

**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, 2015  
and Independent Auditor's Report**

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS  
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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, 2015, and the related notes to the financial statements, which collectively comprise the organization's basic 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 from 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.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills as of June 30, 2015, 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.

### ***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 3 through 7, Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C, Schedule of Plan Contributions, 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.

#### ***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, schedule of expenses by natural classification, 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, schedule of 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, schedule of expenses by natural classification, and other information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Vorwin, Hryn + Co.*

Calabasas, California  
September 24, 2015

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2015**

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, 2015. 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 Student Unions*, 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 Student Unions: Omnibus*, No. 38, *Certain Financial Statement Note Disclosures*, and No. 68 *Accounting and Financial Reporting for Pensions*. 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 (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2015**

## **Analytical Overview**

### **Summary**

The Student Union continued to make improvements to the facility with the intent to remain current and relevant to students. Over the past year we continued to see increased expenses in the maintenance and repair areas as some deferred maintenance projects are now becoming due. In order to reflect completed projects and to properly plan for expected future expenses, a reserve study is being updated. Reserves to cover large expenses have been established and are being funded as part of the annual operating budget. Facility repair and replacement projects included installation of carpeting in the Dominguez Ballroom and pre-function lobby.

Decreases in post-employment benefits liabilities (as per a revised actuarial valuation) coupled with other year-end savings made it possible for the Student Union to complete improvement projects beyond facility repair and maintenance. Through the support and collaboration of professional staff, the Student Union was able to make use of year-end savings to introduce audio-visual enhancements in all meeting rooms, and to complete an overhaul of gaming consoles offered in the Game Room. Smaller projects included furniture refurbishing, and aesthetic improvements as part of the Student Union rebranding.

Changes to California minimum wage and employment law are evident in continually increasing employee wage and benefit expenses. In July 2014, two vacant staff positions were filled for the positions of Program Coordinator and Support Services Coordinator. In August 2015, the Facility Maintenance Assistant position became vacant and is being filled by a temporary emergency employee 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 on the path to stabilization. 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 reviewed in the 2015-16 fiscal year and consideration will be given to making it permanent as discontinuing it will cause the Student Union to consider significant cuts to operating expenses. Such cuts may cause detrimental impacts to the gains made in University-wide student life co-curricular programming, services, school spirit and University appeal to prospective students.

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 (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

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

The Student Union's summary of net position as of June 30, 2015 and 2014 are as follows:

Condensed Summary of Net Position

	<u>2015</u>	<u>June 30</u> <u>2014</u>	<u>\$ Change</u>
<b>Assets:</b>			
Current assets	\$ 2,131,696	\$ 2,012,571	\$ 119,125
Capital assets, net	<u>275,192</u>	<u>219,677</u>	<u>55,515</u>
Total assets	<u>2,406,888</u>	<u>2,232,248</u>	<u>174,640</u>
Deferred outflows of resources	<u>83,743</u>	<u>-</u>	<u>83,743</u>
<b>Liabilities:</b>			
Current liabilities	142,484	106,209	36,275
Noncurrent liabilities	<u>734,924</u>	<u>297,205</u>	<u>437,719</u>
Total liabilities	<u>877,408</u>	<u>403,414</u>	<u>473,994</u>
Deferred inflows of resources	<u>82,099</u>	<u>-</u>	<u>82,099</u>
<b>Net position:</b>			
Net investments in capital assets	275,192	219,677	55,515
Unrestricted	<u>1,255,932</u>	<u>1,186,002</u>	<u>69,930</u>
Total net position	<u>\$ 1,531,124</u>	<u>\$ 1,405,679</u>	<u>\$ 125,445</u>

*Assets*

Total assets increased by \$174,640 compared to prior year. This change can be attributed to the increase in cash brought back to support the operation. Other contributing factors included the capitalization of major furnishing enhancement projects along with improvements to a facility entrance. Additionally, the organization incurred a prepaid expense for future leadership and development opportunities for students, staff and volunteers.

*Liabilities*

Total liabilities increased by \$473,994 compared to the prior year. The increase was primarily due to the implementation of the GASB 68 requirement to recognize the organizations net pension liability for its pension plans. An actuarial report with a measurement date of June 30, 2014 determined the net pension liability to be \$422,589. Other factors included an increase in accounts payable due to the timing in which invoices were received at year end along with a change in the post-employment liability per the most recent actuarial study dated July 1, 2014.

