

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

**Financial Statements and Supplementary  
Information for the Year Ended June 30, 2014  
and Independent Auditor's Report**

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS UNION  
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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills as of and for the year ended June 30, 2014, 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, the auditor considers internal control relevant to the entity'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 entity'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.

## INDEPENDENT AUDITORS' REPORT - Continued

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills as of June 30, 2014, and the respective changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Report on Summarized Comparative Information*

Another auditor previously audited The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills' 2013 financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated September 12, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 through 8, the schedule of expenses by natural classification, 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.

## INDEPENDENT AUDITORS' REPORT - Continued

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The GASB schedule of net position, GASB schedule of revenues, expenses and changes in net position, and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The GASB schedule of net position, GASB schedule of revenues, expenses and changes in net position, expenses by natural classification, and other information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the GASB schedule of net position, GASB schedule of revenues, expenses and changes in net position, expenses by natural classification, and other information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Vorlein, Hagen + Co.*

Calabasas, California  
September 15, 2014

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED JUNE 30, 2014**

This section of The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills' (the Student Union) annual financial report presents our discussion and analysis of the financial performance of the Student Union for the fiscal year ended June 30, 2014. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

**Introduction to the Financial Statements**

This annual report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board (GASB) 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*. For reporting purposes, the University is considered a special-purpose government engaged only in business-type activities, which best represent the activities of the Student Union.

The 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 the notes to the financial statements and this section. All sections must be considered together to obtain a complete understanding of the financial picture of the Student Union.

**Statement of Net Position** – The statement of net position includes all assets and liabilities. 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 Student 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 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 for the year and is summarized by operating, noncapital financing, capital and related 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)  
FOR THE YEAR ENDED JUNE 30, 2014**

## **Analytical Overview**

### **Summary**

The Student Union continued to make improvements to the facility 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. After an extensive search, the Services Manager and Facility Maintenance Assistant positions were filled. The Support Services Coordinator position became vacant in the last quarter of the year and was filled in the 2014-15 fiscal year. All staff positions are filled as of the date of this report.

Enrollment (which has caused challenges to the campus and to the student union - as it is a student fee funded operation) continues 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 in the 2014-15 fiscal year.

The implementation of GASB 45 during the 2007-08 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 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 Student 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)  
FOR THE YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

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

The Student Union's summary of net position as of June 30, 2014 and 2013 are as follows:

Condensed Summary of Net Position

	<u>2014</u>	<u>June 30</u>	<u>2013</u>	<u>\$ Change</u>
<b>Assets:</b>				
Current assets	\$ 2,012,571		\$ 1,910,340	\$ 102,231
Capital assets, net	<u>219,677</u>		<u>100,335</u>	<u>119,342</u>
Total assets	<u>2,232,248</u>		<u>2,010,675</u>	<u>221,573</u>
<b>Liabilities:</b>				
Current liabilities	106,209		156,077	(49,868)
Noncurrent liabilities	<u>297,205</u>		<u>276,068</u>	<u>21,137</u>
Total liabilities	<u>403,414</u>		<u>432,145</u>	<u>(28,731)</u>
<b>Net position:</b>				
Net investments in capital assets	219,677		100,335	119,342
Unrestricted	<u>1,609,157</u>		<u>1,478,195</u>	<u>130,962</u>
Total net position	<u>\$ 1,828,834</u>		<u>\$ 1,578,530</u>	<u>\$ 250,304</u>

*Assets*

Total assets increased by \$221.6K compared to prior year. This change can be attributed to the capitalization of major furnishing enhancement projects along with improvements to a facility entrance. Additionally, vacancies for staff positions were carried at various times during the fiscal year.

*Liabilities*

Total liabilities decreased by \$28.7K compared to the prior year. This is due to a decrease in accounts payable at year end that was attributed campus entities providing timely invoicing.

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, 2014 to be \$463,650; however, the recorded liability will not change until the next actuarial report is completed. Of this amount, \$297,205 was recognized as of June 30, 2014.

