

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

**Basic Financial Statements
June 30, 2012 and 2011
(With Independent Auditor's Report Thereon)**

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

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June 30, 2012 and 2011**

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of net assets of The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills (the Union), as of June 30, 2012 and 2011 and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Union's management. Our responsibility is to express an opinion on these financial statements based on our audits.


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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills, as of June 30, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and the 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 financial statements and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming an opinion on the Union's financial statements as a whole. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary section is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.


VICENTI, LLOYD & STUTZMAN LLP

September 25, 2012

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

June 30, 2012

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

Introduction to the Basic Financial Statements

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

June 30, 2012

Analytical Overview

Summary

The Loker Student Union reached its five year milestone from the re-opening of the student union. Expenses continue to balance out in some areas and expand in others. Over the past year we continue to see more expenses in the maintenance and repair arena. 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 in the past year. The vacant part time reservations assistant position was eliminated and in its place, two student worker positions were established. The Support Services Coordinator position remained vacant for the entire year. Recruitment for the position occurred at the end of the year, and was filled in July 2012.

Enrollment instability continues to challenge the campus and the student union (as a student fee funded operation.) 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.

The implementation of GASB 45 during the 07/08 fiscal year has required disclosure of the liability associated with other post-employment benefits for retirees. While the ideal would be to fund the liability according to actuarial projections of the desired funding level, current budget uncertainties make that difficult. Beginning with the 09/10 budget, funding is being identified to partially fund this liability with the hopes that as the future becomes more certain, additional funds can be identified to meet the full funding goal. The Loker Student Union is a founding member and participant in a multi-employer Auxiliaries Voluntary Employees' Beneficiary Association (VEBA) trust to meet the GASB 45 requirements for a funding mechanism.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
June 30, 2012**

Comparative Analysis of Current and Prior Year Activities and Balances

Statement of Net Assets:

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current assets	\$ 1,745,938	\$ 1,566,182	\$ 179,756
Capital assets, net	<u>65,200</u>	<u>61,567</u>	<u>3,633</u>
Total assets	<u>1,811,138</u>	<u>1,627,749</u>	<u>183,389</u>
 Current liabilities	 110,469	 249,609	 (139,140)
Noncurrent liabilities	<u>303,382</u>	<u>230,835</u>	<u>72,547</u>
Total liabilities	<u>413,851</u>	<u>480,444</u>	<u>(66,593)</u>
 Net Assets:			
Invested in capital assets	65,200	61,567	3,633
Unrestricted	<u>1,332,087</u>	<u>1,085,738</u>	<u>246,349</u>
Total net assets	<u>\$ 1,397,287</u>	<u>\$ 1,147,305</u>	<u>\$ 249,982</u>

- The GASB 45 requirement to recognize postemployment benefit liability, as determined by an actuarial study, found the unfunded actuarial accrued liability to be \$397,437. As of June 30, 2012 the amount is estimated to have increased to \$467,316; however, the recorded liability will not change until the next actuarial report is completed. Of this amount, \$303,382 was recognized as of June 30, 2012.
- Due to the uncertainty of the State budget and campus enrollment, the change in current assets can be attributed to the increased cash from student fees being brought into the operational budget to support the operational needs.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
June 30, 2012**

Statement of Revenues, Expenses and Changes in Net Assets:

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Operating revenues:			
Student fees	\$ 1,950,000	\$ 1,805,945	\$ 144,055
Sales and services of auxiliary enterprises	255,494	312,267	(56,773)
Other operating revenues	6,951	55,747	(48,796)
Nonoperating revenues:			
Investment income	4,005	4,355	(350)
Total operating revenues	<u>2,216,450</u>	<u>2,178,314</u>	<u>38,136</u>
Operating expenses:			
Student services	104,164	118,592	(14,428)
Operating expense	1,844,895	1,792,656	52,239
Depreciation	<u>17,409</u>	<u>18,655</u>	<u>(1,246)</u>
Total expenses	<u>1,966,468</u>	<u>1,929,903</u>	<u>36,565</u>
Change in net assets	249,982	248,411	<u>\$ 1,571</u>
Net Assets at beginning of year	<u>1,147,305</u>	<u>898,894</u>	
Net Assets at end of year	<u>\$ 1,397,287</u>	<u>\$ 1,147,305</u>	

