CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

Financial Statements
with Supplementary Financial Information
June 30, 2010 and 2009

CONTENTS

Independent Auditors' Report 1-2

Management's Discussion and Analysis (Unaudited) 3-14

Statement of Net Assets 15-16

Statement of Revenues, Expenses, and Changes in Net Assets 17-18

Statement of Cash Flows 19-20

Notes to the Financial Statements 21-39

Supplementary Information 40

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
California State University, Long Beach Foundation:

We have audited the accompanying statement of net assets of the California State University, Long Beach Foundation (the Foundation), a direct support organization and component unit of California State University, Long Beach, as of June 30, 2010 and 2009, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

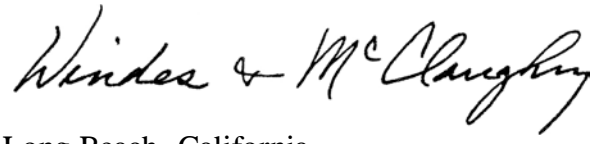
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 California State University, Long Beach Foundation as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years 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 23, 2010 on our consideration of the Foundation's internal control over financial reporting and on our tests of its 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 should be considered in assessing the results of our audits.

Management's Discussion and Analysis (MD&A) on pages 3 to 14 is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other information on page 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.



Long Beach, California
September 23, 2010

CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2010 AND 2009

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the California State University, Long Beach Foundation (the Foundation) for the years ended June 30, 2010 and 2009. The discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto, which follow this section.

The Foundation is a nonprofit organization formed to support and advance the mission of California State University, Long Beach (the University). To fulfill this mission, the Foundation pursues a wide range of opportunities in the areas of grants and contracts, campus programs, public-private partnerships, technology transfer, and other entrepreneurial activities to complement and strengthen the University's teaching, research, scholarly, creative, fund-raising, and public service goals.

Using the Financial Statements

The Foundation's financial report includes three statements: the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows. These financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) principles. The Foundation has adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, as amended by GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB No. 38, *Certain Financial Statement Note Disclosures,* GASB No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the reporting entity as a whole, with resources classified for accounting and reporting purposes into the following four net asset categories:

- Invested in capital assets, net of related debt
- Restricted, non-expendable
- Restricted, expendable
- Unrestricted

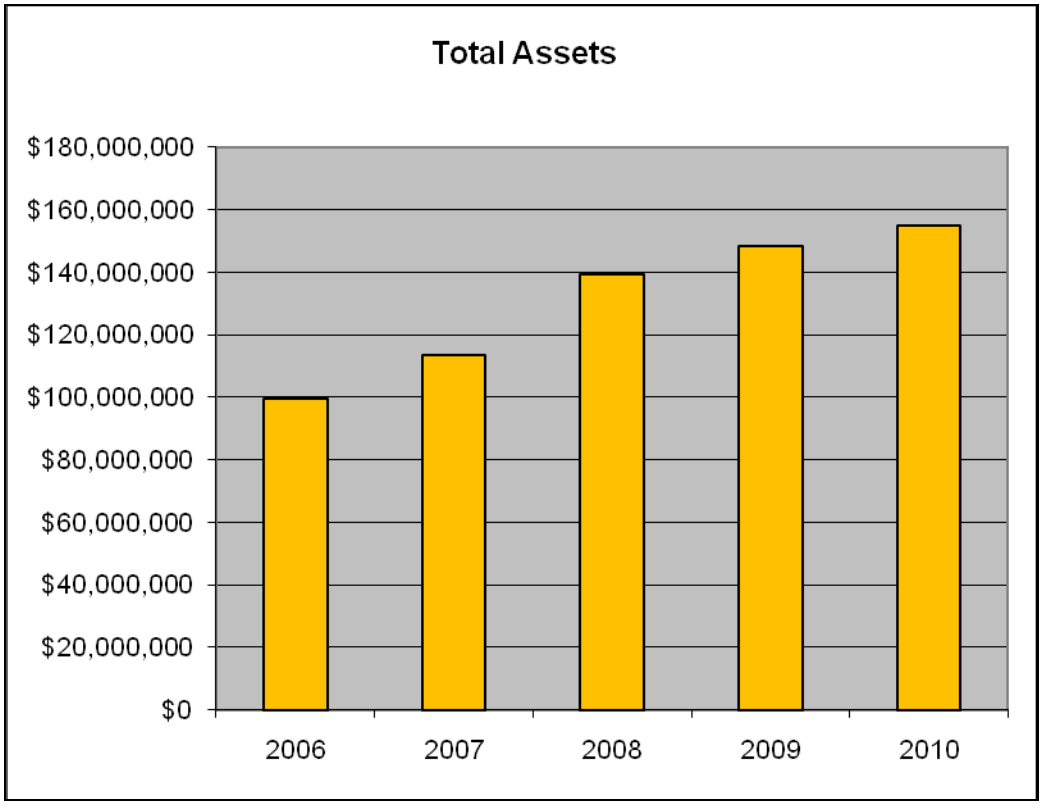
Statement of Net Assets

The statement of net assets presents the financial position of the Foundation at the end of the fiscal year and includes all assets and liabilities of the Foundation. The difference between total assets and total liabilities – net assets – is one indicator of the current financial condition of the Foundation, while the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical costs less an allowance for depreciation. For the purpose of distinguishing between current and noncurrent assets and liabilities, current assets and liabilities are those that can be reasonably expected to either generate or use cash, as part of normal business operations, within one year of the financial statement date. A summary of the Foundation's assets, liabilities, and net assets at June 30, 2010 and 2009 is as follows:

	June 30,	
	2010	2009
Current assets	$ 45,800,000	$ 46,700,000
Noncurrent assets		
Accounts receivable, net	16,200,000	17,400,000
Pledges receivable, net	3,400,000	4,900,000
Endowment and other investments	36,600,000	31,100,000
Other investments	3,700,000	3,400,000
Capital assets	49,500,000	44,800,000
Total assets	155,200,000	148,300,000
Current liabilities	14,000,000	12,000,000
Noncurrent liabilities	48,800,000	48,100,000
Total liabilities	62,800,000	60,100,000
Net Assets	$ 92,400,000	$ 88,200,000

Total assets increased $6.9 million, or 4.6%, during fiscal year 2010 and increased $8.9 million, or 6.4%, during fiscal year 2009. The change in 2010 is attributed to the increase of $5.5 million, or 17%, in endowment investments and an increase of $4.7 million for the renovation of the CSULB Residential Learning College property, formerly Brooks College. Current assets of $45.8 million were $900 thousand, or 2%, less than 2009.

