

**THE DONALD P. & KATHERINE B.  
LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**Basic Financial Statements  
June 30, 2013 and 2012  
(With Independent Auditor's Report Thereon)**

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

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## **INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
The Donald P. and Katherine B. Loker University Student Union, Inc.  
California State University, Dominguez Hills

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills (the Union) as of and for the years ended June 30, 2013 and 2012 and the related notes to the financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Union's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Board of Directors  
The Donald P. and Katherine B. Loker University Student Union, Inc.  
California State University, Dominguez Hills

## **Opinion**

In our opinion, the financial statements listed in the aforementioned table of contents present fairly, in all material respects, the financial position of the Union as of June 30, 2013 and 2012, and the results of its operations, changes in net position and cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

In 2013 The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills adopted new accounting guidance, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

## **Other Matters**

### **Required Supplementary Information**

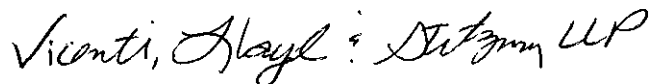
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of postemployment healthcare benefits funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Board of Directors  
The Donald P. and Katherine B. Loker University Student Union, Inc.  
California State University, Dominguez Hills

Other Information

Our audit was conducted for the purpose of forming an opinion on the Union's financial statements as a whole. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



VICENTI, LLOYD & STUTZMAN LLP  
Glendora, CA  
September 12, 2013

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

**June 30, 2013**

The following section of the Loker University Student Union, Inc. at California State University, Dominguez Hills (the Union) annual financial report includes some of management's insights and analysis of the Union's financial performance for the year.

**Introduction to the Basic Financial Statements**

This annual report consists of a series of basic financial statements, prepared in accordance with the Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and No. 38, *Certain Financial Statement Note Disclosures*. These financial reports are designed to improve the usefulness of the report to the primary users of these financial statements, including the citizenry, legislative bodies, investors, and creditors. The Business – Type Activity (BTA) reporting model is used, which best represents the activities of the Union.

The basic financial statements include the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. These statements are supported by notes to the basic financial statements, required supplementary or statistical information, as appropriate, and this section. All sections must be considered together to obtain a complete understanding of the financial picture of the Union.

**Statement of Net Position:** The statement of net position includes all assets and liabilities of the Union. Assets and liabilities are reported at their book value, on an accrual basis, as of the statement date. It also identifies major categories of restrictions on the net position of the Union.

**Statement of Revenues, Expenses and Changes in Net Position:** The statement of revenues, expenses, and changes in net position presents the revenues earned and the expenses incurred during the year on an accrual basis.

**Statement of Cash Flows:** The statement of cash flows presents the inflows and outflows of cash, summarized by operating, capital, financing and investing activities. The statement is prepared using the direct method of cash flows and, therefore, presents gross rather than net amounts for the year's activities.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

**June 30, 2013**

**Analytical Overview**

**Summary**

The Loker Student Union (LSU) celebrated its 20 year anniversary throughout the 2012/2013 fiscal year. As part of the celebration, improvements to services were made with the intent of continuing to remain current and relevant to students. Over the past year we continued to see increased expenses in the maintenance and repair areas as the renovated and expanded facility is no longer new yet must be properly maintained. In order to ensure proper planning for expected future expenses, a reserve study was completed. Reserves to cover large expenses in these areas have been established and are being funded as part of the annual operating budget.

Small changes to staffing occurred over the past year. The Support Services Coordinator position was filled. The Facilities Assistant position became vacant and a search to fill the position is underway. Additionally, the Services Manager position has remained vacant with an extensive search process underway. All vacant staff positions are expected to be filled within the fall 2013 semester. Additionally, LSU began funding the Multicultural Center Coordinator position as per Board action.

Enrollment (which has caused challenges to the campus and to the student union – as it is a student fee funded operation) appears to be stabilizing. However, State threats to CSU enrollment management and policy decisions continue to create an uncertain future. A temporary fee increase was approved by the campus effective fall 2007 to ensure the operation's ability to repay its debt service while still operating the facility to best serve the campus. This fee will be reduced when enrollment figures return to levels projected in the financial package submitted for bond approval. Enrollment stability will be reviewed and addressed during the 2013/2014 fiscal year.

The implementation of GASB 45 during the 07/08 fiscal year has required disclosure of the liability associated with other post-employment benefits for retirees. While the ideal would be to fund the liability according to actuarial projections of the desired funding level, current budget uncertainties make that difficult. The Loker Student Union is a founding member and participant in a multi-employer Auxiliaries Voluntary Employees' Beneficiary Association (VEBA) trust to meet the GASB 45 requirements for a funding mechanism. Partial funding of the liability has been implemented through annual contributions being made to the VEBA trust.