- Revenues from student fees were increased to ensure sufficient funding in the budget.
- Revenue in the category of sales and services of auxiliary enterprises decreased over the previous year due to the loss of an outside group with regular weekly bookings.
- Other operating revenue for 2012 represents typical income from the operation of the game room. The significant decrease in this category was due to a one-time dissolution of Auxiliary Organization Unemployment Insurance Trust that occurred in 10/11.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
June 30, 2012**

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

- Student services expense decreased in 11/12 mainly due to the postponement of a major lecture in the spring semester. Another factor attributing to the decrease was an increase in program collaborations with campus departments.
- Change in net assets increased in 11/12 due to not funding the OPEB liability in that year. An actuarial study was conducted again in September 2012 to update the liability figures; it is planned in 12/13 to return to the regular funding of this liability.

Factors Impacting Future Periods

- While funding all reserve designations is necessary and will continue to ensure a stable financial future, it is necessary to begin replacement of worn furniture and equipment that has reached its useful life. Expenses for the replacement of seating in the food court, lower level and patio terraces will begin to show in 12/13.
- Involvement in alternative insurance programs such as the CSURMA's self-funded workers' compensation program attempts to control the increases in insurance costs, but also requires financial commitment which is recorded as a liability.
- Each year, the unfunded liability for other postemployment benefits as measured under GASB 45 will increase. The Union has identified a source of funding for a portion of this liability, but until financial conditions are more certain, will not be able to commit to full funding.
- After evaluation of the building use, expenses will occur in 12/13 to improve facility usage and aesthetics. Projects for facility improvements include renovation and relocation of the Office of Student Life/Clubs & Organizations space, relocation and rebranding of the Reservations and Event Services department, and reconfiguration of the LSU administration office reception lobby. These projects are intended to better meet the needs of the student life campus community.

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

**STATEMENTS OF NET ASSETS
June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash and cash equivalents	\$ 761,772	\$ 400,488
Short-term investments	921,340	1,016,603
Accounts receivable	59,382	149,091
Prepaid expenses	<u>3,444</u>	<u>-</u>
Total current assets	<u>1,745,938</u>	<u>1,566,182</u>
<u>Property and Equipment:</u>		
Net property, plant, and equipment	<u>65,200</u>	<u>61,567</u>
Total assets	<u>\$ 1,811,138</u>	<u>\$ 1,627,749</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts payable	\$ 58,561	\$ 209,525
Accrued salaries and benefits payable	4,977	4,283
Accrued compensated absences	37,066	28,603
Deferred revenue	<u>9,865</u>	<u>7,198</u>
Total current liabilities	<u>110,469</u>	<u>249,609</u>
<u>Noncurrent liabilities:</u>		
Postemployment benefits other than pensions	<u>303,382</u>	<u>230,835</u>
Total noncurrent liabilities	<u>303,382</u>	<u>230,835</u>
Total liabilities	<u>413,851</u>	<u>480,444</u>
<u>Net Assets:</u>		
Invested in capital assets, net of related debt	65,200	61,567
Unrestricted	<u>1,332,087</u>	<u>1,085,738</u>
Total net assets	<u>1,397,287</u>	<u>1,147,305</u>
Total liabilities and net assets	<u>\$ 1,811,138</u>	<u>\$ 1,627,749</u>

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

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

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>REVENUES</u>		
<u>Operating revenues:</u>		
Student fees	\$ 1,950,000	\$ 1,805,945
Sales and services of auxiliary enterprises	255,494	312,267
Other operating revenues	<u>6,951</u>	<u>55,747</u>
Total operating revenues	<u>2,212,445</u>	<u>2,173,959</u>
<u>EXPENSES</u>		
<u>Operating expenses:</u>		
Student services	104,164	118,592
Operating expense	1,844,895	1,792,656
Depreciation	<u>17,409</u>	<u>18,655</u>
Total operating expenses	<u>1,966,468</u>	<u>1,929,903</u>
Operating income	<u>245,977</u>	<u>244,056</u>
<u>NONOPERATING REVENUES</u>		
Investment income	<u>4,005</u>	<u>4,355</u>
Change in net assets	249,982	248,411
Net Assets at beginning of year	<u>1,147,305</u>	<u>898,894</u>
Net Assets at end of year	<u>\$ 1,397,287</u>	<u>\$ 1,147,305</u>