*Net Position*

Total net position increased by \$250,304 compared to the prior year. This change is a result of an increase in cash due to the overall decrease in operating expenses and the increase in capital assets related to enhancements 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)**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

The Student Union's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2014 and 2013 is as follows:

Condensed Summary of Revenues, Expenses, and Changes in Net Position

	<u>Year ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>
Operating revenues:			
Student fees	\$ 2,153,687	\$ 2,200,000	\$ (46,313)
Sales and services of auxiliary enterprises	260,264	230,382	29,882
Other operating revenues	<u>18,419</u>	<u>8,890</u>	<u>9,529</u>
Total operating revenues	2,432,370	2,439,272	(6,902)
Nonoperating revenues:			
Investment income	<u>3,154</u>	<u>3,890</u>	<u>(736)</u>
Total revenues	2,435,524	2,443,162	(7,638)
 Operating Expenses:			
Student services	147,282	176,576	(29,294)
Operating expense	1,978,731	2,059,051	(80,320)
Depreciation	<u>59,207</u>	<u>26,292</u>	<u>32,915</u>
Total expenses	<u>2,185,220</u>	<u>2,261,919</u>	<u>(76,699)</u>
Change in net position	250,304	181,243	69,061
Net position at beginning of year	<u>1,578,530</u>	<u>1,397,287</u>	<u>181,243</u>
Net position at end of year	<u>\$ 1,828,834</u>	<u>\$ 1,578,530</u>	<u>\$ 250,304</u>

*Operating Revenues*

Total revenues decreased by \$6.9K compared to prior year. While revenues from sales and services and other operating revenues increased, the overall decrease in total revenues is attributed to a decrease in the amount of revenues from student fees that was brought back to support the operation to ensure compliance with debt ratio requirements set forth by the California State University under Executive Order 994 pertaining to the repayment of the bonds issued for the construction of the facility.

*Operating Expenses*

Total operating expenses decreased by \$76.7K compared to prior year. Student services expenses decreased as the organization did not host the same anniversary celebration events of the prior year. Also, staff position vacancies were carried at various times during the year. Another factor attributing to the decrease was that the Loker Student Union incurred one-time expenses related to major projects in the previous fiscal year that were not incurred in the 2013-14 fiscal year.

*Non-operating Revenues (Expenses)*

The increase in other operating revenue for 2014 is attributed to the continued increase in game room usage as a result of programming in the space along with the reimbursement of dividends returned to the organization from participation in the AORMA/CSURMA pooled insurance program.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

**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 mechanical parts, worn furniture and equipment that has reached its useful life. Expenses for the replacement of assets past their useful life began in 2013-14. Additional expenses are expected in 2014-15. Projects will be completed in the Dominguez Ballroom, pre-function lobby, and South Lounge to improve facility usage and aesthetics. Projects for facility improvements include installation of carpeting and furniture in the ballroom and pre-function lobby, and converting existing lounge spaces in the South Lounge into meditation/reflection and TV lounges. These projects are slated in response to students' request for spaces that best meet the needs of the student life campus community.

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 Student 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.

The Union is a student fee funded operation. As such, fluctuations in enrollment carry the potential to impact financial stability; in particular the Union's ability to repay its debt service while still operating the facility to best serve the campus.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR 2013)**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 446,599	\$ 398,849
Short-term investments	1,559,202	1,505,230
Accounts receivable, net	<u>6,770</u>	<u>6,261</u>
Total current assets	2,012,571	1,910,340
Property and equipment		
Capital assets, net	<u>219,677</u>	<u>100,335</u>
Total assets	<u>2,232,248</u>	<u>2,010,675</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	49,875	108,593
Accrued salaries and benefits payable	5,302	4,661
Accrued compensated absences	44,357	37,474
Unearned revenue	<u>6,675</u>	<u>5,349</u>
Total current liabilities	106,209	156,077
Noncurrent liabilities		
Liability to beneficiaries	<u>297,205</u>	<u>276,068</u>
Total noncurrent liabilities	<u>297,205</u>	<u>276,068</u>
Total liabilities	<u>403,414</u>	<u>432,145</u>
<b>NET POSITION</b>		
Net investment in capital assets	219,677	100,335
Unrestricted	<u>1,609,157</u>	<u>1,478,195</u>
Total net position	<u>1,828,834</u>	<u>1,578,530</u>
Total liabilities and net position	<u>\$ 2,232,248</u>	<u>\$ 2,010,675</u>

See accompanying auditors' report and notes to financial statements.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR 2013)**