The following discussion highlights Management's understanding of key financial aspects of the Union's financial activities. Included are significant differences between current and prior year activities and factors impacting future reporting periods.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
June 30, 2013**

**Comparative Analysis of Current and Prior Year Activities and Balances**

**Statement of Net Position:**

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Current assets	\$ 1,910,340	\$ 1,745,938	\$ 164,402
Capital assets, net	<u>100,335</u>	<u>65,200</u>	<u>35,135</u>
<b>Total assets</b>	<u>2,010,675</u>	<u>1,811,138</u>	<u>199,537</u>
Current liabilities	156,077	110,469	45,608
Noncurrent liabilities	<u>276,068</u>	<u>303,382</u>	<u>(27,314)</u>
<b>Total liabilities</b>	<u>432,145</u>	<u>413,851</u>	<u>18,294</u>
Net Position:			
Net investment in capital assets	100,335	65,200	35,135
Unrestricted	<u>1,478,195</u>	<u>1,332,087</u>	<u>146,108</u>
<b>Total net position</b>	<u>\$ 1,578,530</u>	<u>\$ 1,397,287</u>	<u>\$ 181,243</u>

- The GASB 45 requirement to recognize postemployment benefit liability, as determined by an actuarial study dated July 1, 2011, found the unfunded actuarial accrued liability at June 30, 2013 to be \$493,545; however, the recorded liability will not change until the next actuarial report is completed. Of this amount, \$276,068 was recognized as of June 30, 2013.
- The change in current assets can be attributed to the increased cash brought back to the operation to support operational needs due to the uncertainty of the State Budget at the onset of the fiscal year. The increase in total net position includes the increase in cash and the addition of new equipment and furnishings to the facility.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
June 30, 2013**

**Statement of Revenues, Expenses and Changes in Net Position:**

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Operating revenues:			
Student fees	\$ 2,200,000	\$ 1,950,000	\$ 250,000
Sales and services of auxiliary enterprises	230,382	255,494	(25,112)
Other operating revenues	8,890	6,951	1,939
Nonoperating revenues:			
Investment income	<u>3,890</u>	<u>4,005</u>	<u>(115)</u>
Total operating revenues	<u>2,443,162</u>	<u>2,216,450</u>	<u>226,712</u>
Operating expenses:			
Student services	176,576	104,164	72,412
Operating expense	2,059,051	1,844,895	214,156
Depreciation	<u>26,292</u>	<u>17,409</u>	<u>8,883</u>
Total expenses	<u>2,261,919</u>	<u>1,966,468</u>	<u>295,451</u>
Change in net position	181,243	249,982	<u>\$ (68,739)</u>
Net Position at beginning of year	<u>1,397,287</u>	<u>1,147,305</u>	
Net Position at end of year	<u>\$ 1,578,530</u>	<u>\$ 1,397,287</u>	

- Revenues from student fees were increased to ensure sufficient funding in the budget.
- Revenue in the category of sales and services of auxiliary enterprises decreased over the previous year due to the loss of an outside group with regular weekly bookings and a decline in use of the facility by outside groups.
- The increase in other operating revenue for 2013 is attributed to an increase in game room usage as a result of new programming in the space.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
June 30, 2013**

**Statement of Revenues, Expenses and Changes in Net Position (continued):**

- Student services expense increased in 12/13 mainly due to the events surrounding the 20<sup>th</sup> Anniversary celebration of the facility. Another factor attributing to the increase was the booking of a high profile speaker.
- Change in net position decreased in 12/13 due to the doubling up on contributions to the VEBA trust to get back on track with the OPEB funding per the actuarial study. Additionally, it reflects additional funds put towards the 20<sup>th</sup> Anniversary Celebration of the student union.

**Factors Impacting Future Periods**

- While funding all reserve designations is necessary and will continue to ensure a stable financial future, it is necessary to begin replacement of worn furniture and equipment that has reached its useful life. Expenses for the replacement of seating in the food court and lower level have begun in 12/13. Additional purchases as well as changes to the type of seating are planned for 13/14.
- Involvement in alternative insurance programs such as the CSURMA's self-funded workers' compensation program attempts to control the increases in insurance costs, but also requires financial commitment which is recorded as a liability.
- Each year, the unfunded liability for other postemployment benefits as measured under GASB 45 will increase. The Union has identified a source of funding for a portion of this liability, but until financial conditions are more certain, will not be able to commit to full funding.
- After evaluation of the building use, expenses will begin to occur in 13/14 to improve facility usage and aesthetics. Projects for facility improvements include installation of dining booths in the food court, and converting existing lounge spaces in the South lounge into meditation and TV lounges. These projects are intended to better meet the needs of the student life campus community.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**STATEMENTS OF NET POSITION**  
**June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b><u>ASSETS</u></b>		
<b><u>Current Assets:</u></b>		
Cash and cash equivalents	\$ 398,849	\$ 761,772
Short-term investments	1,505,230	921,340
Accounts receivable, net	6,261	59,382
Prepaid expenses	<u>3,444</u>	<u>3,444</u>
<b>Total current assets</b>	<u>1,910,340</u>	<u>1,745,938</u>
<b><u>Property and Equipment:</u></b>		
Capital assets, net	<u>100,335</u>	<u>65,200</u>
<b>Total assets</b>	<b><u>\$ 2,010,675</u></b>	<b><u>\$ 1,811,138</u></b>
<b><u>LIABILITIES AND NET POSITION</u></b>		
<b><u>Current Liabilities:</u></b>		
Accounts payable	\$ 108,593	\$ 58,561
Accrued salaries and benefits payable	4,661	4,977
Accrued compensated absences	37,474	37,066
Unearned revenue	<u>5,349</u>	<u>9,865</u>
<b>Total current liabilities</b>	<u>156,077</u>	<u>110,469</u>
<b><u>Noncurrent liabilities:</u></b>		
Postemployment benefits other than pensions	<u>276,068</u>	<u>303,382</u>
<b>Total noncurrent liabilities</b>	<u>276,068</u>	<u>303,382</u>
<b>Total liabilities</b>	<u>432,145</u>	<u>413,851</u>
<b><u>Net Position:</u></b>		
Net investment in capital assets	100,335	65,200
Unrestricted	<u>1,478,195</u>	<u>1,332,087</u>
<b>Total net position</b>	<u>1,578,530</u>	<u>1,397,287</u>
<b>Total liabilities and net position</b>	<b><u>\$ 2,010,675</u></b>	<b><u>\$ 1,811,138</u></b>

