621
Interest cost	39,102	39,102
Amortization of unrecognized prior service cost	<u>67,992</u>	<u>67,992</u>
Net postretirement benefit cost	\$ <u>185,715</u>	\$ <u>185,715</u>

Other changes in benefit obligation recognized in changes in unrestricted net assets:

Net loss (gain)	\$ 271,936	\$ -
Prior service cost (credit)	<u>(67,992)</u>	<u>(67,992)</u>
Total	\$ <u>203,944</u>	\$ <u>(67,992)</u>

UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 7 - POSTRETIREMENT BENEFIT PLAN: (continued)

Assumptions:

Weighted average assumptions used in the accounting for the Union's postretirement benefit plan were:

Weighted-average assumptions used to determine benefit obligations at June 30:	<u>2010</u>	<u>2009</u>
Discount rate	5.50%	6.00%
Rate of return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A
Medical trend:		
Initial	8.00%	7.00%
Ultimate	5.00%	5.00%
Number of years to ultimate	3 years	2 years

Cash Flows:

The following benefit payments are expected to be paid:

Year ending <u>June 30,</u>	
2011	\$ 0
2012	1,059
2013	1,985
2014	3,071
2015	5,733
2016-2020	125,008

The Union does not expect to contribute any funds to the plan during the next fiscal year.

The following table includes the amounts in unrestricted net assets expected to be recognized as components of net periodic benefit cost over the 2010-11 fiscal year:

Net actuarial (gain)/loss	\$ 24,973
Net prior service cost	67,992
Net transition obligation	0

SUPPLEMENTARY INFORMATION

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**EXPENSES BY NATURAL CLASSIFICATION
For the Fiscal Years Ended June 30, 2010 and 2009**

EXPENSES	<u>2010</u>	<u>2009</u>
Salaries and wages	\$ 3,047,976	3,166,190
Event costs	444,931	511,899
Staff benefits	1,072,981	1,052,657
Depreciation	255,294	206,304
Other operating expenses		
Building repairs and maintenance	590,860	620,627
Costs of sales	-	430
Equipment rental	33,911	43,490
Expendable equipment purchases	66,915	48,256
Insurance	99,727	94,880
Licenses and fees	16,151	18,449
Loss on disposition of assets	352	1,401
Marketing and advertising	27,013	46,098
Office and administrative supplies	125,229	127,038
Professional and contract services	264,075	233,940
Services, other agencies	60,058	46,479
Training services	86,720	107,814
Travel	6,155	55,708
Utilities	615,345	603,149
Total expenses	<u><u>\$ 6,813,693</u></u>	<u><u>\$ 6,984,809</u></u>

See the accompanying independent auditors' report.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**STATEMENT OF NET ASSETS
June 30, 2010
(For inclusion in the California State University)**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 2,753,581
Short-term investments	250,000
Accounts receivable, net	38,952
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	37,378
Total current assets	<u>3,079,911</u>
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Leases receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	1,021,349
Other assets	-
Total noncurrent assets	<u>1,021,349</u>
Total assets	<u>4,101,260</u>
Liabilities:	
Current liabilities:	
Accounts payable	328,006
Accrued salaries and benefits payable	171,247
Accrued compensated absences-- current portion	74,651
Deferred revenue	126,445
Capitalized lease obligations -- current portion	-
Long-term debt obligations -- current portion	-
Self-insurance claims liability - current portion	-
Depository accounts	-
Other liabilities	-
Total current liabilities	<u>700,349</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Deferred revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Self-insurance claims liabilities, net of current portion	-
Depository accounts	-
Other postemployment benefits obligation	1,159,080
Other liabilities	-
Total noncurrent liabilities	<u>1,159,080</u>
Total liabilities	<u>1,859,429</u>
Net assets:	
Invested in capital assets, net of related debt	1,021,349
Restricted for:	
Nonexpendable -- endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	1,220,482
Total net assets	<u>\$ 2,241,831</u>

See the accompanying independent auditors' report.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET ASSETS**

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

Revenues:		
Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$0_____)	\$	6,400,000
Grants and contracts, noncapital:		
Federal		-
State		-
Local		-
Nongovernmental		-
Sales and services of educational activities		-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0_____)		1,026,039
Other operating revenues		51,889
Total operating revenues		<u>7,477,928</u>
Expenses:		
Operating expenses:		
Instruction		-
Research		-
Public service		-
Academic support		-
Student services		4,987,499
Institutional support		-
Operation and maintenance of plant		-
Student grants and scholarships		-
Auxiliary enterprise expenses		1,570,900
Depreciation and amortization		255,294
Total operating expenses		<u>6,813,693</u>
Operating income (loss)		<u>664,235</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		8,692
Endowment income (loss), net		-
Interest Expenses		-
Other nonoperating revenues (expenses)		(203,944)
Net nonoperating revenues (expenses)		<u>(195,252)</u>
Income (loss) before other additions		<u>468,983</u>
State appropriations, capital		-
Grants and gifts, capital		-
Additions (reductions) to permanent endowments		-
Increase (decrease) in net assets		<u>468,983</u>
Net assets:		
Net assets at beginning of year, as previously reported		1,772,848
Restatements		-
Net assets at beginning of year, as restated		<u>1,772,848</u>
Net assets at end of year	\$	<u><u>2,241,831</u></u>

See the accompanying independent auditors' report.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**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)	250,000	-	250,000	-	-	-	250,000
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
US Bank SWIFT pool	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:							
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Private pass-through	-	-	-	-	-	-	-
Other major investments:							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	250,000	-	250,000	-	-	-	250,000
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	250,000	-	250,000	-	-	-	250,000

See the accompanying independent auditors' report.