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

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

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Student fees	\$ 1,950,000	\$ 1,805,945
Payments to suppliers	(989,182)	(723,938)
Payments to employees	(1,032,581)	(1,092,088)
Sales and services to auxiliary enterprises	347,870	221,411
Other operating revenue	<u>6,951</u>	<u>55,747</u>
Net cash provided by operating activities	<u>283,058</u>	<u>267,077</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Acquisition of capital assets	<u>(21,042)</u>	<u>(15,322)</u>
Net cash used by capital and related financing activities	<u>(21,042)</u>	<u>(15,322)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from sales and maturities of investments	950,000	550,000
Investment income	4,005	4,355
Purchase of investments	<u>(854,737)</u>	<u>(604,329)</u>
Net cash provided (used) by investing activities	<u>99,268</u>	<u>(49,974)</u>
Net increase in cash and cash equivalents	361,284	201,781
Cash and cash equivalents at beginning of year	<u>400,488</u>	<u>198,707</u>
Cash and cash equivalents at end of year	<u>\$ 761,772</u>	<u>\$ 400,488</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 245,977	\$ 244,056
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	17,409	18,655
Postemployment benefits other than pensions	72,547	18,620
Change in assets and liabilities:		
Accounts receivable	89,709	(85,607)
Prepaid expenses	(3,444)	1,058
Accounts payable	(150,964)	75,708
Accrued salaries and benefits	694	1,675
Accrued compensated absences	8,463	(1,838)
Deferred revenue	<u>2,667</u>	<u>(5,250)</u>
Net cash provided by operating activities	<u>\$ 283,058</u>	<u>\$ 267,077</u>

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

NOTE 1 - ORGANIZATION:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) *Basis of Presentation*

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

(b) *Basis of Accounting*

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

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

The Union considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net assets 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 assets date are considered to be current. All other assets and liabilities are considered to be noncurrent.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

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

(d) *Cash Equivalents*

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

(e) *Investments*

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

(f) *Capital Assets*

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

(g) *Compensated Absences*

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

(h) *Net Assets*

The Union net assets are classified into the following net asset categories:

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

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

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

(i) *Classification of Revenues and Expenses*

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

(j) *Income Taxes*

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

The Union has evaluated its tax positions and the certainty as to whether those tax positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to the Union continued qualification as a tax-exempt organization and whether there is unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions will more likely than not be sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

The Union files informational tax returns in the U.S. federal jurisdictions and the state of California. The Statute of Limitations for federal and California state purposes is generally three and four years, respectively.

(k) *Estimates*

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

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

(l) Subsequent Events

The Union has evaluated subsequent events through September 25, 2012 which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

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

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

The Union, through the Foundation, maintains its cash balance at one financial institution. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash and cash equivalents. Deposits in the financial institution, reported as components of cash had bank balances of \$696,738 for 2012 and \$250,486 for 2011. As of June 30, 2012 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, 2012.

The Union, through the Foundation, maintains investments with the State of California Local Agency Investment Fund (LAIF) amounting to \$921,340 and \$1,016,603 for the years ended June 30, 2012 and 2011. LAIF pools these funds with other governmental agencies and invests in various investment vehicles. These pooled funds approximate fair value. Regulatory oversight is provided by the State Pooled Money Investment Board and the Local Investment Advisory Board. LAIF is not subject to categorization as prescribed by GASB Statements No. 3 and No. 40.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

NOTE 4 - ACCOUNTS RECEIVABLE:

Accounts receivable at June 30, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Accounts receivable from Foundation	\$ 41,652	\$ 65,693
Accounts receivable from ASI	2,325	2,387
Accrued interest receivable	818	1,551
Other receivables	<u>14,587</u>	<u>79,460</u>
Total	<u>\$ 59,382</u>	<u>\$ 149,091</u>