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

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b><u>REVENUES</u></b>		
<b><u>Operating revenues:</u></b>		
Student fees	\$ 2,200,000	\$ 1,950,000
Sales and services of auxiliary enterprises	230,382	255,494
Other operating revenues	<u>8,890</u>	<u>6,951</u>
Total operating revenues	<u>2,439,272</u>	<u>2,212,445</u>
<b><u>EXPENSES</u></b>		
<b><u>Operating expenses:</u></b>		
Student services	176,576	104,164
Operating expense	2,059,051	1,844,895
Depreciation	<u>26,292</u>	<u>17,409</u>
Total operating expenses	<u>2,261,919</u>	<u>1,966,468</u>
Operating income	<u>177,353</u>	<u>245,977</u>
<b><u>NONOPERATING REVENUES</u></b>		
Investment income	<u>3,890</u>	<u>4,005</u>
Change in net position	181,243	249,982
Net Position at beginning of year	<u>1,397,287</u>	<u>1,147,305</u>
<b>Net Position at end of year</b>	<b><u>\$ 1,578,530</u></b>	<b><u>\$ 1,397,287</u></b>

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

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2013 and 2012**

	2013	2012
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Student fees	\$ 2,200,000	\$ 1,950,000
Payments to suppliers	(909,611)	(989,182)
Payments to employees	(1,299,762)	(1,032,581)
Sales and services to auxiliary enterprises	278,987	347,870
Other operating revenue	8,890	6,951
Net cash provided by operating activities	<u>278,504</u>	<u>283,058</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>		
Acquisition of capital assets	(61,427)	(21,042)
Net cash used by capital and related financing activities	<u>(61,427)</u>	<u>(21,042)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Proceeds from sales and maturities of investments	1,020,000	950,000
Investment income	3,890	4,005
Net purchase of investments	(1,603,890)	(854,737)
Net cash provided (used) by investing activities	<u>(580,000)</u>	<u>99,268</u>
Net increase (decrease) in cash and cash equivalents	(362,923)	361,284
Cash and cash equivalents at beginning of year	<u>761,772</u>	<u>400,488</u>
Cash and cash equivalents at end of year	<u><b>\$ 398,849</b></u>	<u><b>\$ 761,772</b></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 177,353	\$ 245,977
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	26,292	17,409
Postemployment benefits other than pensions	(27,314)	72,547
Change in assets and liabilities:		
Accounts receivable	53,121	89,709
Prepaid expenses	3,444	(3,444)
Accounts payable	50,032	(150,964)
Accrued salaries and benefits	(316)	694
Accrued compensated absences	408	8,463
Unearned revenue	(4,516)	2,667
Net cash provided by operating activities	<u><b>\$ 278,504</b></u>	<u><b>\$ 283,058</b></u>

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

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013 and 2012**

**NOTE 1 - ORGANIZATION:**

The Donald P. and Katherine B. Loker University Student Union Inc., California State University, Dominguez Hills (the Union), a nonprofit California public benefit corporation, is an auxiliary organization of California State University, Dominguez Hills (the University). The Union operates the Union building as well as sponsoring various campus activities that complement the instructional programs of the University campus. The Union operates under an Operating Agreement and Support Services Lease (the Agreement) with the Board of Trustees of the California State University System (Trustees) which expires June 30, 2017.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**(a) *Basis of Presentation***

The accompanying basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

**(b) *Basis of Accounting***

The Union records revenue in part from fees and other charges for services to external users, and accordingly, has chosen to present its basic financial statements using the reporting model for special-purpose governments engaged only in business-type activities. This model allows all financial information for the Union to be reported in a single column in the basic financial statements. The effect of any internal activity between funds has been eliminated from these basic financial statements.

