

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**June 30, 2011 and 2010**

**(With Independent Auditors' Report Thereon)**



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

**AUDIT REPORT**

**June 30, 2011 and 2010**

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CERTIFIED PUBLIC ACCOUNTANTS  
&  
BUSINESS CONSULTANTS

September 19, 2011

## 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 accompanying 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, 2011, and the related statements of activities and cash flows for the year 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 audit. The prior year summarized comparative information has been derived from the Union's 2010 financial statements. The financial statements of the University Student Union, Inc., California State University, Northridge as of June 30, 2010, were audited by other auditors whose report dated August 26, 2010, expressed an unqualified opinion on those statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University Student Union, Inc., California State University, Northridge 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.

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 13-24 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

*NSBN LLP*  
NSBN LLP

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

**STATEMENT OF FINANCIAL POSITION  
June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 3,410,117	\$ 3,003,581
Accounts receivable, net	49,397	38,952
Prepaid expenses and deposits	42,678	37,378
Total current assets	<u>3,502,192</u>	<u>3,079,911</u>
Property and equipment		
Equipment and software	1,323,436	1,146,316
Leasehold improvements	965,532	952,360
Accumulated depreciation	(1,336,149)	(1,077,327)
Total property and equipment, net	<u>952,819</u>	<u>1,021,349</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,455,011</u>	<u>\$ 4,101,260</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 226,172	\$ 328,006
Accrued liabilities	238,059	245,898
Deferred revenue	147,280	126,445
Total current liabilities	<u>611,511</u>	<u>700,349</u>
Noncurrent liabilities		
Postretirement benefit payable	<u>1,211,856</u>	<u>1,159,080</u>
<b>TOTAL LIABILITIES</b>	<u>1,823,367</u>	<u>1,859,429</u>
<b>NET ASSETS</b>		
Unrestricted net assets	<u>2,631,644</u>	<u>2,241,831</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,455,011</u>	<u>\$ 4,101,260</u>

See accompanying auditors' report.  
The notes are an integral part of these financial statements.

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

**STATEMENT OF ACTIVITIES  
For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>REVENUES</b>		
Student activity fees	\$ 6,350,000	\$ 6,400,000
Program revenue	278,990	249,111
Rental income	720,716	666,572
Commission income	131,438	110,356
Other income	125,676	51,889
Donations	14,120	-
<b>Total revenue</b>	<u>7,620,940</u>	<u>7,477,928</u>
 <b>EXPENSES</b>		
Program services	5,765,585	5,225,592
General and administrative	1,685,515	1,588,101
<b>Total expenses</b>	<u>7,451,100</u>	<u>6,813,693</u>
 Operating income	<u>169,840</u>	<u>664,235</u>
 <b>NONOPERATING REVENUE (EXPENSES)</b>		
Pension related changes other than net periodic pension costs	219,396	(203,944)
Interest income	577	8,692
Investment income	-	-
<b>Net nonoperating revenues (expenses)</b>	<u>219,973</u>	<u>(195,252)</u>
 <b>CHANGE IN UNRESTRICTED NET ASSETS</b>	 389,813	 468,983
 <b>NET ASSETS AT BEGINNING OF YEAR</b>	 <u>2,241,831</u>	 <u>1,772,848</u>
 <b>NET ASSETS AT END OF YEAR</b>	 <u>\$ 2,631,644</u>	 <u>\$ 2,241,831</u>

See accompanying auditors' report.  
The notes are an integral part of these financial statements.