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2012 and 2011 consisted of the following:

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

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>
Equipment	\$ 136,415	\$	\$	\$ 136,415
Leasehold improvement	105,933	15,322		121,255
Furniture and fixtures	<u>42,146</u>			<u>42,146</u>
Total cost	284,494	15,322	-	299,816
Less accumulated depreciation	<u>(219,594)</u>	<u>(18,655)</u>		<u>(238,249)</u>
Net capital assets	<u>\$ 64,900</u>	<u>\$ (3,333)</u>	<u>\$ -</u>	<u>\$ 61,567</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

NOTE 6 - PENSION PLAN:

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

(a) *Plan Description*

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

(b) *Funding Policy*

Participants are required to contribute 5% of their annual covered salary. The Union makes the contributions required of Union employees on their behalf and for their account. The Union is required to contribute at an actuarially determined rate; the fiscal year 2012 rate was 15.574% of annual covered payroll.

(c) *Annual Pension Cost*

For 2012, the Union's annual CalPERS pension cost totaled \$80,829. The required contributions were determined as part of the June 30, 2009 actuarial valuations using the entry-age-normal-actuarial-cost-method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) 3.55% to 14.45% projected annual salary increases that vary by duration of service, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included a 3% inflation factor.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

NOTE 6 - PENSION PLAN: (continued)

Three-year trend information for CalPERS:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
June 2010	\$ 66,295	100 %
June 2011	63,176	100 %
June 2012	80,829	100 %

NOTE 7- POSTEMPLOYMENT HEALTHCARE BENEFITS:

Plan Description

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

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

Beginning in the fiscal year ended June 2011 the Union participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association) and contributed \$50,000. The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding post-retirement healthcare benefits for recognized auxiliaries of the California State University System. The plan does not issue separate financial statements.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

NOTE 7– POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Eligibility

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

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

Funding Policy

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

NOTE 7– POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Annual OPEB Cost and Net OPEB Obligation

The Union's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Union's annual OPEB cost for the year, the amount actually contributed, and changes in the OPEB obligation:

	<u>2012</u>	<u>2011</u>
Annual required contribution	\$ 71,308	\$ 67,179
Interest on net OPEB obligation	14,427	13,263
Adjustment to annual required contribution	<u>(13,188)</u>	<u>(11,822)</u>
Annual OPEB cost (expense)	72,547	68,620
Contributions (trust deposit)	-	(50,000)
Contributions (retiree benefit cost)	<u>-</u>	<u>-</u>
Change in net OPEB obligation	72,547	18,620
Net OPEB obligation - beginning of year	<u>230,835</u>	<u>212,215</u>
Net OPEB obligation - end of year	<u>\$ 303,382</u>	<u>\$230,835</u>

The 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>
6/30/2010	\$ 77,140	0.7%	\$ 212,215
6/30/2011	68,620	72.9%	230,835
6/30/2012	72,547	0.0%	303,382

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

NOTE 7– POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Funding Status and Funding Progress

As of June 30, 2012, the market value of plan assets was \$50,494. 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 45. The remaining amortization period at June 30, 2012 was 25 years.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

NOTE 8: TRANSACTIONS WITH RELATED ENTITIES:

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

The Union building was partially financed from revenue bonds. The principal and interest on these bonds as well as the cost of operations is funded through mandatory student fees paid by all students enrolled at CSU Dominguez Hills. These fees, which are held in trust by the University, totaled \$4,242,421 for the year ending June 30, 2012. For this same period, \$550,000 in principal was retired and \$1,087,275 was paid in interest on the outstanding debt associated with the revenue bonds. From the remaining funds, \$1,950,000 was returned to support the operation of the facility.