The GASB 45 requirement to recognize postemployment benefit liability, as determined by an actuarial study dated July 1, 2014, found the unfunded actuarial accrued liability at June 30, 2015 to be \$281,354; however, the recorded liability will not change until the next actuarial report is completed. \$312,335 was recognized as of June 30, 2015.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)**

*Net Position*

Total net position increased by \$125,445 compared to the prior year. This change is a result of an increase in cash due to an increase in funds to support the operating budget and the increase in capital assets related to enhancements to the facility.

The Student Union's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2015 and 2014 is as follows:

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

	<u>Year ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>
Operating revenues:			
Student fees	\$ 2,270,000	\$ 2,153,687	\$ 116,313
Sales and services of auxiliary enterprises	261,968	260,264	1,704
Other operating revenues	<u>31,371</u>	<u>18,419</u>	<u>12,952</u>
Total operating revenues	2,563,339	2,432,370	130,969
Nonoperating revenues:			
Investment income	<u>2,589</u>	<u>3,154</u>	<u>(565)</u>
Total revenues	2,565,928	2,435,524	130,404
 Operating Expenses:			
Student services	116,978	147,282	(30,304)
Operating expense	2,240,254	1,978,731	261,523
Depreciation	<u>83,251</u>	<u>59,207</u>	<u>24,044</u>
Total expenses	<u>2,440,483</u>	<u>2,185,220</u>	<u>255,263</u>
Change in net position	125,445	250,304	(124,859)
Prior period adjustment	-	(423,155)	423,155
Net position at beginning of year	<u>1,405,679</u>	<u>1,578,530</u>	<u>(172,851)</u>
Net position at end of year	<u>\$ 1,531,124</u>	<u>\$ 1,405,679</u>	<u>\$ 125,445</u>

*Operating Revenues*

Total operating revenues increased by \$130,969 compared to prior year. While revenues from sales and services and other operating revenues increased marginally, the overall increase in total revenues is attributed to an increase in the amount of revenues from student fees that were brought back to support the operation.

*Operating Expenses*

Total operating expenses increased by \$255,263 compared to prior year. The organization incurred operational expenses related to major aesthetic and technological enhancements to the facility. Also the organization launched a campaign that included research, development, marketing and design of a new brand. Operational expenses also included the unplanned repair to an HVAC unit.

*Non-operating Revenues (Expenses)*

The increase in other operating revenue for 2015 is attributed to the continued increase in game room usage as a result of programming in the space along with revenue generated from a wireless printing service.



**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

**Factors Impacting Future Periods**

The Student Union building was last expanded and renovated in 2007. While funding all reserve designations is necessary and will continue to ensure a stable financial future, replacement of mechanical parts, worn furniture and equipment that has reached its useful life has commenced. Expenses for the replacement of assets past their useful life began in 2013-14. The television lounge, meditation room, and radio station project that was slated for completion in 2014-15 was delayed and is expected to be completed in 2015-16. Additional projects to be completed in 2015-16 include replacement of furniture in the Dominguez Ballroom pre-function lobby, and South Lounge to improve facility usage. These projects are slated in response to increased foot traffic in the building which has caused a need to add seating throughout.

Other factors anticipated to impact the Student Union's operating budget are changes to University student life programs which are expected to cause a need for the Student Union to review operating hours. Employment law changes such as sick leave benefits for part-time employees coupled with wage increases and transitioning student assistant employees to direct hiring by the Student Union (instead of through the State) will impact employee wage and benefits costs, and insurance premiums. Service contract renewals are showing evidence of rapidly increasing costs from those contracted by the Student Union to support the operation. A new banking tenant moved in to the Student Union and collection of rent for the space commenced in September 2015.

The Student Union will continue to closely monitor enrollment growth projections with the intent to off-set increasing operating expenses with increased student fee revenue.

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, 2015**

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 1,294,006
Short-term investments	811,790
Accounts receivable, net	900
Prepaid expenses	<u>25,000</u>
Total current assets	2,131,696
 Property and equipment	
Capital assets, net	<u>275,192</u>
 Total assets	<u>2,406,888</u>
 Deferred outflows of resources:	
Net pension obligation	<u>83,743</u>

**LIABILITIES**

Current liabilities	
Accounts payable	81,212
Accrued salaries and benefits payable	1,698
Accrued compensated absences	52,296
Unearned revenue	<u>7,278</u>
Total current liabilities	142,484
 Noncurrent liabilities	
Postemployment benefits other than pensions	312,335
Net Pension Liability	<u>422,589</u>
Total noncurrent liabilities	<u>734,924</u>
 Total liabilities	<u>877,408</u>
 Deferred inflow of resources	
Net pension obligation	<u>82,099</u>