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

**STATEMENT OF CASH FLOWS  
For the Fiscal Years Ended June 30, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 389,813	\$ 468,983
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	273,117	255,294
Loss on disposal of property and equipment	3,981	352
(Increase) in accounts receivable	(10,445)	(10,422)
(Increase) decrease in prepaid assets	(5,300)	20,507
(Decrease) in accounts payable	(101,834)	(211,216)
(Decrease) in accrued liabilities	(7,838)	(48,378)
Increase in deferred revenue	20,834	8,973
Increase in postretirement benefit payable	52,776	389,659
Net cash provided by operating activities	615,104	873,752
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(208,568)	(413,796)
Net cash used by investing activities	(208,568)	(413,796)
<b>NET INCREASE IN CASH</b>	406,536	459,956
<b>CASH AT BEGINNING OF YEAR</b>	3,003,581	2,543,625
<b>CASH AT END OF YEAR</b>	\$ 3,410,117	\$ 3,003,581

See accompanying auditors' report.  
The notes are an integral part of these financial statements.

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2011 and 2010**

**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, 2011, 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.

**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.

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2011 and 2010**

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

**F. Capital Equipment**

Equipment and software are stated at cost. Capital equipment is defined as an item or combination of like items with a value greater than five thousand dollars which will be used in a productive capacity and will benefit the Union for a period of more than one year. 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.

**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.



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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2011 and 2010**

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

**K. Subsequent Events**

The organization has evaluated subsequent events through September 19, 2011, which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

**NOTE 3 - ACCOUNTS RECEIVABLE:**

Accounts receivable at June 30, 2011 and 2010 consisted of the following:

	<b>2011</b>	<b>2010</b>
Accounts receivable from related parties	\$ 49,841	\$ 29,851
Interest receivable	9	836
Other receivables	10,568	19,346
Total accounts receivable	60,418	50,033
Allowance for doubtful accounts	(11,021)	(11,081)
Total accounts receivable, net	\$ 49,397	\$ 38,952

**NOTE 4 - ACCOUNTS PAYABLE:**

Accounts payable at June 30, 2011 and 2010 consisted of the following:

	<b>2011</b>	<b>2010</b>
Accounts payable	\$ 214,962	\$ 322,344
Amount due to others	11,210	5,662
Total accounts payable	\$ 226,172	\$ 328,006

**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, 2011 and 2010, accounts receivable and payable to related organizations, which are included in the financial statements, are as follows:

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2011 and 2010**

**NOTE 5 - RELATED PARTY TRANSACTIONS: (continued)**

<u>Receivables</u>	<u>2011</u>	<u>2010</u>
California State University, Northridge	\$ 41,727	\$ 28,216
Associated Students, Inc.	5,586	564
The CSUN Foundation	1,319	1,071
The University Corporation	1,209	-
	<u>\$ 49,841</u>	<u>\$ 29,851</u>
 <u>Payables</u>		
California State University, Northridge	\$ 1,987	\$ 9,376
Associated Students, Inc.	-	2,144
The CSUN Foundation	-	-
The University Corporation	7,228	5,975
	<u>\$ 9,215</u>	<u>\$ 17,495</u>

At June 30, 2011 and 2010, amounts paid by the University to the Union totaled \$659,431 and \$557,467 respectively:

	<u>2011</u>	<u>2010</u>
Invoice Payments	\$ 536,065	\$ 451,751
Work Study	123,366	105,716
	<u>\$ 659,431</u>	<u>\$ 557,467</u>

At June 30, 2011 and 2010, amounts billed by the University to the Union totaled \$959,658 and \$1,177,541 respectively:

	<u>2011</u>	<u>2010</u>
Services	\$ 886,498	\$ 1,140,463
Salaries	73,160	37,078
	<u>\$ 959,658</u>	<u>\$ 1,177,541</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 \$253,244 and \$219,154 for the years ended June 30, 2011 and 2010.

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2011 and 2010**

**NOTE 5 - RELATED PARTY TRANSACTIONS: (continued)**

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 \$32,965 and \$43,948 for the years ended June 30, 2011 and 2010 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 \$55,383 and \$40,837 for the years ended June 30, 2011 and 2010 in connection with this agreement.

The Union and The University Corporation entered into an agreement, in which The University Corporation manages all operation of the food units located at the Union and Satellite Union in exchange for a 1% commission of all The University Corporation's food unit and catering sales. Commission income from this agreement was \$131,438 and \$110,356 for the years ended June 30, 2011 and 2010 respectively.

