

**CALIFORNIA STATE UNIVERSITY
DOMINGUEZ HILLS FOUNDATION**

Report on Financial Statements

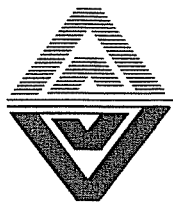
June 30, 2009 and 2008

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

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VICENTI ♦ LLOYD ♦ STUTZMAN LLP
B U S I N E S S C O N S U L T A N T S A N D C P A s

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
California State University Dominguez Hills Foundation

We have audited the accompanying basic financial statements of the California State University Dominguez Hills Foundation (the Foundation), as of and for the years ended June 30, 2009 and 2008, as listed in the accompanying table of contents. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 net assets of the California State University Dominguez Hills Foundation as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2009 on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Board of Directors
California State University Dominguez Hills Foundation

The management's discussion and analysis and schedule of postemployment healthcare benefits funding progress are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 27 through 37 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Vicenti, Lloyd & Stutzman LLP

VICENTI, LLOYD & STUTZMAN LLP

September 22, 2009

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended June 30, 2009

The following section of the California State University Dominguez Hills Foundation's (the Foundation) annual financial report includes some of management's insights and analysis of the Foundation'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 statements 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 Foundation.

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 Foundation.

Statements of Net Assets: The statement of net assets includes all assets and liabilities of the Foundation. 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 Foundation.

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

Statements 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.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended June 30, 2009

Analytical Overview

Summary

The Foundation's operations for the fiscal year ended June 30, 2009 declined as shown by the decrease in net assets of approximately \$1,600,000. This was caused by three main factors: 1) the overall decrease in grants and contracts activity during the year; 2) the fluctuations and performance of the investment markets; and 3) the implementation last fiscal year of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."

GASB No. 45 requires governmental entities to disclose the liability associated with other post employment benefits for retirees. While the goal is to fund the liability according to actuarial projections of the desired funding levels, the Foundation is reviewing its financial situation to determine the amount of current funding available. The Foundation is considering participating in a multi-employer VEBA (Voluntary Employee Beneficiary Association) trust to meet the GASB 45 requirements for a funding mechanism.

The Foundation is affected by the current state budget and is continually monitoring and evaluating its operations and making adjustments as necessary.

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

Comparative Analysis of Current and Prior Year Activities and Balances

	2009	2008	Change
Current assets	\$ 3,261,258	\$ 3,984,466	\$ (723,208)
Restricted and other assets	9,991,624	11,106,317	(1,114,693)
Capital assets, net	825,242	940,564	(115,322)
Total assets	14,078,124	16,031,347	(1,953,223)
Current liabilities	2,555,437	3,272,426	(716,989)
Noncurrent liabilities	1,087,725	653,378	434,347
Other liabilities	374,194	445,446	(71,252)
Total liabilities	4,017,356	4,371,250	(353,894)
Net assets:			
Invested in capital assets, net of related debt	576,004	685,682	(109,678)
Restricted	5,533,527	5,139,701	393,826
Unrestricted	3,951,237	5,834,714	(1,883,477)
Total net assets	\$10,060,768	\$11,660,097	(\$1,599,329)

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended June 30, 2009

The Foundation's total assets decreased by \$1,953,000 which was due to a decrease in accounts receivable and a decrease in the value of the Foundation's long term and endowment investment portfolios. The decrease in accounts receivable reflected the overall decrease in grants and contracts activity during the 08/09 fiscal year and the decrease in the investment portfolios mirrored the fluctuations in the investment markets during the fiscal year.

Total liabilities decreased by \$354,000 from the previous year, with current liabilities decreasing by \$717,000 while noncurrent liabilities increased by \$434,000. The decrease in current liabilities was due to the decrease in grants and contracts activity while the increase in noncurrent liabilities was the result of the GASB 45 requirement to recognize the liability associated with postemployment benefits.