**NET POSITION**

Net investment in capital assets	275,192
Unrestricted	<u>1,255,932</u>
 Total net position	<u>\$ 1,531,124</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, 2015**

**REVENUES**

**Operating revenues**

Student fees	\$ 2,270,000
Sales and services of auxiliary enterprises	261,968
Other operating revenues	<u>31,371</u>
 Total operating revenues	 <u>2,563,339</u>

**EXPENSES**

**Operating expenses**

Student services	116,978
Operating expenses	2,240,254
Depreciation	<u>83,251</u>
 Total operating expenses	 <u>2,440,483</u>

Operating income (loss)	122,856
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**NONOPERATING REVENUES (EXPENSES)**

Investment income (loss)	<u>2,589</u>
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<b>INCREASE (DECREASE) IN NET POSITION</b>	125,445
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<b>NET POSITION - beginning of year as restated (Note 9)</b>	<u>1,405,679</u>
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<b>NET POSITION - end of year</b>	<u>\$ 1,531,124</u>
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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, 2015**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Student fees	\$ 2,270,000
Payments to suppliers	(1,065,192)
Payments to employees	(1,268,448)
Sales and services to auxiliary	268,441
Other operating revenue	<u>31,371</u>
Net Cash Provided by Operating Activities	<u><b>236,172</b></u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Acquisition of capital assets	<u>(138,766)</u>
Net Cash used by capital and related financing activities	<u>(138,766)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Proceeds from sales and maturities of investments	750,000
Investment income	2,589
Net purchase of investments	<u>(2,588)</u>
Net Cash Provided (Used) by Investing Activities	<u>750,001</u>
Net increase (decrease) in cash and cash equivalents	847,407
Cash and cash equivalents at beginning of year	<u>446,599</u>
Cash and cash equivalents at end of year	<u><b>\$ 1,294,006</b></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	122,856
Adjustments to reconcile operating income to net cash provided in operating activities:	
Depreciation	83,251
Change in assets and liabilities:	
Accounts receivable, net	5,870
Prepaid expenses	(25,000)
Accounts payable	31,337
Accrued salaries and benefits	(3,604)
Accrued compensated absences	7,939
Unearned revenue	603
Postemployment benefits other than pensions	15,130
Net pension liability	(566)
Deferred outflows of resources	(83,743)
Deferred inflows of resources	<u>82,099</u>
Net Cash Provided by Operating Activities	<u><b>\$ 236,172</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, 2015**

**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, 2015**

**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.

*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 \$900 at June 30, 2015. 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.

*Prepaid Expenses*

Prepaid deposits and other costs are expensed ratably over their respective terms of agreement.

**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, 2015**

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

*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, 2015, were \$52,296.

*Pensions*

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Student Union's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Deferred Outflows and Deferred Inflows*

Deferred outflows and deferred inflows of resources related to pensions are certain changes in total pension liabilities and fiduciary net position that are to be recognized in future pension expense.

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**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 each of the tax years ended June 30, 2014, 2013, and 2012, 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, 2015, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 24, 2015, 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.



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**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 \$1,294,006 for the year 2015. As of June 30, 2015 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, 2015.

The Student Union, through the Foundation, maintains investments with the State of California Local Agency Investment Fund (LAIF) amounting to \$811,790 for the year ended June 30, 2015. 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, 2015 consisted of the following:

Accounts receivable - regular	\$ 575
Other receivables	<u>325</u>
Total	<u>\$ 900</u>

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**5. CAPITAL ASSETS**

Capital assets consist of the following at June 30, 2015:

	Beginning of Year 7/1/14	Additions	Deletions	End of Year 6/30/15
Equipment	\$ 153,607	\$ -	\$ (146,633)	\$ 6,974
Accumulated depreciation	<u>(147,580)</u>	<u>(5,446)</u>	<u>146,633</u>	<u>(6,393)</u>
	6,027	(5,446)	-	581
Leasehold improvements	140,741	9,800	(59,525)	91,016
Accumulated depreciation	<u>(96,616)</u>	<u>(10,151)</u>	<u>59,525</u>	<u>(47,242)</u>
	44,125	(351)	-	43,774
Furniture and fixtures	266,486	128,966	(60,441)	335,011
Accumulated Depreciation	<u>(96,961)</u>	<u>(67,654)</u>	<u>60,441</u>	<u>(104,174)</u>
	<u>169,525</u>	<u>61,312</u>	<u>-</u>	<u>230,837</u>
Total	<u>\$ 219,677</u>	<u>\$ 55,515</u>	<u>\$ -</u>	<u>\$ 275,192</u>

Depreciation expense as of June 30, 2015 was \$83,251.