The Union entered into an agreement with the University Controller's Office (a department of the University) which stipulates that the University Controller's Office is to provide the Union with functional support of the PeopleSoft accounting software. The University coordinates and manages all transactions related to the system's annual maintenance and support costs, including IT costs. The Union expensed \$47,055 and \$47,384 related to such services for the years ended June 30, 2011 and 2010 respectively.

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 related to such services for the years ended June 30, 2011 and 2010 respectively.

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.

The Union and the University Foundation entered into an agreement, which is to be renewed on a revolving basis, to provide rental space to the University Advancement. Rental income from this agreement was \$21,091 and \$18,252 for the years ended June 30, 2011 and 2010.

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2011 and 2010**

**NOTE 5 - RELATED PARTY TRANSACTIONS: (continued)**

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 a trust fund administered by the campus on the 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; servicing principal and interest payments on the revenue bonds; providing funds for major repairs and replacements; providing funds for projects under construction; and Chancellor's Office overhead expenses) is available, after approval by the University, for payment of expenses incurred in operation of the Union. Pursuant to this agreement, the Union received \$6,350,000 and \$6,400,000 to fund its operation for fiscal years ended June 30, 2011 and 2010, 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, 2011 and 2010 was \$107,057 and \$110,294 respectively.

**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:	<b>2011</b>	<b>2010</b>
Benefit obligation at June 30	\$ 1,211,856	\$ 1,159,080
Employer contributions	-	-
Participant contributions	-	-
Benefit payments	-	-
Fair value of plan assets at June 30	-	-
Net funded (unfunded) status of the plan	\$ (1,211,856)	\$ (1,159,080)
Amounts recognized in the statement of financial position consist of:		
Noncurrent liabilities	\$ (1,211,856)	\$ (1,159,080)

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2011 and 2010**

**NOTE 7 - POSTRETIREMENT BENEFIT PLAN: (continued)**

Amounts recognized in the statement of activities consist of:

Service cost	\$ 115,465	\$ 78,621
Interest cost	63,742	39,102
Amortization of unrecognized prior service cost	67,992	67,992
Amortization of unrecognized (gain)/loss	24,973	-
Net postretirement benefit cost (NPBC)	<u>\$ 272,172</u>	<u>\$ 185,715</u>

Other changes recognized in changes in unrestricted net assets (CUNA):

Prior service cost for period	\$ -	\$ -
Net loss/(gain) for period	(126,431)	271,936
Amortization of prior service (cost)	(67,992)	(67,992)
Amortization of net (loss)/gain	(24,973)	-
Total changes recognized in CUNA	<u>\$ (219,396)</u>	<u>\$ 203,944</u>

Total changes recognized in NPBC and CUNA	\$ 52,776	\$ 389,659
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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>2011</u>	<u>2010</u>
Discount rate	5.75%	5.50%
Rate of return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A
Medical trend:		
Initial	7.00%	8.00%
Ultimate	5.00%	5.00%
Number of years to ultimate	2 years	3 years

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

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2011 and 2010**

**NOTE 7 - POSTRETIREMENT BENEFIT PLAN: (continued)**

Cash Flows:

The following benefit payments are expected to be paid:

Year beginning <u>June 30,</u>	
2011	\$ 429
2012	1,418
2013	2,589
2014	5,517
2015	9,183
2016-2020	181,037

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 2011-12 fiscal year:

Net actuarial (gain)/loss	\$ 5,400
Net prior service cost	67,992

**SUPPLEMENTARY INFORMATION**

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

**EXPENSES BY NATURAL CLASSIFICATION  
For the Fiscal Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>EXPENSES</b>		
Salaries and wages	\$ 3,110,440	\$ 3,047,976
Event costs	503,902	444,931
Staff benefits	1,228,759	1,072,981
Depreciation	273,117	255,294
Other operating expenses		
Building repairs and maintenance	595,082	590,860
Equipment rental	35,486	33,911
Expendable equipment purchases	70,545	66,915
Insurance	103,682	99,727
Licenses and fees	31,666	16,151
Loss on disposition of assets	3,981	352
Marketing and advertising	41,415	27,013
Office and administrative supplies	337,227	125,229
Professional and contract services	281,460	264,075
Services, other agencies	52,509	60,058
Training services	80,329	86,720
Travel	11,940	6,155
Utilities	689,560	615,345
	<u>689,560</u>	<u>615,345</u>
Total expenses	\$ <u>7,451,100</u>	\$ <u>6,813,693</u>

See the accompanying independent auditors' report.



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

**SCHEDULE OF NET ASSETS  
June 30, 2011  
(For Inclusion in the California State University)**

<b>Assets:</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 3,410,117
Short-term investments	-
Accounts receivable, net	49,397
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	42,678
<b>Total current assets</b>	<u>3,502,192</u>
<b>Noncurrent assets:</b>	
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	952,819
Other assets	-
<b>Total noncurrent assets</b>	<u>952,819</u>
<b>Total assets</b>	<u>4,455,011</u>
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accounts payable	226,172
Accrued salaries and benefits payable	128,527
Accrued compensated absences— current portion	109,532
Deferred revenue	147,280
Capitalized lease obligations – current portion	-
Long-term debt obligations – current portion	-
Self-insurance claims liability - current portion	-
Depository accounts	-
Other liabilities	-
<b>Total current liabilities</b>	<u>611,511</u>
<b>Noncurrent liabilities:</b>	
Accrued compensated absences, net of current portion	-
Deferred revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Self-insurance claims liabilities, net of current portion	-
Depository accounts	-
Other postemployment benefits obligation	1,211,856
Other liabilities	-
<b>Total noncurrent liabilities</b>	<u>1,211,856</u>
<b>Total liabilities</b>	<u>1,823,367</u>
<b>Net assets:</b>	
Invested in capital assets, net of related debt	952,819
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	1,678,825
<b>Total net assets</b>	<u>\$ 2,631,644</u>

See the accompanying independent auditors' report.

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

**SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS**

**For the Fiscal Year Ended June 30, 2011  
(For inclusion in the California State University)**

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$0 _____)	\$	6,350,000
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 _____)		1,145,264
Other operating revenues		125,676
Total operating revenues		<u>7,620,940</u>

Expenses:

Operating expenses:

Instruction		—
Research		—
Public service		—
Academic support		—
Student services		5,522,628
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		—
Auxiliary enterprise expenses		1,655,355
Depreciation and amortization		273,117
Total operating expenses		<u>7,451,100</u>
Operating income (loss)		<u>169,840</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		577
Endowment income (loss), net		—
Interest Expenses		—
Other nonoperating revenues (expenses)		219,396
Net nonoperating revenues (expenses)		<u>219,973</u>
Income (loss) before other additions		<u>389,813</u>

State appropriations, capital

Grants and gifts, capital

Additions (reductions) to permanent endowments

Increase (decrease) in net assets		<u>389,813</u>
-----------------------------------	--	----------------

Net assets:

Net assets at beginning of year, as previously reported		2,241,831
Restatements		—
Net assets at beginning of year, as restated		<u>2,241,831</u>
Net assets at end of year	\$	<u><u>2,631,644</u></u>

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<b>1</b>	<b>Restricted cash and cash equivalents at June 30, 2011:</b>	
	Portion of restricted cash and cash equivalents related to endowments	\$ -
	All other restricted cash and cash equivalents	<u>          -</u>
	<b>Total restricted cash and cash equivalents</b>	<b>\$ <u>          -</u></b>

**2.1 Composition of investments at June 30, 2011:**

	<u>Current Unrestricted</u>	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-	-	-
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
HS 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	-	-	-	-	-	-	-
Interest flowters	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
<b>Total investments</b>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
<b>Less endowment investments (enter as negative number)</b>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
<b>Total investments</b>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>