**(c) *Classification of Current and Noncurrent Assets and Liabilities***

The Union 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 position date. Liabilities that reasonably can be expected, as part of normal Union business operations, to be liquidated within 12 months of the statement of net position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013 and 2012**

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

***(d) Cash Equivalents***

The Union considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. The deposits of the Union are maintained at financial institutions.

***(e) Investments***

Investments are reflected at fair value using quoted market prices. Gains and losses are included in the statement of revenues, expenses, and changes in net assets as investment income.

***(f) Capital Assets***

Capital assets are stated at cost or estimated historical cost if purchased or if donated, at estimated fair value at date of donation. Capital assets with a value of less than \$5,000 are not capitalized. The Union is required to capitalize infrastructure assets that have been acquired, or that have received major improvements, in fiscal years ending after June 30, 1980. Title to all assets, whether purchased, constructed, or donated, is held by the Union. Depreciation is determined using the straight-line method over the estimated lives of the assets ranging from five to ten years. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful lives or the term of the lease. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

***(g) Compensated Absences***

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

***(h) Net Position***

The Union's net position are classified into the following categories:

**Invested in capital assets, net of related debt:** Capital assets are net of accumulated depreciation; the Union did not have any outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013 and 2012**

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

**Unrestricted:** Include all other categories of net position; unrestricted net position may be designated for use by management of the Union.

**(i) *Classification of Revenues and Expenses***

The Union considers operating revenues and expenses in the statement of revenues, expenses and changes in net position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the Union'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. 33. These nonoperating activities include the Union's net investment income.

**(j) *Income Taxes***

The Union is organized under the nonprofit public benefit laws of California and is recognized as an exempt organization for both federal and California purposes under Section 501(c)(3) and 23701(d).

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 will more likely than not be 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. The Statute of Limitations for federal and California state purposes is generally three and four years, respectively.

**(k) *Estimates***

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues, and expenses in the accompanying basic financial statements. Actual results could differ from those estimates.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2013 and 2012**

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

***(l) Change in Accounting Principle***

The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills adopted new accounting guidance, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. There was no effect on the Union's financial Statements.

***(m) Subsequent Events***

The Union has evaluated subsequent events through September 12, 2013 which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

**NOTE 3 - CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS:**

The Union's deposits are included in the bank account of the California State University, Dominguez Hills Foundation because the accounting function for the Union is performed by the Foundation. The carrying amount of the Union's deposits represent its share of the bank balance adjusted for the Union's outstanding checks and deposits in transit.

The Union, through the Foundation, maintains its cash balance at one financial institution. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash and cash equivalents. Deposits in the financial institution, reported as components of cash had bank balances of \$348,344 for 2013 and \$696,738 for 2012. As of June 30, 2013 these balances were insured under the FDIC's Dodd-Frank Program. Under this program, non-interest bearing transaction accounts have unlimited deposit coverage through December 31, 2013.

The Union, through the Foundation, maintains investments with the State of California Local Agency Investment Fund (LAIF) amounting to \$1,505,230 and \$921,340 for the years ended June 30, 2013 and 2012. LAIF pools these funds with other governmental agencies and invests in various investment vehicles. These pooled funds approximate fair value. Regulatory oversight is provided by the State Pooled Money Investment Board and the Local Investment Advisory Board. LAIF is not subject to categorization as prescribed by GASB Statements No. 3 and No. 40.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013 and 2012**

**NOTE 4 - ACCOUNTS RECEIVABLE:**

Accounts receivable at June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Accounts receivable from Foundation	\$ 420	\$ 41,652
Accounts receivable from ASI	3,063	2,325
Accrued interest receivable	818	818
Other receivables	<u>1,960</u>	<u>14,587</u>
Total	<u>\$ 6,261</u>	<u>\$ 59,382</u>

**NOTE 5 - CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2013 and 2012 consisted of the following:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2013</u>
Equipment	\$ 146,631	\$ 6,974	\$	\$ 153,605
Leasehold improvement	132,081			132,081
Furniture and fixtures	<u>42,146</u>	<u>54,453</u>	<u>          </u>	<u>96,599</u>
Total cost	320,858	61,427	-	382,285
Less accumulated depreciation	<u>(255,658)</u>	<u>(26,292)</u>	<u>          </u>	<u>(281,950)</u>
Net capital assets	<u>\$ 65,200</u>	<u>\$ 35,135</u>	<u>\$ -</u>	<u>\$ 100,335</u>

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2012</u>
Equipment	\$ 136,415	\$ 10,216	\$	\$ 146,631
Leasehold improvement	121,255	10,826		132,081
Furniture and fixtures	<u>42,146</u>	<u>          </u>	<u>          </u>	<u>42,146</u>
Total cost	299,816	21,042	-	320,858
Less accumulated depreciation	<u>(238,249)</u>	<u>(17,409)</u>	<u>          </u>	<u>(255,658)</u>
Net capital assets	<u>\$ 61,567</u>	<u>\$ 3,633</u>	<u>\$ -</u>	<u>\$ 65,200</u>

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013 and 2012**

**NOTE 6 - PENSION PLAN:**

Information necessary to comply with accounting and disclosure requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, is obtained from the California Public Employees' Retirement System (CalPERS).