The University bills the Union for payroll costs associated with certain reimbursed positions and other direct costs including utilities, maintenance, postage, and refuse removal related to the Union building as well as indirect cost recovery for campus support as allowed under Executive Order 1000. The total amount billed by the University during the years ended June 30, 2012 and 2011 was \$758,118 and \$558,244, respectively, and the amount payable to the University at June 30 totaled \$27,653 and \$163,116, respectively. Additionally, the Union has subleases with the campus for two University Departments which are housed in the Union.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

NOTE 8: TRANSACTIONS WITH RELATED ENTITIES: (continued)

The Union has two subleases and a MOU with the Foundation. The two subleases are for Campus Dining and the University Bookstore while the MOU is for accounting and administrative services provided by the Foundation to the Union. For campus dining, the Union receives 20% of commissions on select vended spaces in the building. The Union also bills the Foundation for shared services including pest control and utilities. The total amount billed by the Union to the Foundation for campus dining during the years ended June 30, 2012 and 2011 was \$134,461 and \$121,133, respectively, and the amount receivable by the Union from the Foundation related to campus dining at June 30, 2012 was \$10,468 and \$54,883 at June 30, 2011. The sublease expires June 30, 2017.

The term of the sublease with the Foundation for University Bookstore is January 1, 2005 to May 31, 2014. The Foundation contracts with Follett to operate the Bookstore. Beginning July 1, 2005, annual lease payments will be equal to 2.5% of the first \$6,000,000 in bookstore sales and increasing as sales exceed that amount. The fee is invoiced on a periodic basis based on sales records provided by the Foundation to the Union. Additionally, the Union bills the Foundation for shared building expenses related to the Bookstore operation. For the fiscal years ended June 30, 2012 and 2011 the total amount billed by the Union to the Foundation related to the bookstore was \$115,768 and \$113,526 respectively. The amount receivable by the Union from the Foundation related to the bookstore at June 30, 2012 was \$31,184 and \$10,810 at June 30, 2011.

The Union pays for administrative and accounting services billed by the Foundation on a monthly basis, including services provided under the MOU. For the fiscal years ended June 30, 2012 and 2010, the amount totaled \$37,486 and \$36,395, respectively, and the amount payable at June 30, 2012 was \$3,000 and at June 30, 2011 was \$2,917.

The Union also subleases space in the Union building to the Associated Student, Inc., (ASI) California State University, Dominguez Hills. The term of their sublease is January 2007 through June 30, 2017. ASI has agreed to provide student programming as in-kind payment in lieu of rent in connection with this sublease. Effective July 1, 2009, the Union began invoicing ASI for shared building expenses, janitorial services and shared programming costs. The total billed by the Union to ASI during the fiscal years ended June 30, 2012 and 2011 was \$13,697 and \$12,360, respectively. The outstanding balance at June 30, 2012 was \$2,325 and at June 30, 2011 was \$2,387.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2012 and 2011**

NOTE 8: TRANSACTIONS WITH RELATED ENTITIES: (continued)

During the fiscal years 2012 and 2011, the Union purchased workers' compensation insurance for \$7,290 and \$6,368, respectively, through an approved self-insurance program in which the Union is a member (as are ASI and the Foundation), and which is administered by the California State University Risk Management Authority (CSURMA).

REQUIRED SUPPLEMENTARY INFORMATION

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

**SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS
For the Fiscal Year Ended June 30, 2012**

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

Note: In 2010-11, the Union contributed \$50,000 to the Auxiliaries Multiple Employer VEBA Trust. The fair market value of plan assets at June 30, 2012 is \$50,494.

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

See the accompanying notes to the required supplementary information.

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2012**

NOTE 1 - PURPOSE OF SCHEDULE:

A. Schedule of Postemployment Healthcare Benefits Funding Progress

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

SUPPLEMENTARY INFORMATION

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

Schedule of Net Assets

June 30, 2012

(for inclusion in the California State University)

Assets:

Current assets:	
Cash and cash equivalents	\$ 761,772
Short-term investments	921,340
Accounts receivable, net	59,382
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	3,444
Total current assets	<u>1,745,938</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	65,200
Other assets	—
Total noncurrent assets	<u>65,200</u>
Total assets	<u>1,811,138</u>

Liabilities:

Current liabilities:	
Accounts payable	58,561
Accrued salaries and benefits payable	4,977
Accrued compensated absences— current portion	37,066
Deferred revenue	9,865
Capitalized lease obligations — current portion	—
Long-term debt obligations — current portion	—
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	—
Total current liabilities	<u>110,469</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
Deferred revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Self-insurance claims liabilities, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	303,382
Other liabilities	—
Total noncurrent liabilities	<u>303,382</u>
Total liabilities	<u>413,851</u>

Net assets:

Invested in capital assets, net of related debt	65,200
Restricted for:	
Nonexpendable — endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	<u>1,332,087</u>
Total net assets	<u>\$ 1,397,287</u>

See the accompanying independent auditors' report.