Statement of Net Assets (Continued)



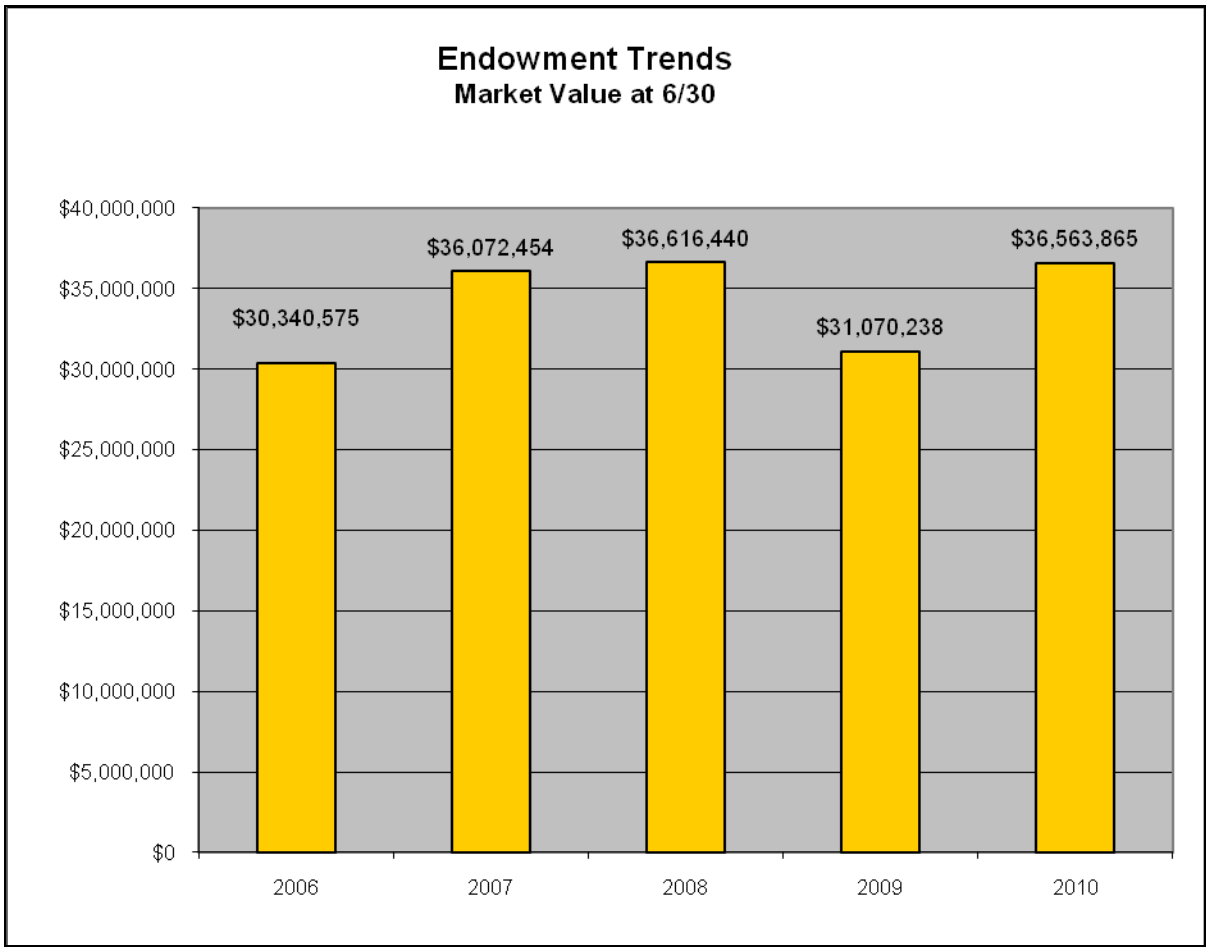
Total liabilities increased $2.7 million, or 4.5%, during fiscal year 2010. Current liabilities include accounts payable of $4.4 million, accrued salaries, benefits, and compensated absences payable of $2.9 million, deferred revenues of $5.9 million, and the current portion of long-term debt of $800 thousand. In 2009, total liabilities increased $15.0 million, or 33.3%. That increase was mostly due to the issuance of a bond to renovate the Residential Learning College.

Current deferred revenues represent unexpended cash advances received for sponsored programs.

Net assets increased $4.2 million, or 4.7%, from $88.2 million in 2009 to $92.4 million in 2010. This increase was primarily because of unrealized gains in investments. In comparison, in 2009 net assets decreased $6.1 million, or 6.5%, from $94.3 million in 2008 to $88.2 million in 2009. That decrease was the result of unrealized losses in investments.

Endowment and Other Investments

During fiscal year 2010, endowments increased by $5.5 million, or 17%, from $31.1 million to $36.6 million, as a result of unrealized investment gains and new gifts. During fiscal year 2009, endowments decreased by $5.5 million, or 15%, from $36.6 million to $31.1 million, as a result of unrealized investment losses. The Foundation's investment policies are designed to maximize long-term return, while its income distribution policies are designed to preserve the value of the endowments and to generate a predictable stream of expendable income.



Permanent endowments are funds received from donors with the stipulation that the principal remains intact and be invested in perpetuity to produce income, which is to be expended for purposes specified by the donor.

Endowment and Other Investments (Continued)

In addition, other long-term investments were $3.7 million in 2010 and $3.4 million in 2009. These investments consist of funds that have been allocated by the Foundation for long-term investment purposes without donor restrictions.

Capital Assets and Long-Term Debt Activities

At June 30, 2010, the Foundation had $49.5 million invested in capital assets, net of accumulated depreciation of $8.1 million. At June 30, 2009, the Foundation had $44.8 million invested in capital assets, net of accumulated depreciation of $6.9 million. Depreciation charges for the years ended June 30, 2010 and 2009 totaled $1.3 million and $540 thousand, respectively. A summary of capital assets, net of accumulated depreciation, is as follows:

	June 30,	
	2010	2009
Building and improvements	$32,700,000	$27,500,000
Furniture and fixtures	3,600,000	2,900,000
	36,300,000	30,400,000
Less: accumulated depreciation and amortization	(8,100,000)	(6,900,000)
	28,200,000	23,500,000
Collection items (works of art)	4,200,000	4,200,000
Land and land improvements	17,100,000	17,100,000
	$49,500,000	$44,800,000

Capital assets of $5.9 million and $11.5 million were added in 2010 and 2009, respectively. The Foundation incurred $5.9 million in renovation and furniture costs for the Residential Learning College in 2010. The Foundation had incurred $11.3 million in renovation costs of the Residential Learning College in 2009.

Long-term debt obligations consist of bonds of $34.5 million in 2010 and $35 million in 2009. A new bond was issued in 2009 to finance the renovation of the Residential Learning College.