Restricted Resources

Net assets of the Foundation include funds that have legal restrictions placed on their use. Funds may be expendable for a specific purpose or they may be nonexpendable. Of the Foundation's net assets of \$10,060,768 at June 30, 2009, \$5,533,527 is restricted. Of this amount \$4,494,101 is restricted for nonexpendable endowments, \$934,988 is restricted for expendable scholarships and fellowships and \$104,438 is restricted for capital expansion. Net assets of \$3,951,237 are unrestricted but are designated for specific purposes and \$576,004 is the net investment in capital assets.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended June 30, 2009

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Operating revenues:			
Grants and contracts	\$11,406,703	\$13,661,268	(\$2,254,565)
Sales and services of educational activities	788,928	981,421	(192,493)
Sales and services of auxiliary enterprises	3,268,279	3,719,201	(450,922)
Other operating revenues	63,703	17,701	46,002
Nonoperating revenues:			
Investment income	<u>(1,236,232)</u>	<u>(264,748)</u>	<u>(971,484)</u>
Total revenues	<u>14,291,381</u>	<u>18,114,843</u>	<u>(3,823,462)</u>
Expenses:			
Operating expenses:			
Instructional	4,240,287	5,342,880	(1,102,593)
Research	3,092,628	4,113,657	(1,021,029)
Academic support	3,125,841	3,378,432	(252,591)
Student services	66,399	92,221	(25,822)
Institutional support	1,162,811	1,353,708	(190,897)
Student grants and scholarships	1,979,935	1,889,419	90,516
Auxiliary enterprise expense	3,502,582	3,805,517	(302,935)
Depreciation	118,323	129,091	(10,768)
Nonoperating expenses:			
Interest	<u>15,745</u>	<u>16,086</u>	<u>(341)</u>
Total expenses	<u>17,304,551</u>	<u>20,121,011</u>	<u>(2,816,460)</u>
Changes in net assets before other changes in net assets	(3,013,170)	(2,006,168)	(1,007,002)
Gifts, noncapital	1,072,842	1,173,670	(100,828)
Additions to permanent endowments	340,999	236,290	104,709
Change in net assets	<u>(1,599,329)</u>	<u>(596,208)</u>	<u>(1,003,121)</u>
Net assets at beginning of year	11,660,097	12,028,395	(368,298)
Restatement of net assets	227,910	227,910	(227,910)
Net assets at beginning of year as restated	<u>11,660,097</u>	<u>12,256,305</u>	<u>(596,208)</u>
Net assets at end of year	<u>\$ 10,060,768</u>	<u>\$ 11,660,097</u>	<u>\$(1,599,329)</u>

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended June 30, 2009

Total revenue for fiscal year 08/09 decreased by \$3,823,000 primarily caused by a decrease in grants and contract revenue of \$2,255,000 and a decrease in investment income of \$971,000. These reductions are consistent with the reduction in grants and contract activity and the performance of the investment markets during the year. Correspondingly, there was an overall decrease in expenses of \$2,816,000.

Capital Assets and Debt Administration

The Foundation had \$1,732,347 invested in capital assets, net of accumulated depreciation of \$907,105. There were no major additions to capital assets during the fiscal year.

The Foundation has \$249,238 in outstanding debt (\$243,130 long term). This debt was incurred in 1999 to purchase the home that is leased to the University for the use by the University President. Normal payments were made against the loan including \$5,644 in principal.

Factors Impacting Future Periods

GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions"

The Foundation implemented GASB Statement No. 45 in 07/08 which required disclosure of the liability associated with other post employment benefits for retirees. The Foundation will continue to evaluate postemployment benefits offered to employees and investigate different options to fund the cost of the postemployment benefits.

Grants and Contracts

Grants and contracts volume decreased during this fiscal year with projected activity for 09/10 to be at the same levels.