**6. PENSION PLANS**

***A. General Information about the Pension Plans***

*Plan Descriptions*

All qualified permanent and probationary employees are eligible to participate in the Student Union's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Student Union resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

*Benefits Provided*

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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**6. PENSION PLANS – Continued**

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 – 55	52-67
Monthly benefits, as a % of eligible compensation	1.4 – 2.4%	1.0% to 2.5%
Required employee contribution rates	5%	6.25%
Required employer contribution rates	17.642%	6.25%

*Contributions*

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2014 (the measurement date), the active employee contribution rate is 5.000 percent of annual pay, and the average employer's contribution rate is 16.101 percent of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions – employer	\$	70,566
Contributions – employee (paid by employer)		-

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**6. PENSION PLANS - Continued**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2015, the Student Union reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share Of Net Position Liability
Miscellaneous	\$ 422,589

The Student Union's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The Student Union's proportion of the net pension liability was based on a projection of the Student Union's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Student Union's proportionate share of the net pension liability as of June 30, 2013 and 2014 was as follows:

Proportion – June 30, 2013	.01518%
Proportion – June 30, 2014	.01710%
Change – Increase (Decrease)	.00192%

For the year ended June 30, 2015, the Student Union recognized pension expense of \$70,566. At June 30, 2015, the Student Union reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Pension contributions subsequent to measurement date	\$ 83,743	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(36,128)
Net differences between projected and actual earnings on plan investments	-	(78,498)

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**6. PENSION PLANS - Continued**

\$83,743 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	\$ 32,527
2017	29,946
2018	19,626
2019	-
2020	-
Thereafter	-

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	Entry-age Normal Cost Method
Actuarial Assumptions:	
Discount rate	7.5%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.30% to 14.20% (1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

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**6. PENSION PLANS - Continued**

*Discount Rate*

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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**6. PENSION PLANS - Continued**

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Plan	Real Return Years 1 – 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Student Union’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Student Union’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.50%
Net Pension Liability	\$630,258
Current Discount Rate	7.50%
Net Pension Liability	422,589
1% Increase	8.50%
Net Pension Liability	250,244

*Pension Plan Fiduciary Net Position*

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

*Payable to the Pension Plan*

At June 30, 2015, the Student Union had no recorded payable to the pension plan.

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**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 \$38,712 in fiscal year ended June 30, 2015. 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.

*Eligibility*

The Student Union currently provides retiree health benefits to eligible employees. Membership of the plan consisted of the following at July 1, 2014, 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>9</u>
Total	<u>9</u>

*Funding Policy*

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



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**7. POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued**

*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:

	2015
Annual required contribution	\$ 55,302
Interest on net OPEB obligation	18,575
Adjustment to annual required contribution	(18,478)
Annual OPEB cost (expense)	55,399
Contributions (trust deposit)	(38,712)
Contributions (retiree benefit cost)	(1,557)
Change in net OPEB obligation	15,130
Net OPEB obligation – beginning of year	297,205
Net OPEB obligation – end of year	\$ 312,335

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:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/13	\$ 80,248	134.0%	\$ 276,068
6/30/14	\$ 81,461	74.0%	\$ 297,205
6/30/15	\$ 55,399	72.7%	\$ 312,335

*Funding Status and Funding Progress*

As of June 30, 2015, the market value of plan assets was \$238,017. As of July 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$281,354.

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**7. POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued**

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, 2014 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 6.4% 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.

**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 \$4,426,036 for the year ending June 30, 2015. For this same period, \$640,000 in principal was retired and \$808,344 was paid in interest on the outstanding debt associated with the revenue bonds. From the remaining funds, \$2,270,000 was returned to support the operation of the facility.

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

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, 2015 was \$752,973, and the amount payable to the University at June 30, 2015 totaled \$59,178. 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, 2015 was \$144,181. The Student Union does not have a receivable from the Foundation related to Campus Dining at June 30, 2015. The sublease expires June 30, 2017.