Net Assets

Net assets represent the residual interest in the Foundation's assets after liabilities are deducted. The Foundation's net assets are as follows:

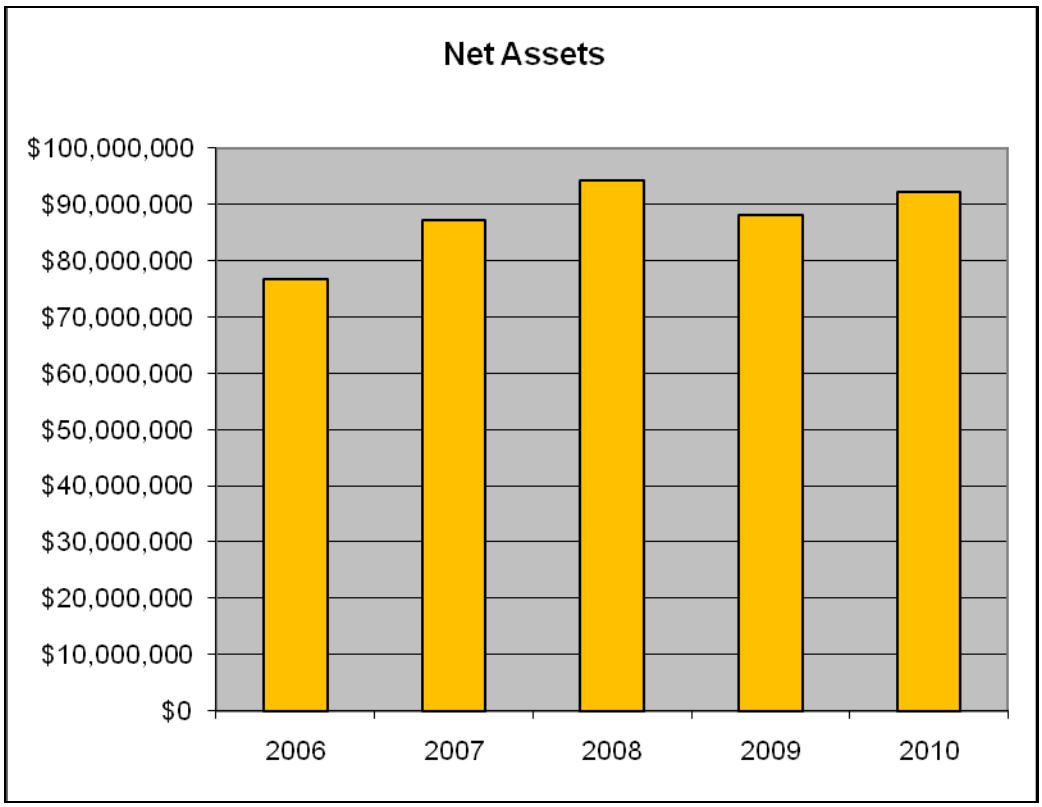
	June 30, 2010	June 30, 2009
Invested in capital assets, net of related debt	$15,000,000	$13,400,000
Restricted:		
Nonexpendable	36,500,000	34,900,000
Expendable	39,950,000	38,700,000
Unrestricted	950,000	1,200,000
Net Assets	$92,400,000	$88,200,000

Net assets increased $4.2 million, or 4.7%, in 2010 and decreased $6.1 million, or 6.5%, in 2009. Net assets invested in capital assets, net of related debt, represent the Foundation's capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of these assets.

In 2010, restricted net assets increased $2.85 million, or 4%. In 2009, restricted net assets decreased $4.8 million, or 6%. Restricted nonexpendable net assets, which primarily include the Foundation's permanent endowment funds, increased by $1.6 million, or 4.6%, in 2010 and decreased by $1.1 million, or 3%, in 2009. Restricted expendable net assets increased by $1.25 million, or 3%, in 2010 and decreased by $3.7 million, or 9%, in 2009.

Items included in the restricted expendable net assets are program funds designated to support scholarships and fellowships, research, and other program activities. Restricted nonexpendable net assets include the Foundation's permanent endowment funds.

Net Assets (Continued)



Statement of Revenues, Expenses and Changes in Net Assets

The statement of revenues, expenses, and changes in net assets presents the Foundation's results of operations. A summary of the Foundation's revenues, expenses, and changes in net assets is as follows:

	For the Year Ended June 30,	
	2010	2009
Operating revenues:		
Grants and contracts	$ 34,800,000	$ 35,500,000
Other	15,100,000	12,700,000
Total operating revenues	49,900,000	48,200,000
Operating expenses	(54,500,000)	(57,900,000)
Operating loss	(4,600,000)	(9,700,000)
Nonoperating revenues (expenses):		
Gifts	4,800,000	10,300,000
Investment income (loss), net	2,900,000	(900,000)
Endowment income (loss)	3,900,000	(7,900,000)
Nonoperating expenses	(4,500,000)	(1,700,000)
Endowment gifts	1,700,000	3,800,000
Total nonoperating revenues, net	8,800,000	3,600,000
Increase (decrease) in net assets	4,200,000	(6,100,000)
Net assets at beginning of year	88,200,000	94,300,000
Net assets at end of year	$ 92,400,000	$ 88,200,000

During fiscal year 2010, total nonoperating revenues increased $5.2 million, or 144%. This change is attributed to a positive return on investments compared to the losses in the previous year.

During fiscal year 2009, total nonoperating revenues decreased $6.5 million, or 65%. This change is attributed to a negative return on investments. This drop was partially offset by a gain in gifts and endowment gifts of $1.8 million and $100 thousand, respectively. Nonoperating expenses increased $600 thousand, or 54%. This increase was primarily due to additional bond interest related to the financing of the Residential Learning College.

Statement of Revenues, Expenses and Changes in Net Assets (Continued)

The operating loss is affected by two factors. First, although gift revenues are treated as nonoperating revenues, corresponding gift expenditures (i.e., student grants and scholarships) are treated as operating expenditures. Second, restricted net assets report the activities of the grants, contracts and Foundation programs where the use of funds is restricted for specific purposes. Since Foundation program activities are allowed to use balances from prior years, expenditures in the current year may be more or less than revenues recorded during the same year.

During 2010, grants and contracts revenues consist of federal grants and contracts of $27.9 million, state and local grants and contracts of $5.3 million, and non-governmental grants and contracts of $1.6 million. During 2009, grants and contracts revenues consist of federal grants and contracts of $24.9 million, state and local grants and contracts of $6.5 million, and non-governmental grants and contracts of $4.1 million.