State Budget Crisis

The state budget crisis affects the overall operations of the Foundation. The Foundation will closely monitor its operating results during the year and continue to make changes as required.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

STATEMENTS OF NET ASSETS

As of June 30, 2009 and 2008

	<u>ASSETS</u>	
	2009	2008
Current assets:		
Cash and cash equivalents	\$ 230,514	\$ 79,543
Short-term investments	488,269	521,459
Accounts receivable, net	2,446,167	3,303,578
Prepaid expenses and other assets	<u>96,308</u>	<u>79,886</u>
Total current assets	<u>3,261,258</u>	<u>3,984,466</u>
Noncurrent assets:		
Restricted cash and cash equivalents	362,965	455,575
Gift annuity receivable	96,917	117,291
Endowment investments	5,670,322	6,111,628
Other long-term investments	3,861,420	4,421,823
Capital assets, net	<u>825,242</u>	<u>940,564</u>
Total noncurrent assets	<u>10,816,866</u>	<u>12,046,881</u>
Total assets	<u><u>\$ 14,078,124</u></u>	<u><u>\$ 16,031,347</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 2,017,443	\$ 2,665,288
Accrued salaries and benefits payable	101,133	101,948
Accrued compensated absences	120,634	140,044
Deferred revenue	272,718	296,438
Long-term liabilities, current portion	6,108	5,750
Other liabilities	<u>37,401</u>	<u>62,958</u>
Total current liabilities	<u>2,555,437</u>	<u>3,272,426</u>
Noncurrent liabilities:		
Postemployment benefits other than pensions payable	844,595	404,246
Long-term liabilities, net of current portion	243,130	249,132
Depository accounts	<u>374,194</u>	<u>445,446</u>
Total noncurrent liabilities	<u>1,461,919</u>	<u>1,098,824</u>
Total liabilities	<u>4,017,356</u>	<u>4,371,250</u>
Net assets:		
Invested in capital assets, net of related debt	576,004	685,682
Restricted for:		
Nonexpendable endowments	4,494,101	4,118,860
Expendable:		
Scholarships and fellowships	934,988	874,603
Capital expansion	104,438	146,238
Unrestricted	<u>3,951,237</u>	<u>5,834,714</u>
Total net assets	<u>10,060,768</u>	<u>11,660,097</u>
Total liabilities and net assets	<u><u>\$ 14,078,124</u></u>	<u><u>\$ 16,031,347</u></u>

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

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2009 and 2008

<u>REVENUES</u>	<u>2009</u>	<u>2008</u>
Operating revenues:		
Grants and contracts, noncapital:		
Federal	\$ 7,926,658	\$ 8,201,909
State and local	3,243,460	4,866,340
Nongovernmental	236,585	593,019
Sales and services of educational activities	788,928	981,421
Sales and services of auxiliary enterprises	3,268,279	3,719,201
Other operating revenues	<u>63,703</u>	<u>17,701</u>
Total operating revenues	<u>15,527,613</u>	<u>18,379,591</u>
 <u>EXPENSES</u>		
Operating expenses:		
Instruction	4,240,287	5,342,880
Research	3,092,628	4,113,657
Academic support	3,125,841	3,378,432
Student services	66,399	92,221
Institutional support	1,162,811	1,353,708
Student grants and scholarships	1,979,935	1,889,419
Auxiliary enterprise expenses	3,502,582	3,805,517
Depreciation	<u>118,323</u>	<u>129,091</u>
Total operating expenses	<u>17,288,806</u>	<u>20,104,925</u>
 Operating loss	<u>(1,761,193)</u>	<u>(1,725,334)</u>
 Nonoperating revenues (expenses):		
Gifts, noncapital	1,072,842	1,173,670
Investment income, net	(1,236,232)	(264,748)
Interest on capital-related debt	<u>(15,745)</u>	<u>(16,086)</u>
Total nonoperating revenues	<u>(179,135)</u>	<u>892,836</u>
 Additions to permanent endowments	<u>340,999</u>	<u>236,290</u>
 CHANGE IN NET ASSETS	<u>(1,599,329)</u>	<u>(596,208)</u>
 NET ASSETS AT BEGINNING OF YEAR	11,660,097	12,028,395
RESTATEMENT OF NET ASSETS	<u>-</u>	<u>227,910</u>
RESTATED NET ASSETS BEGINNING OF YEAR	<u>11,660,097</u>	<u>12,256,305</u>
NET ASSETS AT END OF YEAR	<u>\$ 10,060,768</u>	<u>\$ 11,660,097</u>