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
<b>Operating revenues</b>		
Student fees	\$ 2,153,687	\$ 2,200,000
Sales and services of auxiliary enterprises	260,264	251,707
Other operating revenues	<u>18,419</u>	<u>8,890</u>
Total operating revenues	<u>2,432,370</u>	<u>2,460,597</u>
<b>EXPENSES</b>		
<b>Operating expenses</b>		
Student services	147,282	176,576
Operating expenses	1,978,731	2,080,376
Depreciation	<u>59,207</u>	<u>26,292</u>
Total operating expenses	<u>2,185,220</u>	<u>2,283,244</u>
Operating income (loss)	247,150	177,353
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income (loss)	<u>3,154</u>	<u>3,890</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	250,304	181,243
<b>NET POSITION - beginning of year</b>	<u>1,578,530</u>	<u>1,397,287</u>
<b>NET POSITION - end of year</b>	<u>\$ 1,828,834</u>	<u>\$ 1,578,530</u>

See accompanying auditors' report and notes to financial statements.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR 2013)**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Student fees	\$ 2,153,687	\$ 2,200,000
Payments to suppliers	(970,860)	(909,611)
Payments to employees	(1,185,210)	(1,299,762)
Sales and services to auxiliary	262,099	278,987
Other operating revenue	<u>18,419</u>	<u>8,890</u>
Net Cash Provided by Operating Activities	<u>278,135</u>	<u>278,504</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Acquisition of capital assets	<u>(178,549)</u>	<u>(61,427)</u>
Net Cash used by capital and related financing activities	<u>(178,549)</u>	<u>(61,427)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	1,350,000	1,020,000
Investment income	2,136	3,890
Net purchase of investments	<u>(1,403,972)</u>	<u>(1,603,890)</u>
Net Cash Provided (Used) by Investing Activities	<u>(51,836)</u>	<u>(580,000)</u>
Net increase (decrease) in cash and cash equivalents	47,750	(362,923)
Cash and cash equivalents at beginning of year	<u>398,849</u>	<u>761,772</u>
Cash and cash equivalents at end of year	<u><b>\$ 446,599</b></u>	<u><b>\$ 398,849</b></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	247,150	177,353
Adjustments to reconcile operating income to net cash provided in operating activities:		
Depreciation	59,207	26,292
Postemployment benefits other than pensions	21,137	(27,314)
Change in assets and liabilities:		
Accounts receivable	509	53,121
Prepaid expenses	-	3,444
Accounts payable	(58,718)	50,032
Accrued salaries and benefits	641	(316)
Accrued compensated absences	6,883	408
Unearned revenue	<u>1,326</u>	<u>(4,516)</u>
Net Cash Provided by Operating Activities	<u><b>\$ 278,135</b></u>	<u><b>\$ 278,504</b></u>

See accompanying auditors' report and notes to financial statements.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**1. ORGANIZATION**

*Nature of Organization*

The Donald P. and Katherine B. Loker University Student Union Inc., California State University, Dominguez Hills (the Student Union), a nonprofit California public benefit corporation, is an auxiliary organization of California State University, Dominguez Hills (the University). The Student Union operates the Student Union building as well as sponsoring various campus activities that complement the instructional programs of the University campus. The Student 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, 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.

*Election of Applicable FASB Statements*

The Student Union 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 Student Union also has the option of following subsequent private-sector guidance subject to the same limitation. The Student Union has elected not to adopt the pronouncements issued by the FASB after November 30, 1989.

*Financial Reporting Entity*

The financial statements include the accounts of the Student Union. The Student Union is a government organization under accounting principles generally accepted in the United States of America and is also a component unit of the University, a public university under the California State University system. The Student Union has chosen to use the reporting model for special-purpose governments engage only in business type activities.

*Basis of Accounting and Reporting*

The Student 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 Student 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.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Net Position*

The Student Union's net position is classified into the following net asset categories:

**Net investment in capital assets** – Capital assets, net of accumulated depreciation. The Student Union does not have any outstanding principal balances of debt attributable to the acquisition construction, or improvement of those assets.

**Unrestricted** – All other categories of net position. In addition, unrestricted net position may be designated for use by management of the Student Union or have legislative or bond indenture requirements associated with their use. These requirements limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be designated to support future operations in these areas. The Student Union has adopted a policy of utilizing temporarily restricted funds, when available, prior to unrestricted funds.