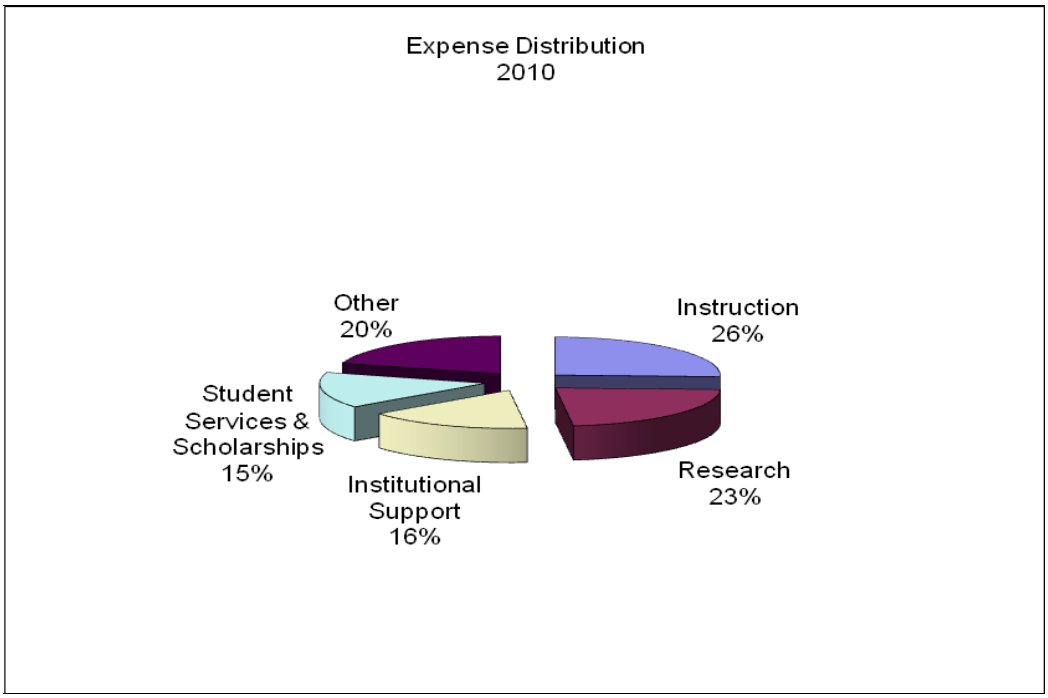
Investment income, net of fees, consists of a change in the fair market value of investments, including interest, dividends, and realized and unrealized gains and losses of a positive $6.8 million in 2010 and a negative $8.8 million in 2009.

In 2010, operating expenses consist of salaries and fringe benefits of $25.0 million, supplies and services of $25.7 million, scholarships of $2.5 million and depreciation of $1.3 million. In 2009, operating expenses consist of salaries and fringe benefits of $25.7 million, supplies and services of $24.9 million, scholarships of $6.7 million and depreciation of $600 thousand.

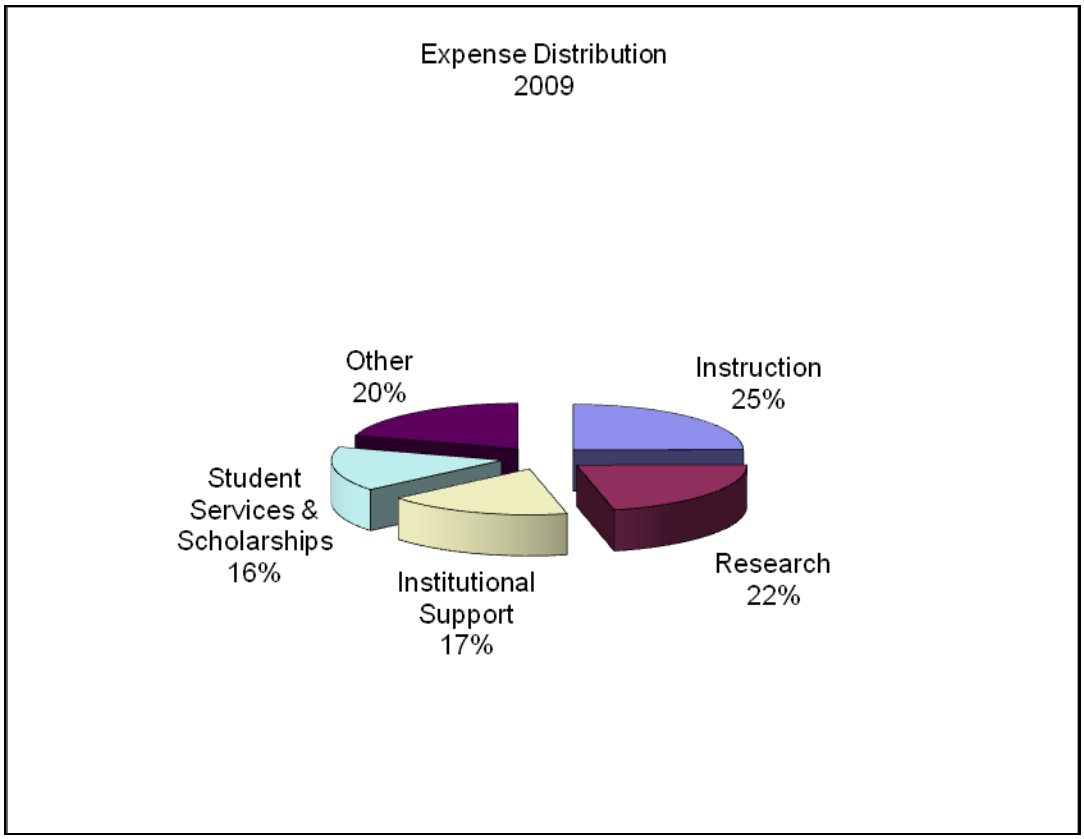
Statement of Revenues, Expenses and Changes in Net Assets (Continued)

In addition to their natural classifications, it is also informative to review operating expenses by function. A summary of the Foundation's expenses by functional classification is as follows:

	For the Year Ended June 30,	
	2010	**2009**
Operating		
Instruction	$ 14,000,000	$ 14,400,000
Research	12,300,000	12,500,000
Public service	5,100,000	5,800,000
Academic support	3,100,000	5,000,000
Student services	5,800,000	6,400,000
Institutional support	8,800,000	10,200,000
Student grants and scholarships	2,500,000	2,700,000
Auxiliary enterprise expenses	1,600,000	400,000
Depreciation and amortization	1,300,000	500,000
Total Operating Expenses	$ 54,500,000	$ 57,900,000



Statement of Revenues, Expenses and Changes in Net Assets (Continued)



During fiscal year 2010, total operating expenses decreased $3.4 million, or 6%. This change is primarily attributed to the decrease in all areas except for expenses related to the Residential Learning College as it began its first year housing students. During fiscal year 2009, total operating expenses decreased $2.5 million, or 4%. This change is primarily attributed to the decrease in instruction, research, public service, and student services and the increase in institutional support, auxiliary enterprise expenses, and depreciation.