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

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2009 and 2008

	2009	2008
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Federal grants and contracts	\$ 8,744,968	\$ 7,536,638
State and local grants and contracts	3,243,460	4,866,340
Nongovernmental grants and contracts	236,585	593,019
Payments to suppliers	(11,061,030)	(12,181,417)
Payments to employees	(4,773,509)	(4,945,118)
Payments to students	(1,979,935)	(1,889,421)
Sales and services of educational activities	788,928	981,421
Sales and services of auxiliary enterprises	3,657,951	3,677,361
Other receipts	63,703	17,701
Net cash used by operating activities	<u>(1,078,879)</u>	<u>(1,343,476)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Gifts and grants received for other than capital purposes	1,413,821	1,409,960
Monies received on behalf of others	3,558,303	3,605,869
Monies disbursed on behalf of others	<u>(3,629,555)</u>	<u>(3,396,232)</u>
Net cash provided by noncapital financing activities	<u>1,342,569</u>	<u>1,619,597</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Proceeds from sale of capital assets	-	7,500
Acquisitions of capital assets	(3,001)	(78,436)
Principal paid on capital debt and lease	(5,644)	(5,303)
Interest paid on capital debt and lease	<u>(15,745)</u>	<u>(16,086)</u>
Net cash used by capital and related financing activities	<u>(24,390)</u>	<u>(92,325)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from sales and maturities of investments	3,239,860	2,335,243
Purchases of investments	<u>(3,420,799)</u>	<u>(2,473,906)</u>
Net cash used by investing activities	<u>(180,939)</u>	<u>(138,663)</u>
Net increase in cash and cash equivalents	58,361	45,133
Cash and cash equivalents at beginning of year	<u>535,118</u>	<u>489,985</u>
Cash and cash equivalents at end of year	<u>\$ 593,479</u>	<u>\$ 535,118</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (1,761,193)	\$ (1,725,334)
Adjustments to reconcile operating loss to net cash (used)/provided by operating activities:		
Depreciation	118,323	129,091
Change in assets and liabilities:		
Accounts receivable	857,411	10,809
Prepays and other assets	(16,422)	24,731
Accounts payable and amounts payable to the University	(647,845)	478,692
Accrued salaries and benefits	(815)	71,574
Accrued compensated absences	(19,410)	(19,344)
Deferred revenue	(23,720)	(649,752)
Postemployment benefits other than pensions payable	440,349	404,246
Other liabilities	<u>(25,557)</u>	<u>(68,189)</u>
Net cash (used)/provided by operating activities	<u>\$ (1,078,879)</u>	<u>\$ (1,343,476)</u>

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

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 1 - ORGANIZATION:

The California State University Dominguez Hills Foundation is a nonprofit California public benefit corporation which is an auxiliary organization of California State University, Dominguez Hills (the University). A wholly owned subsidiary, Dominguez Hills Corporation (the Corporation) is a California for-profit corporation which administers certain research and educational grants and contracts. Together, these entities (collectively referred to as the Foundation) assist the University in various activities including developing and administering research and educational grants and contracts; conducting the bookstore, food service, and vending machine operations on the campus; accumulating and managing endowment and student scholarship funds and administering various educationally related functions, special programs, and other activities. The Corporation is included in the reporting entity of the Foundation, and accordingly, its operations are blended with the operations of the Foundation in the accompanying basic financial statements.

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 Foundation records revenue in part from assisting the University in various activities including developing and administering research and educational grants and contracts, conducting the bookstore, food service, and vending machine operations on the campus; accumulating and managing endowment and student scholarship funds, and administering various educationally related functions, special programs, and other activities 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 Foundation 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.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

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

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

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

(d) *Federal Grants and Contracts*

The Foundation serves as administrator for various grants and contracts awarded by governmental and private institutions. Amounts administered by the Foundation are recorded as revenue and expense in the accompanying basic financial statements.

(e) *Cash and Cash Equivalents*

The Foundation considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. The deposits of the Foundation are maintained at financial institutions and are fully insured or collateralized. All other cash equivalents are registered in the name of the Foundation and are classified as category one as prescribed by GASB Statement No. 3, as amended by GASB Statement No. 40.