**Restricted – expendable** – Net position subject to externally imposed conditions that can be fulfilled by the actions of the Student Union or by the passage of time.

*Classification of Current and Noncurrent Assets and Liabilities*

The Student 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.

*Cash Equivalents*

The Student 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.

*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 position as investment income.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Accounts and Interest Receivables*

Accounts receivables primarily consist of student fees and other receivables. Receivables are stated at the amount management expects to collect from outstanding balances. The accounts receivables totaled \$6,770 at June 30, 2014. Student Union uses the allowance method of accounting for receivables determined to be potentially uncollectable. In management’s opinion, all receivables were collectible at year-end and therefore no allowance has been established.

*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 Student 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 Student 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.

*Unearned Revenue*

Unearned revenue consists primarily of fees collected in advance for the next year.

*Compensated Absences*

Accrued compensated absences are accrued on a monthly basis based on length of service and job classification. Full-time employees accrue vacation time based upon job classification and years of service to the Student Union as follows:

<u>Years Employed</u>	<u>Annualized Accrual</u>
0 - 3 years	10 Days
3 - 6 years	15 Days
6 – 15 years	20 Days
15+ years	24 Days

Accrued leave will be paid at the time of termination. Total accrued compensated absences at June 30, 2014, were \$44,357.



**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Classification of Revenues and Expenses*

The Student Union considers operating revenues and expenses in the statement of revenues, expenses and changes in net position to be the revenues and expenses that result from exchange transactions or from other activities that are connected directly to the Student Union's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as non-operating revenues and expenses in accordance with GASB Statement No. 33. These non-operating activities include the Student Union's net investment income, gifts, and interest expense.

*Income Taxes*

The Student Union is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private Union within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

The Student 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 Student 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 Student Union's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2012, 2011, 2010, are subject to examination by the IRS, generally for 3 years after they were filed.

*Estimates*

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Management also determines the accounting principles to be used in the preparation of the financial statements. A description of the significant accounting policies employed in the preparation of these financial statements follows.

*Subsequent Events*

The Student Union has evaluated events subsequent to June 30, 2014, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 15, 2014, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

**3. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

The Student 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 \$446,599 for the year 2014. As of June 30, 2014 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, 2014.

The Student Union, through the Foundation, maintains investments with the State of California Local Agency Investment Fund (LAIF) amounting to \$1,559,202 for the year ended June 30, 2014. 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.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2014 consisted of the following:

Accounts receivable from ASI	\$ 293
Accounts receivable - regular	6,152
Other receivables	<u>325</u>
Total	<u>\$ 6,770</u>

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

**5. CAPITAL ASSETS**

Capital assets consist of the following at June 30, 2014:

Equipment	\$ 153,607
Leasehold improvements	140,741
Furniture and fixtures	<u>266,486</u>
	560,834
Less: Accumulated Depreciation	<u>(341,157)</u>
Total	<u>\$ 219,677</u>

Depreciation expense as of June 30, 2014 was \$59,207.

**6. PENSION PLANS**

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 Student 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 Student Union makes the contributions required of Union employees on their behalf and for their account. The Student Union is required to contribute at an actuarially determined rate; the fiscal year 2014 rate was 16.101% of annual covered payroll.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**6. PENSION PLANS - Continued**

(c) *Annual Pension Cost* - For 2014, the Student Union's annual CalPERS pension cost totaled \$93,819. The required contributions were determined as part of the June 30, 2011 actuarial valuations using the entry-age-normal-actuarial-cost-method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) 3.3% to 14.2% projected annual salary increases that vary by duration of service, and (c) 3.0% per year cost-of-living adjustments. Both (a) and (b) included a 2.5% 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).

Three-year trend information for CalPERS:

<b>Fiscal Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>
June 2012	\$ 80,829	100%
June 2013	79,974	100%
June 2014	93,819	100%

**7. POSTEMPLOYMENT HEALTHCARE BENEFITS**

*Plan Description*

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

The Student 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 Student Union participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association) and contributed \$56,607 in fiscal year ended June 30, 2014. The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding postretirement health care benefits for recognized auxiliaries of the California State University System. The plan does not issue separate financial statements.