The term of the sublease with the Foundation for University Bookstore was January 1, 2005 to May 31, 2014 and is extended from July 1, 2014 through June 30, 2015. 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, 2015 the total amount billed by the Student Union to the Foundation related to the bookstore was \$99,842. The Student Union does not have a receivable from the Foundation related to the bookstore at June 30, 2015.

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, 2015, the amount totaled \$38,407, and the amount payable at June 30, 2015 was \$0.

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, 2015 was \$15,511. The outstanding balance at June 30, 2015 was \$0.

During the fiscal year 2015, the Student Union purchased workers' compensation insurance for \$3,585 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).

**9. PRIOR PERIOD ADJUSTMENT**

Agency funds of \$423,155 representing net pension liability was reclassified from net assets to liability to match the GASB 68 actuarial report at June 30, 2014 in accordance with generally accepted accounting principles.

**REQUIRED SUPPLEMENTARY INFORMATION**

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
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SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND  
RELATED RATIOS AS OF THE MEASUREMENT DATE IN RELATION TO PERF C  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u><b>6/30/2014</b></u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.00679%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 422,589
Plan's Covered-Employee Payroll	\$ 496,732
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	85.07%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73.00%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 30,903

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**SCHEDULE OF PLAN CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Fiscal Year 2013-14</b>
Actuarially Determined Contribution	\$ 71,577
Contributions in Relation to the Actuarially Determined Contribution	<u>(71,577)</u>
Contribution Deficiency (Excess)	-
Covered-Employee Payroll	496,732
Contributions as a Percentage of Covered-Employee Payroll	14.41%

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2015**

<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%
7/1/2014	237,661	519,015	281,354	45.79%	656,750	42.84%

Note: In 2014-2015 the Student Union contributed \$38,712 to the Auxiliaries Multiple Employer VEBA Trust.

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
NOTES TO SCHEDULE OF  
POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2015**

**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**  
**GASB STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,294,006
Short-term investments	811,790
Accounts receivable, net	900
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	25,000
Total current assets	<u>2,131,696</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	275,192
Other assets	—
Total noncurrent assets	<u>275,192</u>
Total assets	<u>2,406,888</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension obligation	83,743
Total deferred outflows of resources	<u>83,743</u>
Liabilities:	
Current liabilities:	
Accounts payable	81,212
Accrued salaries and benefits payable	1,698
Accrued compensated absences— current portion	52,296
Unearned revenue	7,278
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>142,484</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	312,335
Pension obligation	422,589
Other liabilities	—
Total noncurrent liabilities	<u>734,924</u>
Total liabilities	<u>877,408</u>
Deferred inflows of resources:	
Unamortized gain on debt refunding	—
Non-exchange transactions	—
Service concession arrangements	—
Net pension obligation	82,099
Total deferred inflows of resources	<u>82,099</u>
Net Position:	
Net investment in capital assets	275,192
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	
Research	
Loans	
Capital projects	—
Debt service	
Other	
Unrestricted	1,255,932
Total net position	<u>\$ 1,531,124</u>

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**GASB SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$_____)	\$	2,270,000
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 \$_____)		261,968
Other operating revenues		31,371
		31,371
Total operating revenues		2,563,339

Expenses:

Operating expenses:

Instruction		—
Research		—
Public service		—
Academic support		—
Student services		116,978
Institutional support		—
Operation and maintenance of plant		2,240,254
Student grants and scholarships		—
Auxiliary enterprise expenses		—
Depreciation and amortization		83,251
		83,251
Total operating expenses		2,440,483
Operating income (loss)		122,856

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		2,589
Endowment income (loss), net		—
Interest Expenses		—
Other nonoperating revenues (expenses)		—
		—
Net nonoperating revenues (expenses)		2,589
Income (loss) before other additions		125,445

State appropriations, capital

Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
		—
Increase (decrease) in net position		125,445

Net position:

Net position at beginning of year, as previously reported		1,828,834
Restatements		(423,155)
Net position at beginning of year, as restated		1,405,679
Net position at end of year	\$	1,531,124

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
SCHEDULE OF EXPENSES BY NATURAL CLASSIFICATION  
FOR THE YEAR ENDED JUNE 30, 2015**

2015

**EXPENSES**

Salaries and wages	\$ 948,608
Employee benefits	326,127
Administrative fees	38,407
Advertising	-
Bad debt expense	-
Computer costs	39,872
Depreciation	83,251
Dues and subscriptions	1,295
Education and training	35,401
Facilities and admin cost	81,450
Fees and service charges	5,627
Insurance	22,977
Miscellaneous expense	17,605
Outside services	220,520
Postage	373
Printing	297
Professional fees	14,480
Public relations	8,622
Repairs and maintenance	207,923
Small equipment	67,387
Special events- student activities	116,978
Supplies	31,516
Telephone	9,930
Travel	14,852
Utilities	<u>146,985</u>
 Total expenses	 <u>\$2,440,483</u>