Statement of Cash Flows

The statement of cash flows provides additional information on the Foundation's financial results by reporting the major sources and uses of cash. A summary of the statement of cash flows is as follows:

	For the Year Ended June 30,	
	2010	2009
Cash received from operations	$ 54,700,000	$ 45,300,000
Cash expended from operations	(51,400,000)	(55,000,000)
Net cash provided by (used in) operating activities	3,300,000	(9,700,000)
Net cash provided by noncapital financing activities (gifts and grants)	2,700,000	7,200,000
Net cash used in capital and related financing activities	(8,100,000)	(1,200,000)
Net cash provided by investing activities	3,100,000	4,500,000
Net change in cash and cash equivalents	1,000,000	800,000
Cash and cash equivalents at beginning of year	6,700,000	5,900,000
Cash and cash equivalents at end of year	$ 7,700,000	$ 6,700,000

During fiscal year 2010, the cash position at end of year as compared to the previous year improved $1,000,000, or 15%. During fiscal year 2009, the cash position at end of year as compared to the previous year improved $800,000, or 14%.

Economic Factors That Will Affect the Future

The Foundation has entered into a lease agreement with University Housing for the Residential Learning College. The Foundation will continue to own the property but will lease it to University Housing, who will manage the facility.

The University will form a new philanthropic foundation with an expected starting date of July 1, 2011. This new foundation, the 49er Foundation, will contract with the CSULB Foundation for accounting and administrative services. Gifts and donations will be deposited into the philanthropic foundation.

While it is not possible to predict the ultimate long-term financial results, management believes that the Foundation's financial condition is strong enough to weather economic uncertainties.

CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

STATEMENT OF NET ASSETS

ASSETS

	June 30, 2010	June 30, 2009
CURRENT ASSETS		
Cash and cash equivalents	$ 7,675,981	$ 6,620,358
Short-term investments	22,364,630	22,773,830
Accounts receivable, net	13,502,230	15,018,714
Pledges receivable, net	1,664,430	1,727,980
Prepaid expenses and other assets	566,811	597,119
	45,774,082	46,738,001
NONCURRENT ASSETS		
Accounts receivable, net	16,166,105	17,394,016
Pledges receivable, net	3,429,993	4,850,553
Endowment investments	36,563,865	31,070,238
Other long-term investments	3,728,104	3,439,814
Capital assets, net	49,501,379	44,846,920
	109,389,446	101,601,541
TOTAL ASSETS	155,163,528	148,339,542

LIABILITIES

CURRENT LIABILITIES		
Accounts payable	4,433,230	2,607,977
Accrued salaries and benefits payable	1,798,680	2,819,337
Accrued compensated absences, current portion	1,053,128	999,606
Deferred revenue	5,897,072	5,176,512
Long-term debt, current portion	803,354	458,354
Other liabilities	20,253	7,824
	14,005,717	12,069,610

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

STATEMENT OF NET ASSETS
(Continued)

LIABILITIES
(Continued)

	June 30, 2010	June 30, 2009
NONCURRENT LIABILITIES		
Accrued compensated absences, net of current portion		114,700
Deferred revenue	91,568	317,368
Long-term debt, net of current portion	33,884,462	34,687,817
Other postemployment benefits obligations	4,304,750	3,149,447
Other liabilities	10,519,654	9,828,527
	48,800,434	48,097,859
TOTAL LIABILITIES	62,806,151	60,167,469
NET ASSETS		
Invested in capital assets, net of related debt	15,065,787	13,352,404
Restricted for:		
Nonexpendable – endowments	36,486,643	34,934,976
Expendable:		
Scholarships and fellowships	3,707,127	3,909,045
Research	4,228,678	3,308,860
Other	31,918,739	31,428,978
Unrestricted	950,403	1,237,810
TOTAL NET ASSETS	$ 92,357,377	$ 88,172,073

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	For the Year Ended June 30,	
	2010	**2009**
REVENUES		
Operating Revenues:		
Grants and contracts, noncapital:		
Federal	$ 27,871,522	$ 24,880,160
State	4,409,639	4,916,628
Local	898,290	1,587,857
Nongovernmental	1,600,146	4,097,246
Sales and services of auxiliary enterprises	6,164,555	2,604,894
Other operating revenues	8,977,591	10,118,666
	49,921,743	48,205,451
EXPENSES		
Operating Expenses:		
Instruction	14,037,228	14,366,497
Research	12,307,238	12,486,789
Public service	5,110,391	5,771,306
Academic support	3,062,902	5,019,907
Student services	5,846,625	6,374,057
Institutional support	8,796,755	10,148,715
Student grants and scholarships	2,511,625	2,730,089
Auxiliary enterprise expenses	1,615,654	427,404
Depreciation and amortization	1,281,615	542,623
	54,570,033	57,867,387
OPERATING LOSS	(4,648,290)	(9,661,936)

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
(Continued)

	For the Year Ended June 30,	
	2010	**2009**
NONOPERATING REVENUES (EXPENSES)		
Gifts, noncapital	4,755,449	10,348,286
Investment income (loss), net	2,927,419	(903,024)
Endowment income (loss), net	3,873,745	(7,905,436)
Interest expense	(1,692,115)	(1,186,994)
Other nonoperating expense	(2,744,196)	(587,791)
	7,120,302	(234,959)
INCOME (LOSS) BEFORE ADDITIONS	2,472,012	(9,896,895)
ADDITIONS TO PERMANENT ENDOWMENTS	1,713,292	3,806,655
INCREASE (DECREASE) IN NET ASSETS	4,185,304	(6,090,240)
NET ASSETS AT BEGINNING OF YEAR	88,172,073	94,262,313
NET ASSETS AT END OF YEAR	$ 92,357,377	$ 88,172,073

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

STATEMENT OF CASH FLOWS

	For the Year Ended June 30,	
	2010	**2009**
CASH FLOWS FROM OPERATING ACTIVITIES		
Federal grants and contracts	$ 29,470,489	$ 24,854,798
State grants and contracts	4,409,639	4,916,628
Local grants and contracts	898,290	1,587,857
Nongovernmental grants and contracts	1,600,146	4,097,246
Payments to suppliers	(22,496,411)	(27,999,455)
Payments to employees	(26,448,813)	(24,717,657)
Payments to students	(2,442,088)	(2,315,587)
Sales and services of auxiliary enterprises	5,908,189	2,271,173
Other receipts	12,358,255	7,529,272
Net Cash Provided By (Used In) Operating Activities	3,257,696	(9,775,725)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Gifts and grants received for other than capital purposes	4,755,449	10,348,286
Other noncapital financing activities	(2,034,705)	(3,156,608)
Net Cash Provided By Noncapital Financing Activities	2,720,744	7,191,678
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(5,914,088)	(6,618,756)
Proceeds from issuance of bonds		6,775,594
Payments to retire bonds	(465,000)	(165,000)
Interest paid on capital-related debt	(1,685,468)	(1,186,994)
Net Cash Used In Capital and Related Financing Activities	(8,064,556)	(1,195,156)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	5,443,988	22,973,187
Investment income (loss), net	2,927,419	(903,024)
Endowment income, net	3,873,745	(7,905,435)
Additions to permanent endowments	1,713,292	3,806,655
Purchase of investments	(10,816,705)	(13,438,660)
Net Cash Provided By Investing Activities	3,141,739	4,532,723
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,055,623	753,520
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,620,358	5,866,838
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 7,675,981	$ 6,620,358