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**7. POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued**

*Eligibility*

The Student 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 Student 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 Student 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 Student Union's annual OPEB cost for the year, the amount actually contributed, and changes in the OPEB obligation:

	<u>2014</u>
Annual required contribution	\$ 80,867
Interest on net OPEB obligation	17,254
Adjustment to annual required contribution	<u>(16,660)</u>
Annual OPEB cost (expense)	81,461
Contributions (trust deposit)	(56,607)
Contributions (retiree benefit cost)	<u>(3,717)</u>
Change in net OPEB obligation	21,137
Net OPEB obligation – beginning of year	<u>276,068</u>
Net OPEB obligation – end of year	<u>\$ 297,205</u>

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS UNION  
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FOR THE YEAR ENDED JUNE 30, 2014**

**7. POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued**

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/12	\$ 72,547	0.0%	\$ 303,382
6/30/13	80,248	134.0%	276,068
6/30/14	81,461	74%	297,205

*Funding Status and Funding Progress*

As of June 30, 2014, the market value of plan assets was \$237,660. 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.

*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.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

**8. TRANSACTIONS WITH RELATED ENTITIES**

The Student 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 Student 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 Student Union recognizes expenses related to Union-promoted or sponsored events as student services in the accompanying basic financial statements.

The Student 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 \$4,311,489 for the year ending June 30, 2014. For this same period, \$610,000 in principal was retired and \$922,153 was paid in interest on the outstanding debt associated with the revenue bonds. From the remaining funds, \$2,153,687 was returned to support the operation of the facility.

The University bills the Student Union for payroll costs associated with certain reimbursed positions and other direct costs including utilities, maintenance, postage, and refuse removal related to the Student 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 year ended June 30, 2014 was \$784,029, and the amount payable to the University at June 30, 2014 totaled \$24,169. Additionally, the Student Union has subleases with the campus for two University Departments which are housed in the Student Union.

The Student 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 Student Union. For campus dining, the Student Union receives 20% of commissions on select vended spaces in the building. The Student Union also bills the Foundation for shared services including pest control and utilities. The total amount billed by the Student Union to the Foundation for campus dining during the year ended June 30, 2014 was \$144,431. The Student Union does not have a receivable from the Foundation related to Campus Dining at June 30, 2014. 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 Student Union. Additionally, the Student Union bills the Foundation for shared building expenses related to the Bookstore operation. For the fiscal year ended June 30, 2014 the total amount billed by the Student Union to the Foundation related to the bookstore was \$102,258. The Student Union does not have a receivable from the Foundation related to the bookstore at June 30, 2014.

The Student Union pays for administrative and accounting services billed by the Foundation on a monthly basis, including services provided under the MOU. For the fiscal year ended June 30, 2014, the amount totaled \$38,752, and the amount payable at June 30, 2014 was \$136.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS UNION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**8. TRANSACTIONS WITH RELATED ENTITIES – Continued**

The Student Union also subleases space in the Student 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 Student Union began invoicing ASI for shared building expenses, janitorial services and shared programming costs. The total billed by the Student Union to ASI during the fiscal year ended June 30, 2014 was \$15,185. The outstanding balance at June 30, 2014 was \$293.

During the fiscal year 2014, the Student Union purchased workers' compensation insurance for \$4,220, through an approved self-insurance program in which the Student 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 UNION  
SCHEDULE OF EXPENSES BY NATURAL CLASSIFICATION  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>2014</u>	<u>2013</u>
<b>EXPENSES</b>		
Salaries and wages	\$ 874,802	\$ 913,138
Employee benefits	339,070	359,402
Administrative fees	37,000	36,065
Advertising	1,325	12,004
Bad debt expense	75	6,939
Computer costs	38,247	42,532
Depreciation	59,207	26,292
Dues and subscriptions	2,889	2,551
Education and training	7,958	-
Facilities and admin cost	67,736	76,323
Fees and service charges	7,714	7,364
Insurance	22,264	21,523
Miscellaneous expense	14,956	(729)
Outside services	198,010	186,903
Postage	273	708
Printing	822	246
Professional fees	19,195	29,161
Public relations	5,850	-
Repairs and maintenance	128,440	148,295
Small equipment	23,603	27,041
Special events- student activities	147,282	176,576
Supplies	23,124	35,287
Telephone	9,126	11,214
Travel	20,196	25,353
Utilities	<u>136,056</u>	<u>139,056</u>
 Total expenses	 <u>\$2,185,220</u>	 <u>\$2,283,244</u>

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS UNION  
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Actuarial Accrued Liability (Unit Cost Method) (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funding Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2008	\$ -	\$ 452,204	\$ 452,204	0.00%	\$ 495,000	91.40%
7/1/2011	*	-	397,437	0.00%	532,380	74.70%

Note: In 2013-2014 the Union contributed \$56,607 to the Auxiliaries Multiple Employer VEBA Trust.