**(a) *Plan Description***

The Union contributes to CalPERS, a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefit, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

**(b) *Funding Policy***

Participants are required to contribute 5% of their annual covered salary. The Union makes the contributions required of Union employees on their behalf and for their account. The Union is required to contribute at an actuarially determined rate; the fiscal year 2013 rate was 16.057% of annual covered payroll.

**(c) *Annual Pension Cost***

For 2013, the Union's annual CalPERS pension cost totaled \$79,974. The required contributions were determined as part of the June 30, 2010 actuarial valuations using the entry-age-normal-actuarial-cost-method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) 3.55% to 14.45% projected annual salary increases that vary by duration of service, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included a 3% inflation factor.

The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a three-year period (smoothed market value).

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013 and 2012**

**NOTE 6 - PENSION PLAN: (continued)**

Three-year trend information for CalPERS:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
June 2011	\$ 63,176	100 %
June 2012	80,829	100 %
June 2013	79,974	100 %

**NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS:**

**Plan Description**

In addition to the Union's employer defined benefit contribution plan, the Union provides lifetime postretirement medical coverage to employees who satisfy certain eligibility requirements. The Union provides retiree medical, dental and vision benefits to employees who retire from the Union at age 50 or later with at least 5 years of service.

The Union pays the CalPERS monthly medical premiums for eligible retirees, subject to a cap which increases each year. This benefit continues for the life of the retiree and then for the life of a surviving spouse, if any. Retirees may select any retiree medical plan offered by CalPERS, including spouse or family coverage, but must incur the cost of premiums exceeding the cap.

In fiscal year ended June 2011, the Union participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association) and contributed \$105,276 in fiscal year ended June 2013. The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding post-retirement healthcare benefits for recognized auxiliaries of the California State University System. The plan does not issue separate financial statements.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013 and 2012**

**NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)**

**Eligibility**

The Union currently provides retiree health benefits to eligible employees. Membership of the plan consisted of the following at July 1, 2011, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>13</u>
Total	<u>13</u>

**Funding Policy**

The Union currently finances benefits on a pay-as-you-go basis. There are currently no retirees receiving benefits.

**Annual OPEB Cost and Net OPEB Obligation**

The Union's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 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 following table shows the components of the Union's annual OPEB cost for the year, the amount actually contributed, and changes in the OPEB obligation:

	<u>2013</u>	<u>2012</u>
Annual required contribution	\$ 79,087	\$ 71,308
Interest on net OPEB obligation	18,961	14,427
Adjustment to annual required contribution	<u>(17,800)</u>	<u>(13,188)</u>
Annual OPEB cost (expense)	80,248	72,547
Contributions (trust deposit)	(105,276)	-
Contributions (retiree benefit cost)	<u>(2,286)</u>	<u>-</u>
Change in net OPEB obligation	(27,314)	72,547
Net OPEB obligation - beginning of year	<u>303,382</u>	<u>230,835</u>
Net OPEB obligation - end of year	<u>\$ 276,068</u>	<u>\$303,382</u>

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013 and 2012**

**NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)**

**Annual OPEB Cost and Net OPEB Obligation (continued)**

The Union's annual OPEB cost for the year, the percentage of annual OPEB cost contributed, and the net OPEB obligation was as follows:

<b><u>Fiscal Year Ended</u></b>	<b><u>Annual OPEB Cost</u></b>	<b><u>Percentage of Annual OPEB Cost Contributed</u></b>	<b><u>Net OPEB Obligation</u></b>
6/30/2011	\$ 68,620	72.9%	\$ 230,835
6/30/2012	72,547	0.0%	303,382
6/30/2013	80,248	134.0%	276,068

**Funding Status and Funding Progress**

As of June 30, 2013, the market value of plan assets was \$158,738. As of July 1, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$397,437.

Actuarial valuations of an ongoing benefit 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 postemployment healthcare benefits funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets, if any, is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013 and 2012**

**NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS: (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 the 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 the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, if any, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 6.25% discount rate and an annual healthcare cost trend rate of 7.3% initially, reduced to an ultimate rate of 5.5% after 8 years. The UAAL is being amortized on a level dollar approach and closed basis over 30 years as allowed under GASB Statement No. 45. The remaining amortization period will end on June 30, 2037.

**NOTE 8 - TRANSACTIONS WITH RELATED ENTITIES:**

The Union building is leased from the Trustees in an Operating Agreement and Lease that expires June 30, 2017. In lieu of a rental fee, the Union shall operate the auxiliary organization and shall manage and operate the facilities in accordance with the Agreement, the Systemwide Revenue Bond Program bond indenture, the policies of the University, and for the benefit of the University. The Union recognizes expenses related to Union-promoted or sponsored events as student services in the accompanying basic financial statements.