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

STATEMENT OF CASH FLOWS
(Continued)

	For the Year Ended June 30,	
	2010	**2009**
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM IN OPERATING ACTIVITIES:		
Operating loss	($ 4,648,290)	($ 9,661,936)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	1,281,615	542,623
Change in assets and liabilities		
Accounts receivable, net	2,744,395	(37,319)
Pledges receivable, net	1,484,110	(2,919,484)
Prepaid expenses and other assets	30,308	(271,331)
Accounts payable	1,825,253	(1,181,258)
Accrued salaries and benefits payable	(1,020,657)	1,275,364
Accrued compensated absences	(61,178)	136,815
Deferred revenue	494,760	(779,785)
Other liabilities	1,127,380	3,120,586
Net Cash Provided By (Used In) Operating Activities	$ 3,257,696	($ 9,775,725)

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1 – Statement of Significant Accounting Policies

Organization

The California State University, Long Beach Foundation (Foundation) is a nonprofit, tax-exempt corporation, incorporated in the state of California on October 3, 1956. The Foundation is organized to administer grants from governmental and private agencies for research and other activities related to the programs of California State University, Long Beach (the University), and to accept donations, gifts, and bequests for any University-related use. The Foundation is a direct support organization and component of the University.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements have been prepared on the accrual basis. The Foundation reports as a Business Type Activity and, accordingly, has reported its activities within a single column in the basic financial statements, as defined by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. Business Type Activities are those that are financed in whole or in part by fees charged to external parties for goods and services.

The Foundation's policy for defining operating activities as reported on the statement of revenues, expenses, and changes in net assets are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nearly all of the Foundation's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues as defined by GASB Statement No. 35, including gifts and investment income.

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The Foundation has adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Statement No. 35, as amended by GASB Statements No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. GASB Statement No. 33 requires that unconditional promises to give be recorded as receivables and revenues when the Foundation has met all applicable eligibility requirements. This statement also requires that unspent cash advances received for sponsored programs be recorded as deferred revenue rather than as restricted expendable net assets. GASB Statement No. 35 established standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following four net asset categories: Invested in capital assets, net of related debt, Restricted, non-expendable, Restricted, expendable, and Unrestricted.

Election of Applicable FASB Statements

The Foundation has elected to follow standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to November 30, 1989, unless those standards conflict with or contradict guidance of the GASB. The Foundation also has the option of following subsequent private-sector guidance subject to the same limitation. The Foundation has elected not to adopt the pronouncements issued by the FASB after November 30, 1989.

Classification of Current and Noncurrent Assets (Other than Investments) and Liabilities

The Foundation considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net assets date. Liabilities that reasonably can be expected, as part of normal Foundation business operations, to be liquidated within 12 months of the statement of net assets date are considered to be current. All other assets and liabilities are considered to be noncurrent. For clarification of current and noncurrent investment, see investment accounting policy.

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Net Assets

The Foundation's net assets are classified into the following net asset categories:

- ***Invested in capital assets, net of related debt***

  Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- ***Restricted***

  Nonexpendable – Net assets subject to externally imposed stipulations that they be maintained permanently by the Foundation. Such assets include the Foundation's permanent endowment funds.

  Expendable – Net assets whose use by the Foundation is subject to externally imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time.

- ***Unrestricted***

  Unrestricted net assets are those that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for any University-related use, which includes academic and research programs and initiatives, and capital programs.

Reporting Entity

The Foundation is an affiliated organization component unit of the University. As such, the Foundation's financial data will be included in the financial statements of the University.

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Cash and Cash Equivalents

The Foundation considers all highly liquid, short-term investments purchased with an original maturity of three months or less to be cash equivalents. The Foundation maintains cash with financial institutions in excess of federally insured limits.

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that the Foundation will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code and Education Code do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the provision that a financial institution must secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by depository regulated under state law. This risk is mitigated in that the Foundation's deposits are maintained at financial institutions that are fully insured or collateralized as required by state law.

Investments

The Foundation has adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Under GASB Statement No. 31, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values using quoted market prices in the statement of net assets. Realized and unrealized gains and losses are included in the accompanying statement of revenues, expenses, and changes in net assets.

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable primarily consists of amounts due from the federal government, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants. Accounts receivable also includes charges for auxiliary enterprises' sales and services.

Pledges Receivable

The Foundation receives pledges and bequests of financial support from corporations, foundations, and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements, including time requirements, have been met. In the absence of such promise, revenue is recognized when the gift is received. Endowment pledges do not meet eligibility requirements, as defined by GASB Statement No. 33, and are not recorded as assets until the related gift is received. An allowance for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts (approximately $1,700,000 and $1,937,000 at June 30, 2010 and 2009, respectively). The determination includes such factors as prior collection history, type of gift, and nature of fund-raising.

Capital Assets

Capital assets of the Foundation are stated at cost or, if acquired by gift, at estimated fair value at the date of donation. Major renewals and betterments are charged to capital assets, while replacements, maintenance and repairs that do not improve or extend the life of the respective assets are currently expensed. Depreciation and amortization is charged on a straight-line basis over the lives of the assets, which range from five to forty years.

Collection Items and Works of Art

The Foundation's collection items are made up of artifacts of historical significance and art objects that are held for educational research and curatorial purposes. Each of the items is cataloged, preserved and cared for, and activities verifying their existence and assessing their condition are performed continuously. Monies recovered from any collections that are sold must be used to acquire other items for collections.

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Collection Items and Works of Art (Continued)

Collection items acquired on or after July 1, 1996 are capitalized at cost, if the items were purchased, or at their appraised or fair market value on the accession date, if the items were contributed. The fair market value of donated collection items was approximately $271,000 for the year ended June 30, 2009 and none for the year ended June 30, 2010.

Deferred Revenue

Deferred revenue consists primarily of amounts received from grant and contract sponsors which have not yet been earned under the terms of the agreement, and lease payments received in advance from lessees on long-term leases.

Compensated Absences

Foundation employees accrue annual leave at rates based on length of service and job classification.

Classification of Revenues and Expenses

The Foundation considers operating revenues and expenses in the statement of revenues, expenses, and changes in net assets to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the Foundation's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 35. These nonoperating activities include net investment income, gifts (noncapital), endowments and interest expense.