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

**OTHER INFORMATION
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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 :

250,000	-	250,000	-	-	-	-	250,000
---------	---	---------	---	---	---	---	---------

2 Restricted current investments at June 30, 2010 related to:

	Amount
\$	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
\$	-

Total restricted current investments at June 30, 2010

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

	Amount
\$	-
Endowment investment	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
\$	-

Total restricted noncurrent investments at June 30, 2010

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3 Composition of capital assets at June 30, 2010:

	Balance June 30, 2009	Prior period Adjustments	Reclassifications	Balance June 30, 2009 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2010
Nondepreciable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable capital assets	-	-	-	-	-	-	-	-
Depreciable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	756,597	-	-	756,597	197,263	(1,500)	-	952,360
Personal property:								
Equipment	1,134,094	-	-	1,134,094	216,533	(204,311)	-	1,146,316
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total depreciable capital assets	1,890,691	-	-	1,890,691	413,796	(205,811)	-	2,098,676
Total capital assets	1,890,691	-	-	1,890,691	413,796	(205,811)	-	2,098,676
Less accumulated depreciation:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(258,495)	-	-	(258,495)	(55,542)	1,148	-	(312,889)
Personal property:								
Equipment	(768,997)	-	-	(768,997)	(199,752)	204,311	-	(764,438)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation	(1,027,492)	-	-	(1,027,492)	(255,294)	205,459	-	(1,077,327)
Total capital assets, net	\$ 863,199	-	-	863,199	158,502	(352)	-	1,021,349

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

Depreciation and amortization expense related to capital assets	\$ 255,294
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 255,294

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

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

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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	\$ 107,808	-	-	107,808	152,593	(185,750)	74,651	74,651	—
Capitalized lease obligations									
Gross balance	-	-	-	-	-	-	-	-	—
Unamortized premium / (discount) on capitalized lease obligations	-	-	-	-	-	-	-	-	—
Total capitalized lease obligations	-	-	-	-	-	-	-	-	—
Long-term debt obligations:									
Revenue Bonds	-	-	-	-	-	-	-	-	—
Other bonds (non-Revenue Bonds)	-	-	-	-	-	-	-	-	—
Commercial Paper	-	-	-	-	-	-	-	-	—
Other:									
Add description	-	-	-	-	-	-	-	-	—
Add description	-	-	-	-	-	-	-	-	—
Add description	-	-	-	-	-	-	-	-	—
Add description	-	-	-	-	-	-	-	-	—
Add description	-	-	-	-	-	-	-	-	—
Add description	-	-	-	-	-	-	-	-	—
Total long-term debt obligations	-	-	-	-	-	-	-	-	—
Unamortized bond premium / (discount)	-	-	-	-	-	-	-	-	—
Unamortized loss on refunding	-	-	-	-	-	-	-	-	—
Total long-term debt obligations, net	-	-	-	-	-	-	-	-	—
Total long-term liabilities	\$ 107,808	-	-	107,808	152,593	(185,750)	74,651	74,651	—

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**UNIVERSITY STUDENT UNION, INC.
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5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
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			\$ -

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:									
2011	\$ -	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016 - 2020	-	-	-	-	-	-	-	-	-
2021 - 2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
2051 - 2055	-	-	-	-	-	-	-	-	-
2056 - 2060	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

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7 Calculation of net assets

	Auxiliary Organizations		Total Auxiliaries
	GASB	FASB	
7.1 Calculation of net assets - Invested in capital assets, net of related debt			
Capital assets, net of accumulated depreciation	\$ -	1,021,349	1,021,349
Capitalized lease obligations - current portion	-	-	-
Capitalized lease obligations, net of current portion	-	-	-
Long-term debt obligations - current portion	-	-	-
Long-term debt obligations, net of current portion	-	-	-
Portion of outstanding debt that is unspent at year-end	-	-	-
Other adjustments: (please list)			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Net assets - invested in capital assets, net of related debt	\$ -	1,021,349	1,021,349
7.2 Calculation of net assets - Restricted for nonexpendable - endowments			
Portion of restricted cash and cash equivalents related to endowments	\$ -	-	-
Endowment investments	-	-	-
Other adjustments: (please list)			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Net assets - Restricted for nonexpendable - endowments per SNA	\$ -	-	-

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8 Transactions with Related Entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 37,078
Payments to University for other than salaries of University personnel	1,140,463
Payments received from University for services, space, and programs	557,467
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)	(9,376)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University	28,216
Other amounts receivable from University	-

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$ 389,659
Contributions during the year	-
Increase (decrease) in net OPEB obligation (NOO)	<u>389,659</u>
NOO - beginning of year	769,421
NOO - end of year	<u>\$ 1,159,080</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	-
Total pollution remediation liabilities	\$ -
Less: current portion	-
Pollution remediation liabilities, net of current portion	<u>-</u>

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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		\$ 1,772,848
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		\$ <u>1,772,848</u>

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

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

See the accompanying independent auditors' report.