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**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 :

<b>2.3 Restricted current investments at June 30, 2011 related to:</b>	<u>Amount</u>
Add description	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
<b>Total restricted current investments at June 30, 2011</b>	<b>\$ -</b>

<b>2.4 Restricted noncurrent investments at June 30, 2011 related to:</b>	<u>Amount</u>
Endowment investment	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
<b>Total restricted noncurrent investments at June 30, 2011</b>	<b>\$ -</b>

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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
<b>Nondepreciable/nonamortizable capital assets:</b>								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
<b>Intangible assets:</b>								
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
<b>Depreciable/amortizable capital assets:</b>								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	952,360	-	-	952,360	24,222	(11,050)	-	965,532
<b>Personal property:</b>								
Equipment	1,146,316	-	-	1,146,316	184,346	(7,226)	-	1,323,436
Library books and materials	-	-	-	-	-	-	-	-
<b>Intangible assets:</b>								
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	2,098,676	-	-	2,098,676	208,568	(18,276)	-	2,288,968
Total capital assets	2,098,676	-	-	2,098,676	208,568	(18,276)	-	2,288,968
<b>Less accumulated depreciation/amortization:</b>								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(312,889)	-	-	(312,889)	(60,213)	7,069	-	(366,033)
<b>Personal property:</b>								
Equipment	(764,438)	-	-	(764,438)	(212,904)	7,226	-	(970,116)
Library books and materials	-	-	-	-	-	-	-	-
<b>Intangible assets:</b>								
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(1,077,327)	-	-	(1,077,327)	(273,117)	14,295	-	(1,336,149)
Total capital assets, net	\$ 1,021,349	-	-	1,021,349	(64,549)	(3,981)	-	952,819

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

Depreciation and amortization expense related to capital assets	\$ 273,117
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 273,117

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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	\$ 74,651	-	-	74,651	155,042	(120,162)	109,531	109,531	-
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	\$ 74,651	-	-	74,651	155,042	(120,162)	109,531	109,531	-

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

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
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			\$ -

**6 Long-term debt obligation schedule**

	<u>Revenue Bonds</u>			<u>All other long-term debt obligations</u>			<u>Total</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
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	\$ -	-	-	-	-	-	-	-	-

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7 Calculation of net assets

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
<b>7.1 Calculation of net assets - Invested in capital assets, net of related debt</b>			
Capital assets, net of accumulated depreciation	\$ -	952,819	952,819
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	-	-	-
Add description	-	-	-
Add description	-	-	-
Net assets - invested in capital assets, net of related debt	<u>\$ -</u>	<u>952,819</u>	<u>952,819</u>
<b>7.2 Calculation of net assets - Restricted for nonexpendable - endowments</b>			
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	-	-	-
Add description	-	-	-
Add description	-	-	-
Net assets - Restricted for nonexpendable - endowments per SNA	<u>\$ -</u>	<u>-</u>	<u>-</u>

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**8 Transactions with Related Entities**

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 73,160
Payments to University for other than salaries of University personnel	886,498
Payments received from University for services, space, and programs	659,431
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)	(1,987)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University	41,727
Other amounts receivable from University	-

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

Annual required contribution (ARC)	\$ 52,776
Contributions during the year	-
Increase (decrease) in net OPEB obligation (NOO)	52,776
NOO - beginning of year	1,159,080
NOO - end of year	\$ 1,211,856

**10 Pollution remediation liabilities under GASB Statement No. 49:**

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

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

	<b>Net Asset Class</b>	<b>Amount Dr. (Cr.)</b>
Net assets as of June 30, 2010, as previously reported	\$	2,241,831
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, 2010, as restated	\$	2,241,831

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

	Debit	Credit
Net asset class: _____ 1 (breakdown of adjusting journal entry)	5	-
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)	-	-

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