THE DONALD P. & KATHERINE B.
Schedule of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2012
(for inclusion in the California State University)

Revenues:

Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$ _____)	\$ 1,950,000
Grants and contracts, noncapital:	
Federal	—
State	—
Local	—
Nongovernmental	—
Sales and services of educational activities	255,494
Sales and services of auxiliary enterprises (net of scholarship allowances of \$ _____)	—
Other operating revenues	6,951
Total operating revenues	<u>2,212,445</u>

Expenses:

Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	104,164
Institutional support	—
Operation and maintenance of plant	1,844,895
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	17,409
Total operating expenses	<u>1,966,468</u>
Operating income (loss)	<u>245,977</u>

Nonoperating revenues (expenses):

State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	4,005
Endowment income (loss), net	—
Interest Expenses	—
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>4,005</u>
Income (loss) before other additions	249,982

State appropriations, capital

Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net assets	<u>249,982</u>

Net assets:

Net assets at beginning of year, as previously reported	1,147,305
Restatements	—
Net assets at beginning of year, as restated	<u>1,147,305</u>
Net assets at end of year	<u>\$ 1,397,287</u>

See the accompanying independent auditors' report.

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

**Other Information
June 30, 2012
(for inclusion in the California State University)**

1 Restricted cash and cash equivalents at June 30, 2012:
Portion of restricted cash and cash equivalents related to endowments \$ -
All other restricted cash and cash equivalents -
Total restricted cash and cash equivalents \$ -

2.1 Composition of investments at June 30, 2012:

	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)	921,340	-	921,340	-	-	-	921,340
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
US Bank SWIFT pool	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:	-	-	-	-	-	-	-
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Private pass-through	-	-	-	-	-	-	-
Other major investments:	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	921,340	-	921,340	-	-	-	921,340
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	921,340	-	921,340	-	-	-	921,340

See the accompanying independent auditor's report.

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

**Other Information
June 30, 2012
(for inclusion in the California State University)**

2.2 Investments held by the University under contractual agreements at June 30, 2012:
Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2012 :

	Amount
2.3 Restricted current investments at June 30, 2012 related to:	
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2012	\$ —

2.4 Restricted noncurrent investments at June 30, 2012 related to:

Endowment investment	
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2012	\$ —

See the accompanying independent auditor's report.

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

**Other Information
June 30, 2012
(for inclusion in the California State University)**

3.1 Composition of capital assets at June 30, 2012:

	Balance June 30, 2011	Prior period Adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2012
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	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	121,255	-	-	121,255	10,826	-	-	132,081
Leasehold improvements	178,561	-	-	178,561	10,216	-	-	188,777
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	299,816	-	-	299,816	21,042	-	-	320,858
Total capital assets	299,816	-	-	299,816	21,042	-	-	320,858
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	(63,390)	-	-	(63,390)	(13,707)	-	-	(77,097)
Leasehold improvements	(174,859)	-	-	(174,859)	(3,702)	-	-	(178,561)
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(238,249)	-	-	(238,249)	(17,409)	-	-	(255,658)
Total capital assets, net	61,567	-	-	61,567	3,633	-	-	65,200

See the accompanying independent auditor's report.