The Union building was partially financed from revenue bonds. The principal and interest on these bonds as well as the cost of operations is funded through mandatory student fees paid by all students enrolled at CSU Dominguez Hills. These fees, which are held in trust by the University, totaled \$4,086,071 for the year ending June 30, 2013. For this same period, \$585,000 in principal was retired and \$1,076,352 was paid in interest on the outstanding debt associated with the revenue bonds. From the remaining funds, \$2,200,000 was returned to support the operation of the facility.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013 and 2012**

**NOTE 8 - TRANSACTIONS WITH RELATED ENTITIES: (continued)**

The University bills the Union for payroll costs associated with certain reimbursed positions and other direct costs including utilities, maintenance, postage, and refuse removal related to the Union building as well as indirect cost recovery for campus support as allowed under Executive Order 1000. The total amount billed by the University during the years ended June 30, 2013 and 2012 was \$795,442 and \$758,118, respectively, and the amount payable to the University at June 30 totaled \$52,993 and \$27,653, respectively. Additionally, the Union has subleases with the campus for two University Departments which are housed in the Union.

The Union has two subleases and a MOU with the Foundation. The two subleases are for Campus Dining and the University Bookstore while the MOU is for accounting and administrative services provided by the Foundation to the Union. For campus dining, the Union receives 20% of commissions on select vended spaces in the building. The Union also bills the Foundation for shared services including pest control and utilities. The total amount billed by the Union to the Foundation for campus dining during the years ended June 30, 2013 and 2012 was \$139,048 and \$134,461, respectively, and the amount receivable by the Union from the Foundation related to campus dining at June 30, 2013 was \$420 and \$10,468 at June 30, 2012. The sublease expires June 30, 2017.

The term of the sublease with the Foundation for University Bookstore is January 1, 2005 to May 31, 2014. The Foundation contracts with Follett to operate the Bookstore. Beginning July 1, 2005, annual lease payments will be equal to 2.5% of the first \$6,000,000 in bookstore sales and increasing as sales exceed that amount. The fee is invoiced on a periodic basis based on sales records provided by the Foundation to the Union. Additionally, the Union bills the Foundation for shared building expenses related to the Bookstore operation. For the fiscal years ended June 30, 2013 and 2012 the total amount billed by the Union to the Foundation related to the bookstore was \$110,666 and \$115,768 respectively. The Union does not have a receivable from the Foundation related to the bookstore at June 30, 2013; the amount was \$31,184 at June 30, 2012.

The Union pays for administrative and accounting services billed by the Foundation on a monthly basis, including services provided under the MOU. For the fiscal years ended June 30, 2013 and 2012, the amount totaled \$37,568 and \$37,486, respectively, and the amount payable at June 30, 2013 was \$6,127 and at June 30, 2012 was \$3,000.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013 and 2012**

**NOTE 8 - TRANSACTIONS WITH RELATED ENTITIES: (continued)**

The Union also subleases space in the Union building to the Associated Student, Inc., (ASI) California State University, Dominguez Hills. The term of their sublease is January 2007 through June 30, 2017. ASI has agreed to provide student programming as in-kind payment in lieu of rent in connection with this sublease. Effective July 1, 2009, the Union began invoicing ASI for shared building expenses, janitorial services and shared programming costs. The total billed by the Union to ASI during the fiscal years ended June 30, 2013 and 2012 was \$17,655 and \$13,697, respectively. The outstanding balance at June 30, 2013 was \$3,063 and at June 30, 2012 was \$2,325.

During the fiscal years 2013 and 2012, the Union purchased workers' compensation insurance for \$7,360 and \$7,290, respectively, through an approved self-insurance program in which the Union is a member (as are ASI and the Foundation), and which is administered by the California State University Risk Management Authority (CSURMA).

## **SUPPLEMENTARY INFORMATION**

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS  
For the Fiscal Year Ended June 30, 2013**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (AVA)</b>	<b>Actuarial Accrued Liability (Unit Cost Method) (AAL)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funding Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
7/1/2008	\$ -	\$ 452,204	\$ 452,204	0.0%	\$ 495,000	91.4%
7/1/2011*	-	397,437	397,437	0.0%	532,380	74.7%

Note: In 2012-13, the Union contributed \$105,276 to the Auxiliaries Multiple Employer VEBA Trust. The market value of plan assets at June 30, 2013 is \$158,738.

\*The valuation date is July 1, 2011. The valuation results were “rolled back” actuarially to July 1, 2010 in order to coincide with the Union’s fiscal year.

See the accompanying notes to the required supplementary information.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Fiscal Year Ended June 30, 2013**

**NOTE 1 - PURPOSE OF SCHEDULE:**

**A. Schedule of Postemployment Healthcare Benefits Funding Progress**

This schedule is prepared to show information for the most recent actuarial valuation and in future years, the information from the three most recent actuarial valuations in accordance with Statement No. 45 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The schedule is intended to show trends about the funding progress of the Union's actuarially determined liability for postemployment benefits other than pensions.