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**1 Restricted cash and cash equivalents at June 30, 2015:**

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

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

**2.1 Composition of investments at June 30, 2015:**

	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)	811,790	-	811,790	-	-	-	811,790
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:	-	-	-	-	-	-	-
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**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)**

**2.2 Investments held by the University under contractual agreements at June 30, 2015:**

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2015 :

- - - - -

**2.3 Restricted current investments at June 30, 2015 related to:**

	Amount
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
<b>Total restricted current investments at June 30, 2015</b>	—

**2.4 Restricted noncurrent investments at June 30, 2015 related to:**

	Amount
Endowment investment	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
<b>Total restricted noncurrent investments at June 30, 2015</b>	—

**THE DONALD P. & KATHERINE B. LOKER UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015  
(CONTINUED)**

**3.1 Composition of capital assets at June 30, 2015:**

	Balance June 30, 2014	Prior period Adjustments	Reclassifications	Balance June 30, 2014 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2015
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.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(CONTINUED)**

Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(96,616)	-	-	(96,616)	(10,151)	59,525	-	(47,242)
Personal property:								
Equipment	(244,541)	-	-	(244,541)	(73,100)	207,074	-	(110,567)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
Add description	-	-	-	-	-	-	-	-
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Add description	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	<u>(341,157)</u>	<u>-</u>	<u>-</u>	<u>(341,157)</u>	<u>(83,251)</u>	<u>266,599</u>	<u>-</u>	<u>(157,809)</u>
Total capital assets, net	<u>\$ 219,677</u>	<u>-</u>	<u>-</u>	<u>219,677</u>	<u>55,515</u>	<u>-</u>	<u>-</u>	<u>275,192</u>

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

Depreciation and amortization expense related to capital assets	\$ 83,251
Amortization expense related to other assets	<u>—</u>
Total depreciation and amortization	<u>\$ 83,251</u>

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4 Long-term liabilities activity schedule:

	Balance June 30, 2014	Prior period adjustments	Reclassifications	Balance June 30, 2014 (restated)	Additions	Reductions	Balance June 30, 2015	Current portion	Long-term portion
Accrued compensated absences	\$ 44,357	—	—	44,357	27,554	(19,615)	52,296	52,296	—
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	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Total long-term debt obligations	—	—	—	—	-	-	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	-	-	—	—	—
Total long-term debt obligations, net	—	—	—	—	-	-	—	—	—
Total long-term liabilities	\$ 44,357	—	—	44,357	27,554	(19,615)	52,296	52,296	—

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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	\$ -	-	-	-	-	-	-	-	-

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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	\$ 275,192		275,192
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>\$ 275,192</u>	<u>—</u>	<u>275,192</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	—		—
Add description	—		—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
<b>Net position - Restricted for nonexpendable - endowments per SNP</b>	<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	693,796
Payments received from University for services, space, and programs	101,649
Gifts-in-kind to the University from discretely presented component units	43,091
Gifts (cash or assets) to the University from discretely presented component units	—
Accounts (payable to) University (enter as negative number)	(59,178)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	—
Other amounts receivable from University	—

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

Annual required contribution (ARC)	\$ 55,399
Contributions during the year	<u>(40,269)</u>
Increase (decrease) in net OPEB obligation (NOO)	15,130
NOO - beginning of year	<u>297,205</u>
NOO - end of year	<u>\$ 312,335</u>

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

<b>Description</b>	<b>Amount</b>
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	—
	<hr/>



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<b>11 The nature and amount of the prior period adjustment(s) recorded to beginning net position</b>		
	<u>Net Position</u>	<u>Amount</u>
	<u>Class</u>	<u>Dr. (Cr.)</u>
Net position as of June 30, 2014, as previously reported	\$	1,828,834
Prior period adjustments:		
1 Reclass of agency funds from net assets		(423,155)
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, 2014, as restated	\$	<u>1,405,679</u>

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

	<u>Debit</u>	<u>Credit</u>
Net position class: <u>Unrestricted</u>		
1 (breakdown of adjusting journal entry)		
Prior period adjustment	\$ 423,155	
Unrestricted net assets		423,155
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)	—	—