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

**Other Information
June 30, 2012
(for inclusion in the California State University)**

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2012:

Depreciation and amortization expense related to capital assets	\$ 17,409
Amortization expense related to other assets	—
Total depreciation and amortization	<u>\$ 17,409</u>

4 Long-term liabilities activity schedule:

	Balance June 30, 2011	Prior period adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Balance June 30, 2012	Current portion	Long-term portion
Accrued compensated absences	28,603	—	—	28,603	35,665	(27,202)	37,066	37,066	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	—	—	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	—	—	—	—	—
Commercial Paper	—	—	—	—	—	—	—	—	—
Other:									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Unamortized loss on refunding	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	<u>28,603</u>	—	—	<u>28,603</u>	<u>35,665</u>	<u>(27,202)</u>	<u>37,066</u>	<u>37,066</u>	<u>—</u>

See the accompanying independent auditor's report.

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

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5 Future minimum lease payments - capital lease obligations:

Year ending June 30:	Principal	Interest	Principal and Interest
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018 - 2022	-	-	-
2023 - 2027	-	-	-
2028 - 2032	-	-	-
2033 - 2037	-	-	-
2038 - 2042	-	-	-
2043 - 2047	-	-	-
2048 - 2052	-	-	-
2053 - 2057	-	-	-
2058 - 2062	-	-	-
Total minimum lease payments			-
Less amounts representing interest			-
Present value of future minimum lease payments			-
Less: current portion			-
Capitalized lease obligation, net of current portion			\$ -

6 Long-term debt obligation schedule

	Revenue Bonds		All other long-term debt obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
\$	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018 - 2022	-	-	-	-	-	-
2023 - 2027	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-
2058 - 2062	-	-	-	-	-	-
Total	-	-	-	-	-	-

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7 Calculation of net assets

	Auxiliary Organizations		Total Auxiliaries
	GASB	FASB	
7.1 Calculation of net assets - Invested in capital assets, net of related debt			
Capital assets, net of accumulated depreciation	\$ 65,200	—	65,200
Capitalized lease obligations - current portion	—	—	—
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations - current portion	—	—	—
Long-term debt obligations, net of current portion	—	—	—
Portion of outstanding debt that is unspent at year-end	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net assets - invested in capital assets, net of related debt	\$ 65,200	—	65,200
7.2 Calculation of net assets - Restricted for nonexpendable - endowments			
Portion of restricted cash and cash equivalents related to endowments	\$ —	—	—
Endowment investments	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net assets - Restricted for nonexpendable - endowments per SNA	\$ —	—	—

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		Amount
		\$
8 Transactions with Related Entities		
Payments to University for salaries of University personnel working on contracts, grants, and other programs		758,118
Payments to University for other than salaries of University personnel		64,351
Payments received from University for services, space, and programs		40,770
Gifts-in-kind to the University from Auxiliary Organizations		—
Gifts (cash or assets) to the University from recognized Auxiliary Organizations		(27,653)
Accounts (payable to) University (enter as negative number)		—
Other amounts (payable to) University (enter as negative number)		—
Accounts receivable from University		—
Other amounts receivable from University		—
9 Other Postemployment Benefits Obligation (OPEB)		
Annual required contribution (ARC)	\$ 71,308	
Contributions during the year	1,239	
Increase (decrease) in net OPEB obligation (NOO)	72,547	
NOO - beginning of year	230,835	
NOO - end of year	\$ 303,382	
10 Pollution remediation liabilities under GASB Statement No. 49:		
Description	Amount	
Add description	—	
Add description	—	
Add description	—	
Add description	—	
Add description	—	
Add description	—	
Add description	—	
Add description	—	
Total pollution remediation liabilities	\$ —	
Less: current portion	—	
Pollution remediation liabilities, net of current portion	—	

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11	The nature and amount of the prior period adjustment(s) recorded to beginning net assets	Net Asset	Amount
		Class	Dr. (Cr)
	Net assets as of June 30, 2011, as previously reported	\$	1,147,305
	Prior period adjustments:		
	1 (list description of each adjustment)		—
	2 (list description of each adjustment)		—
	3 (list description of each adjustment)		—
	4 (list description of each adjustment)		—
	5 (list description of each adjustment)		—
	6 (list description of each adjustment)		—
	7 (list description of each adjustment)		—
	8 (list description of each adjustment)		—
	9 (list description of each adjustment)		—
	10 (list description of each adjustment)		—
	Net assets as of June 30, 2011, as restated	\$	<u>1,147,305</u>

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

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

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