Income Taxes

The Foundation is tax-exempt under Internal Revenue Code Section 501(c)(3) for federal income taxes, as well as the related provisions for state income tax purposes.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2 – Accounts Receivable

The composition of accounts receivable is summarized as follows:

	June 30, 2010	June 30, 2009
Grants and contracts	$ 10,398,657	$ 11,248,092
Other	19,425,966	21,322,522
	29,824,623	32,570,614
Less allowance for uncollectible accounts	(156,288)	(157,884)
	29,668,335	32,412,730
Less current portion	(13,502,230)	(15,018,714)
Noncurrent portion	$ 16,166,105	$ 17,394,016

NOTE 3 – Pledges Receivable

Pledges receivable are recorded in the balance sheet at estimated net realizable value in accordance with GASB Statement No. 33. Pledges receivable were discounted using a risk-free interest rate ranging from 3.47% to 4.66% as of June 30, 2010. Pledges receivable as of June 30, 2010 are summarized as follows:

Due in the Year Ending June 30,	
2011	$ 2,219,534
2012	1,587,126
2013	305,250
2014	237,250
2015	206,000
Thereafter	4,030,000
	8,585,160
Less allowance for uncollectible pledges	(1,699,039)
Less present value discounts	(1,791,698)
	5,094,423
Less current portion of pledges receivable	(1,664,430)
Long-term portion of pledges receivable	$ 3,429,993

NOTE 4 – Investments

At June 30, 2010, the Foundation's investment portfolio consists primarily of investments held in the investment pool, as well as interest-bearing accounts. Separate accounting is maintained as to the amounts allocable to the various funds and programs.

Investment Policy

The primary objective of the Foundation's investment policy is to safeguard the principal. The secondary objective is to meet the liquidity needs of the Foundation. The third objective is to return an acceptable yield. In general, the Foundation's investment policy permits investments in obligations of the federal and state governments, equities, corporate bonds, and certain other investment instruments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The Foundation may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

NOTE 4 – Investments (Continued)

Credit Risk (Continued)

The following is a summary of investments:

	June 30, 2010	June 30, 2009
Investments at fair value as determined by quoted market price or estimated fair value:		
Common stock	$ 29,636	$ 17,300
Mutual funds	48,694,594	42,051,930
Bonds	950,893	831,756
LAIF	12,951,476	13,568,370
Other	30,000	814,526
	$62,656,599	$57,283,882

	June 30, 2010	June 30, 2009
Investments by classification:		
Current portion	$22,364,630	$22,773,830
Endowment investments	36,563,865	31,070,238
Noncurrent portion	3,728,104	3,439,814
	$62,656,599	$57,283,882

Investments are valued at quoted market price if available, otherwise they are recorded at estimated fair value. Other investments consists of a treasury note that is valued at fair value based on market prices.

Investment income (loss) is summarized as follows:

	For the Year Ended June 30, 2010	For the Year Ended June 30, 2009
Interest and dividend income	$ 596,611	$ 1,652,219
Net unrealized gains (losses)	2,376,555	(2,490,339)
Net realized losses	(45,747)	(64,904)
	$ 2,927,419	($ 903,024)

NOTE 4 – Investments (Continued)

Credit Risk (Continued)

Investment fees totaled $684,268 and $631,157 for the years ended June 30, 2010 and 2009, respectively, and are included in other nonoperating expense of the accompanying statement of revenues, expenses, and changes in net assets.

NOTE 5 – Capital Assets

Capital assets activity for the year ended June 30, 2010 is summarized below:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 17,055,706	$ 10,768		$ 17,066,474
Building and improvements	27,560,710	5,147,267		32,707,977
Furniture and fixtures	2,906,255	756,051		3,662,306
Collections items	4,188,592			4,188,592
	51,711,263	5,914,086		57,625,349
Less accumulated depreciation and amortization	(6,864,343)	(1,259,627)		(8,123,970)
	$ 44,846,920	$ 4,654,459	None	$ 49,501,379

Capital assets activity for the year ended June 30, 2009 is summarized below:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 17,055,706			$ 17,055,706
Building and improvements	16,316,124	$ 11,244,586		27,560,710
Furniture and fixtures	2,845,524	60,731		2,906,255
Collections items	3,917,762	270,830		4,188,592
	40,135,116	11,576,147		51,711,263
Less accumulated depreciation and amortization	(6,342,464)	(521,879)		(6,864,343)
	$ 33,792,652	$ 11,054,268	None	$ 44,846,920

NOTE 6 – Long-Term Debt

Long-term debt consists of:

	June 30, 2010	June 30, 2009
Bonds payable with interest at rates ranging from 2.50% to 5.75%, due semi-annually, principal payments due annually, final installment due May 2035	$ 15,125,000	$ 15,125,000
Bonds payable with interest at rates ranging from 3.50% to 5.00%, due semi-annually, principal payments due annually, final installment due May 2033	8,125,000	8,320,000
Bonds payable with interest at rates ranging from 3.50% to 5.00%, due semi-annually, principal payments due annually, final installment due May 2033	11,250,000	11,520,000
	34,500,000	34,965,000
Unamortized Bond Premium	551,459	575,544
Unamortized loss on refundings	(363,643)	(394,373)
Less current portion	(803,354)	(458,354)
Noncurrent portion	$ 33,884,462	$ 34,687,817

Long-term debt activity for the year ended June 30, 2010 is summarized as follows:

	Beginning Balance	Borrowings	Principal Repayment	Ending Balance
Bonds payable	$ 34,965,000	None	($ 465,000)	$ 34,500,000

NOTE 6 – Long-Term Debt (Continued)

Long-term debt activity for the year ended June 30, 2009 is summarized as follows:

	Beginning Balance	Borrowings	Principal Repayment	Ending Balance
Bonds payable	$ 20,005,000	$ 15,125,000	($ 165,000)	$ 34,965,000

Future maturities of long-term debt are as follows:

Year Ending June 30,	Principal	Interest
2011	$ 810,000	$ 1,667,519
2012	850,000	1,639,102
2013	875,000	1,608,469
2014	910,000	1,568,735
2015	955,000	1,528,119
2016-2020	5,470,000	6,933,392
2021-2025	6,970,000	5,411,831
2026-2030	8,985,000	3,371,893
2031-2035	8,675,000	878,634
	$ 34,500,000	$ 24,607,694

The bonds contain certain covenants with respect to a minimum debt service coverage ratio and minimum unrestricted net assets for which the Foundation is in compliance at June 30, 2010. Included in invested in capital assets, net of related debt, are unrestricted net assets of approximately $15,100,000 and $13,400,000 for the years ended 2010 and 2009, respectively.

NOTE 7 – Pension Plan and Postemployment Health Care Plan

Pension Plan

The Foundation has a defined contribution retirement plan (the Plan) which covers all regular full-time employees and part-time employees who have provided services of at least 1,000 hours during the year. There is a two-year waiting period to enter the Plan. The basic plan contribution rate is equal to 10% of gross earnings. Pension expense was approximately $698,000 and $685,000 for the years ended June 30, 2010 and 2009, respectively.

Postemployment Health Care Plan

Plan Description. CSULB Foundation's defined benefit postemployment healthcare plan, California Public Employees Retirement System (CalPERS), provides medical benefits to eligible retired Foundation employees and their beneficiaries.