## **SUPPLEMENTARY INFORMATION**

**THE DONALD P. & KATHERINE B.  
LOKER UNIVERSITY STUDENT UNION INC.,  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

Schedule of Net Position

June 30, 2013

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 398,849
Short-term investments	1,505,230
Accounts receivable, net	6,261
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	—
Total current assets	<u>1,910,340</u>

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	100,335
Other assets	—
Total noncurrent assets	<u>100,335</u>
Total assets	<u>2,010,675</u>

Deferred outflows of resources:

Unamortized loss on refunding(s)	—
Total deferred outflows of resources	<u>—</u>

Liabilities:

Current liabilities:

Accounts payable	108,593
Accrued salaries and benefits payable	4,661
Accrued compensated absences— current portion	37,474
Unearned revenue	5,349
Capitalized lease obligations — current portion	—
Long-term debt obligations — current portion	—
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	—
Total current liabilities	<u>156,077</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	—
Unearned 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	276,068
Other liabilities	—
Total noncurrent liabilities	<u>276,068</u>
Total liabilities	<u>432,145</u>

Deferred inflows of resources:

Deferred inflows from SCAs, grants, and others	—
Total deferred inflows of resources	<u>—</u>

Net Position:

Net investment in capital assets	100,335
Restricted for:	
Nonexpendable — endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	<u>1,478,195</u>
Total net position	<u>\$ 1,578,530</u>

See the accompanying independent auditors' report.

**THE DONALD P. & KATHERINE B.  
LOKER UNIVERSITY STUDENT UNION INC.,  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2013

(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$ _____)	\$ 2,200,000
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 \$ _____)	230,382
Other operating revenues	8,890
Total operating revenues	<u>2,439,272</u>

Expenses:

Operating expenses:

Instruction	—
Research	—
Public service	—
Academic support	—
Student services	176,576
Institutional support	—
Operation and maintenance of plant	2,059,051
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	26,292
Total operating expenses	<u>2,261,919</u>
Operating income (loss)	<u>177,353</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	3,890
Endowment income (loss), net	—
Interest Expenses	—
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>3,890</u>
Income (loss) before other additions	<u>181,243</u>

State appropriations, capital

Grants and gifts, capital

Additions (reductions) to permanent endowments

Increase (decrease) in net position	<u>181,243</u>
-------------------------------------	----------------

Net position:

Net position at beginning of year, as previously reported	1,397,287
Restatements	—
Net position at beginning of year, as restated	<u>1,397,287</u>
Net position at end of year	<u>\$ 1,578,530</u>

See the accompanying independent auditors' report.

**THE DONALD P. & KATHERINE B.  
LOKER UNIVERSITY STUDENT UNION INC.,  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**Other Information  
June 30, 2013  
(for inclusion in the California State University)**

**1 Restricted cash and cash equivalents at June 30, 2013:**  
Portion of restricted cash and cash equivalents related to endowments  
All other restricted cash and cash equivalents  
Total restricted cash and cash equivalents

\$	-		-		-		-	
\$	-		-		-		-	

**2.1 Composition of investments at June 30, 2013:**

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)							
State of California Local Agency Investment Fund (LALIF)							
Wachovia Short Term Fund	1,505,230	-	1,505,230	-	-	-	1,505,230
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF)	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:	-	-	-	-	-	-	-
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Partnership interests (includes private pass-through)	-	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Other major investments:	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	1,505,230	-	1,505,230	-	-	-	1,505,230
Less endowment investments (enter as negative number)							
Total investments	1,505,230	-	1,505,230	-	-	-	1,505,230

See the accompanying independent auditor's report.

**THE DONALD P. & KATHERINE B.  
LOKER UNIVERSITY STUDENT UNION INC.,  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**Other Information  
June 30, 2013  
(for inclusion in the California State University)**

**2.2 Investments held by the University under contractual agreements at June 30, 2013:**

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2013 :

	Amount
<b>2.3 Restricted current investments at June 30, 2013 related to:</b>	
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
<b>Total restricted current investments at June 30, 2013</b>	<b>—</b>

**2.4 Restricted noncurrent investments at June 30, 2013 related to:**

	Amount
Endowment investment	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
<b>Total restricted noncurrent investments at June 30, 2013</b>	<b>—</b>

See the accompanying independent auditor's report.