\* 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.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS UNION  
NOTES TO SCHEDULE OF  
POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2014**

**1. PURPOSE OF SCHEDULE**

*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 Student Union's actuarially determined liability for postemployment benefits other than pensions.

**OTHER SUPPLEMENTARY INFORMATION**

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS UNION**  
**GASB STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 446,599
Short-term investments	1,559,202
Accounts receivable, net	6,770
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	—
Total current assets	<u>2,012,571</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	219,677
Other assets	—
Total noncurrent assets	<u>219,677</u>
Total assets	<u>2,232,248</u>
Deferred outflows of resources:	
Unamortized loss on refunding(s)	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	49,875
Accrued salaries and benefits payable	5,302
Accrued compensated absences— current portion	44,357
Unearned revenue	6,675
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Claims Liability for losses and LAE - current portion	—
Depository accounts	—
Other liabilities	—
Total current liabilities	<u>106,209</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	—
Claims Liability for losses and LAE, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	297,205
Other liabilities	—
Total noncurrent liabilities	<u>297,205</u>
Total liabilities	<u>403,414</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	219,677
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	<u>1,609,157</u>
Total net position	<u>\$ 1,828,834</u>

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS UNION  
GASB SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014**

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$_____)	\$	2,153,687
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 \$_____)		260,264
Other operating revenues		18,419
		2,432,370
Total operating revenues		2,432,370

Expenses:

Operating expenses:

Instruction		—
Research		—
Public service		—
Academic support		—
Student services		147,282
Institutional support		—
Operation and maintenance of plant		1,978,731
Student grants and scholarships		—
Auxiliary enterprise expenses		—
Depreciation and amortization		59,207
		2,185,220
Total operating expenses		2,185,220
Operating income (loss)		247,150

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		3,154
Endowment income (loss), net		—
Interest Expenses		—
Other nonoperating revenues (expenses)		—
		3,154
Net nonoperating revenues (expenses)		3,154
Income (loss) before other additions		250,304

State appropriations, capital

Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
		—
Increase (decrease) in net position		250,304

Net position:

Net position at beginning of year, as previously reported		1,578,530
Restatements		—
Net position at beginning of year, as restated		1,578,530
Net position at end of year	\$	1,828,834

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS UNION  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014**

**1 Restricted cash and cash equivalents at June 30, 2014:**

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		<u>          -</u>
Total restricted cash and cash equivalents	\$	<u>          -</u>



**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS UNION  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014**

**2.1 Composition of investments at June 30, 2014:**

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	1,559,202	-	1,559,202	-	-	-	1,559,202
Wachovia Short Term Fund	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
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**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
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OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014**

**2.2 Investments held by the University under contractual agreements at June 30, 2014:**

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2014 :

- - - - -

**2.3 Restricted current investments at June 30, 2014 related to:**

Add description  
Add description  
Add description  
Add description  
Add description  
Add description  
Add description

Amount
\$ —
—
—
—
—
—
—
—

**Total restricted current investments at June 30, 2014**

\$ —

**2.4 Restricted noncurrent investments at June 30, 2014 related to:**

Endowment investment  
Add description  
Add description  
Add description  
Add description  
Add description  
Add description

Amount
\$ —
—
—
—
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—

**Total restricted noncurrent investments at June 30, 2014**

\$ —

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
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**3.1 Composition of capital assets at June 30, 2014:**