Funding Policy. The contribution requirements of plan members and the Foundation are established and may be amended by the Foundation's board of directors. CSULB Foundation is required to contribute the *annual required contribution of the employer (ARC),* an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 24.24 percent of annual covered payroll.

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Annual OPEB Cost. For 2010, the Foundation's annual OPEB (expense) of $685,300 for CalPERS was equal to the ARC. The Foundation's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Annual OPEB Obligation	Net OPEB Obligation
6/30/08	$1,670,817	9.28%	$1,515,727	$1,515,727
6/30/09	$1,814,308	9.95%	$1,633,720	$3,149,447
6/30/10	$1,314,489	12.11%	$1,155,303	$4,304,750

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2010, was follows:

Actuarial accrued liability (AAL)	$ 9,610,571
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	$ 9,610,571
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$ 8,656,387
UAAL as a percentage of covered payroll	111.02%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In June 30, 2010, using the same assumptions as 2009, actuarial valuation, the entry age actuarial cost method was used. An actuarial cost method is a procedure for allocating the actuarial present value of benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a normal cost and an actuarial accrued liability. The entry age normal cost method allocates the present value of future benefits on a level basis over the earnings or service (which in this case, earnings were used) of each employee between the hire date and assumed retirement age. The portion of the present value of future benefits allocated to a valuation year is called the normal cost. The portion allocated to all prior years is called the actuarial accrued liability. Valuation results were computed at a 5.5% discount rate.

NOTE 8 – Commitments and Contingencies

Charitable Unitrust Agreements

The Foundation is obligated under various charitable unitrust agreements. The trusts provide a fixed percentage of the fair market value to be paid periodically to the trustor. Certain trusts limit the payment to the net income earned on the assets, while the remaining trusts allow for invasion of the principal to make the required payments. Upon termination, the remaining trust assets are to be distributed to designated beneficiaries and the Foundation in a manner designated by the grantor. The amounts due to the designated beneficiaries are reported as other liabilities on the statement of net assets.

NOTE 8 – Commitments and Contingencies (Continued)

Contingencies

The Foundation receives a significant portion of its support and revenue from government grants, which are subject to government audit. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government. Until any such audits have been completed and final settlement reached, there exists a contingent liability to refund any amount received in excess of allowable costs. Based on prior history, management believes that no material liability will result from such audits.

As Lessor

The total investment in the land and building is approximately $16,022,000, with $12,177,000 allocated to the space available for lease, net of $3,656,000 accumulated depreciation at June 30, 2010.

Lease terms range from three to five years and require tenants to pay a pro-rata share of common area maintenance. The following is a schedule by years of future minimum rents receivable under noncancellable operating leases that have initial or remaining lease terms in excess of one year as of June 30, 2010:

Year Ending June 30,	
2011	$ 3,950,081
2012	3,581,129
2013	3,341,333
2014	3,318,140
2015	314,403
	$14,505,086

Rental income was approximately $5,920,000 and $3,830,000 for the years ended June 30, 2010 and 2009, respectively.

NOTE 8 – Commitments and Contingencies (Continued)

As Lessee

The Foundation has entered into multiple leases at different locations under agreements expiring at various dates through June 2015, not including any renewal options. Generally, these agreements provide for periodic adjustments to base rents based upon changes in the CPI.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year at June 30, 2010:

Year Ending June 30,	
2011	$ 153,015
2012	38,856
2013	39,827
2014	40,823
2015	40,823
	$ 313,344

Rental expense under all operating leases was approximately $890,000 and $880,000 for the years ended June 30, 2010 and 2009, respectively.

NOTE 9 – Operating Expenses by Function

	For the Year Ended June 30, 2010				
	Compensation and Benefits	Supplies and Services	Scholarship and Fellowship	Depreciation and Amortization	Total
Instruction	$ 7,059,744	$ 4,320,061	$ 2,657,423		$ 14,037,228
Research	6,233,533	5,891,256	182,449		12,307,238
Public service	2,788,902	2,238,074	83,415		5,110,391
Academic support	896,730	2,121,017	45,155		3,062,902
Student services	3,127,793	2,069,809	649,023		5,846,625
Institutional support	4,507,450	4,224,747	64,558		8,796,755
Student grants and scholarships		33,961	2,477,664		2,511,625
Auxiliary enterprise expenses	411,819	1,203,835			1,615,654
Depreciation and amortization				$ 1,281,615	1,281,615
Total Operating Expenses	$ 25,025,971	$ 22,102,760	$ 6,159,687	$ 1,281,615	$ 54,570,033

	For the Year Ended June 30, 2009				
	Compensation and Benefits	Supplies and Services	Scholarship and Fellowship	Depreciation and Amortization	Total
Instruction	$ 6,365,666	$ 4,918,611	$ 3,082,220		$ 14,366,497
Research	7,475,324	4,965,496	45,969		12,486,789
Public service	3,154,630	2,449,562	167,114		5,771,306
Academic support	963,327	4,001,470	55,110		5,019,907
Student services	2,800,429	2,957,097	616,531		6,374,057
Institutional support	4,879,429	5,204,412	64,874		10,148,715
Student grants and scholarships	11,800	44,141	2,674,148		2,730,089
Auxiliary enterprise expenses	59,262	368,142			427,404
Depreciation and amortization				$ 542,623	542,623
Total Operating Expenses	$ 25,709,867	$ 24,908,931	$ 6,705,966	$ 542,623	$ 57,867,387

NOTE 10 – Transactions with Related Entities

As described in Note 1, the Foundation is an auxiliary organization affiliated with the University and the California State University (CSU) System statewide. The accompanying financial statements include transactions with related parties as of and for the years ended June 30, 2010 and 2009, as follows:

	June 30, 2010	June 30, 2009
Reimbursements to University for salaries, wages, and benefits of University employees working on contracts, grants, and other programs	$ 4,182,413	$ 2,941,312
Reimbursements to University for tuition, housing, services, space, and programs	$ 1,702,946	$ 1,787,015
Amounts receivable from CSU entities and recognized auxiliary organizations	$ 34,066	$ 11,658
Gifts to University from recognized auxiliary organizations	$ 2,417,084	
Amounts due to University and recognized auxiliary organizations	$ 1,791,367	$ 743,122
Amounts due from CSU Chancellor's Office		$ 3,470,484
Amounts receivable from University	$ 2,825,336	

SUPPLEMENTARY INFORMATION

CALIFORNIA STATE UNIVERSITY, LONG BEACH FOUNDATION

SUPPLEMENTARY INFORMATION

Schedule of Funding Progress for CalPERS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/08	$ 0	$ 11,264,777	$ 11,264,777	0%	$ 8,001,330	140.79%
6/30/09	$ 0	$ 12,819,307	$ 12,819,307	0%	$ 8,596,572	149.12%
6/30/10	$ 0	$ 9,610,571	$ 9,610,571	0%	$ 8,656,387	111.02%