**THE DONALD P. & KATHERINE B.  
LOKER UNIVERSITY STUDENT UNION INC.,  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**

**Other Information  
June 30, 2013  
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**3.1 Composition of capital assets at June 30, 2013:**

	Balance June 30, 2012	Prior period Adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2013
<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>								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
<b>Other intangible assets:</b>								
Total intangible assets	-	-	-	-	-	-	-	-
<b>Total nondepreciable/nonamortizable capital assets</b>	-	-	-	-	-	-	-	-
<b>Depreciable/amortizable capital assets:</b>								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	132,081	-	-	132,081	-	-	-	132,081
Personal property:								
Equipment	188,777	-	-	188,777	61,427	-	-	250,204
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
<b>Other intangible assets:</b>								
Total intangible assets	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable capital assets</b>	320,858	-	-	320,858	61,427	-	-	382,285
<b>Total capital assets</b>	320,858	-	-	320,858	61,427	-	-	382,285
<b>Less accumulated depreciation/amortization:</b>								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(77,097)	-	-	(77,097)	(10,324)	-	-	(87,421)
Personal property:								
Equipment	(178,561)	-	-	(178,561)	(15,968)	-	-	(194,529)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
<b>Other intangible assets:</b>								
Total intangible assets	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	(255,658)	-	-	(255,658)	(26,292)	-	-	(281,950)
<b>Total capital assets, net</b>	65,200	-	-	65,200	35,135	-	-	100,335

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<b>3.2 Detail of depreciation and amortization expense for the year ended June 30, 2013:</b>	
Depreciation and amortization expense related to capital assets	\$ 26,292
Amortization expense related to other assets	—
Total depreciation and amortization	<u>\$ 26,292</u>

**4 Long-term liabilities activity schedule:**

	Balance June 30, 2012	Prior period adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Balance June 30, 2013	Current portion	Long-term portion
Accrued compensated absences	37,066	—	—	37,066	39,856	(39,448)	37,474	37,474	—
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	—	—	—	—	—	—	—	—	—
Note Payable related to SRB	—	—	—	—	—	—	—	—	—
Other:									
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	<u>37,066</u>	—	—	<u>37,066</u>	<u>39,856</u>	<u>(39,448)</u>	<u>37,474</u>	<u>37,474</u>	<u>—</u>

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

Year ending June 30:	Principal	Interest	Principal and Interest
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019 - 2023	-	-	-
2024 - 2028	-	-	-
2029 - 2033	-	-	-
2034 - 2038	-	-	-
2039 - 2043	-	-	-
2044 - 2048	-	-	-
2049 - 2053	-	-	-
2054 - 2058	-	-	-
2059 - 2063	-	-	-
<b>Total minimum lease payments</b>	-	-	-
Less amounts representing interest	-	-	-
<b>Present value of future minimum lease payments</b>	-	-	-
Less: current portion	-	-	-
<b>Capitalized lease obligation, net of current portion</b>	-	-	\$ -

**6 Long-term debt obligation schedule**

Year ending June 30:	Revenue Bonds		All other long-term debt obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest and Principal
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019 - 2023	-	-	-	-	-	-
2024 - 2028	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

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**7 Calculation of net position**

**7.1 Calculation of net position - Net investment in capital assets**

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
Capital assets, net of accumulated depreciation	\$ 100,335	—	100,335
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	—	—	—
Net position - net investment in capital asset	\$ 100,335	—	100,335

**7.2 Calculation of net position - Restricted for nonexpendable - endowments**

Portion of restricted cash and cash equivalents related to endowments	\$ —	—	—
Endowment investments	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net position - Restricted for nonexpendable - endowments per SNP	\$ —	—	—

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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	—
Payments to University for other than salaries of University personnel	795,442
Payments received from University for services, space, and programs	61,654
Gifts-in-kind to the University from Auxiliary Organizations	46,179
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	—
Accounts (payable to) University (enter as negative number)	(52,993)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	—
Other amounts receivable from University	—

9 Other Postemployment Benefits Obligation (OPEB)	Amount
Annual required contribution (ARC)	\$ —
Contributions during the year	—
Increase (decrease) in net OPEB obligation (NOO)	—
NOO - beginning of year	—
NOO - end of year	\$ —
Amount must be greater than the noncurrent portion in SNP	

10 Pollution remediation liabilities under GASB Statement No. 49:	Amount
Description	Amount
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total pollution remediation liabilities	\$ —
Less: current portion	—
Pollution remediation liabilities, net of current portion	—

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11	The nature and amount of the prior period adjustment(s) recorded to beginning net position	Net Position	
		Class	Amount Dr. (Cr.)
	Net position as of June 30, 2012, as previously reported		\$ 1,397,287
	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 position as of June 30, 2012, as restated		\$ 1,397,287

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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 position class: 1 (breakdown of adjusting journal entry)	\$	-
Net position class: 2 (breakdown of adjusting journal entry)	-	-
Net position class: 3 (breakdown of adjusting journal entry)	-	-
Net position class: 4 (breakdown of adjusting journal entry)	-	-
Net position class: 5 (breakdown of adjusting journal entry)	-	-
Net position class: 6 (breakdown of adjusting journal entry)	-	-
Net position class: 7 (breakdown of adjusting journal entry)	-	-
Net position class: 8 (breakdown of adjusting journal entry)	-	-
Net position class: 9 (breakdown of adjusting journal entry)	-	-
Net position class: 10 (breakdown of adjusting journal entry)	-	-

See the accompanying independent auditor's report.