	Balance June 30, 2013	Prior period Adjustments	Reclassifications	Balance June 30, 2013 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2014
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
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**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
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Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(87,420)	-	-	(87,420)	(9,196)	-	-	(96,616)
Personal property:								
Equipment	(194,530)	-	-	(194,530)	(50,011)	-	-	(244,541)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	<u>(281,950)</u>	<u>-</u>	<u>-</u>	<u>(281,950)</u>	<u>(59,207)</u>	<u>-</u>	<u>-</u>	<u>(341,157)</u>
Total capital assets, net	<u>\$ 100,335</u>	<u>-</u>	<u>-</u>	<u>100,335</u>	<u>119,342</u>	<u>-</u>	<u>-</u>	<u>219,677</u>

**3.2 Detail of depreciation and amortization expense for the year ended June 30, 2014:**

Depreciation and amortization expense related to capital assets	\$ 59,207
Amortization expense related to other assets	<u>—</u>
Total depreciation and amortization	<u>\$ 59,207</u>

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
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4 Long-term liabilities activity schedule:

	Balance June 30, 2013	Prior period adjustments	Reclassifications	Balance June 30, 2013 (restated)	Additions	Reductions	Balance June 30, 2014	Current portion	Long-term portion
Accrued compensated absences	\$ 37,474	—	—	37,474	40,643	(33,760)	44,357	44,357	—
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	—	—	—	—	-	-	—	—	—
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Total long-term debt obligations	—	—	—	—	-	-	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	-	-	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ 37,474	—	—	37,474	40,643	(33,760)	44,357	44,357	—

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

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
Year ending June 30:			
2015	-	-	—
2016	-	-	—
2017	-	-	—
2018	-	-	—
2019	-	-	—
2020 - 2024	-	-	—
2025 - 2029	-	-	—
2030 - 2034	-	-	—
2035 - 2039	-	-	—
2040 - 2044	-	-	—
2045 - 2049	-	-	—
2050 - 2054	-	-	—
2055 - 2059	-	-	—
2060 - 2064	-	-	—
	<hr/>	<hr/>	<hr/>
Total minimum lease payments			—
Less amounts representing interest			—
Present value of future minimum lease payments			—
Less: current portion			—
<b>Capitalized lease obligation, net of current portion</b>			<b>\$ —</b>

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6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2015	\$ -	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020 - 2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-
2055 - 2059	-	-	-	-	-	-	-	-	-
2060 - 2064	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
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**7 Calculation of net position**

	<u>Auxiliary Organizations</u>		<u>Total</u>
	<u>GASB</u>	<u>FASB</u>	<u>Auxiliaries</u>
<b>7.1 Calculation of net position - Net investment in capital assets</b>			
Capital assets, net of accumulated depreciation	\$ 219,677		219,677
Capitalized lease obligations - current portion	—	—	—
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations - current portion	—	—	—
Long-term debt obligations, net of current portion	—	—	—
Portion of outstanding debt that is unspent at year-end	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net position - net investment in capital asset	<u>\$ 219,677</u>	<u>—</u>	<u>219,677</u>
<b>7.2 Calculation of net position - Restricted for nonexpendable - endowments</b>			
Portion of restricted cash and cash equivalents related to endowments	\$ —		—
Endowment investments	—		—
Other adjustments: (please list)			
Add description	—		—
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Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
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Add description	—	—	—
Net position - Restricted for nonexpendable - endowments per SNP	<u>\$ —</u>	<u>—</u>	<u>—</u>



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**8 Transactions with Related Entities**

	<b>Amount</b>
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	784,029
Payments received from University for services, space, and programs	76,894
Gifts-in-kind to the University from discretely presented component units	51,431
Gifts (cash or assets) to the University from discretely presented component units	—
Accounts (payable to) University (enter as negative number)	(24,169)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	—
Other amounts receivable from University	—

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
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**9 Other Postemployment Benefits Obligation (OPEB)**

Annual required contribution (ARC)	\$ 80,867
Contributions during the year	<u>(59,730)</u>
Increase (decrease) in net OPEB obligation (NOO)	21,137
NOO - beginning of year	<u>276,068</u>
NOO - end of year	<u>\$ 297,205</u>

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

<u>Description</u>	<u>Amount</u>
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
	<hr/>
Total pollution remediation liabilities	\$ —
Less: current portion	—
	<hr/>
Pollution remediation liabilities, net of current portion	—
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**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS UNION  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014**

**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, 2013, as previously reported	\$	1,578,530
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, 2013, as restated	\$	1,578,530

**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)		—