(f) *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.

(g) *Other Assets*

Other assets include inventories that are stated at the lower of cost or market determined on a first-in, first-out basis.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

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

(h) 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 \$500 are not capitalized. The Foundation 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 Foundation. 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.

(i) Deferred Revenue

Deferred revenue consists primarily of unearned revenue related to federal grants and contracts.

(j) Compensated Absences

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

(k) Net Assets

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

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation, amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted - nonexpendable: Net assets subject to externally imposed conditions that the Foundation retains them in perpetuity. When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

Restricted - expendable: Net assets subject to externally imposed conditions that can be fulfilled by the actions of the Foundation or by the passage of time.

Unrestricted: All other categories of net assets. In addition, unrestricted net assets may be designated for use by management of the Foundation.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

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

(l) Classification of Revenues and Expenses

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

(m) Income Taxes

The Foundation 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), respectively. As such, the Foundation is not subject to federal or state income taxes other than unrelated business taxable income, any of which is considered immaterial for these basic financial statements.

The CSUDH Corporation is a for-profit organization and is subject to federal and state income taxes. As the Corporation did not generate any significant earnings or losses for the year ended June 30, 2009, no provision for federal income taxes has been recorded in the accompanying basic financial statements.

(n) 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.

(o) Reclassification

Certain amounts in the 2008 financial statements have been reclassified to conform to the 2009 presentation.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS:

The deposits and investments held at June 30, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Deposits:		
Demand deposits	\$ 16,107	\$ (122,648)
Cash equivalents-Cash Reserve Trust Fund	<u>577,372</u>	<u>657,766</u>
	<u>593,479</u>	<u>535,118</u>
Investments:		
Local Agency Investment Fund	488,269	521,459
Money Market Funds	10,009	-
Equities	5,863,945	6,135,255
Corporate bonds	1,172,355	871,297
Government bonds	<u>2,485,433</u>	<u>3,526,899</u>
	<u>10,020,011</u>	<u>11,054,910</u>
Total deposits and investments	<u>\$10,613,490</u>	<u>\$11,590,028</u>
Reconciliation to statement of net assets		
Current:		
Cash and cash equivalents	\$ 230,514	\$ 79,543
Investments	<u>488,269</u>	<u>521,459</u>
	718,783	601,002
Noncurrent:		
Cash equivalents	362,965	455,575
Investments – Endowment	5,670,322	6,111,628
Investments – Other long term	<u>3,861,420</u>	<u>4,421,823</u>
	<u>\$10,613,490</u>	<u>\$11,590,028</u>

The Foundation maintains investments with the State of California Local Agency Investment Fund (LAIF) amounting to \$488,269 and \$521,459 as of June 30, 2009 and 2008. 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 Statement No. 3 and No. 40 to indicate the level of custodial credit risk assumed by the Foundation at year end.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS: (continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation does not have a deposit policy for custodial credit risk. Deposits in financial institutions, reported as components of cash had bank balances of \$575,593 for 2009 and \$807,314 for 2008 which were insured by depository insurance for the total amount in 2009 and \$147,969 in 2008.

Investment Credit Risk

The Foundation's formal investment policy limits its investment choices to the following:

- Local Agency Investment Fund (LAIF)
- Cash equivalents having maturities of less than one year
- Equities limited to companies and institutions that contribute to the enhancement of human rights, both nationally and internationally through the support and practice of equal employment opportunities and affirmative action.
- Fixed income investments are limited to US Treasury or federal agency obligations, State of California obligations or those US Corporate bonds with ratings of no lower than A3 by Moody's or A- by Standard & Poor's at the time of purchase.

Concentration of Investment Credit Risk

The Foundation's formal investment policy limits cash equivalents, defined as less than one-year maturities to not more than 75% of investments. Equities are limited to a range of 25% to 65% of investments. Fixed income limited to a range of 25% to 50% of investments.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS: (continued)

The following is a breakdown of the investment income, which has been allocated among the various revenue accounts on the statement of revenues, expenses and changes in net assets:

Investment Income for 2009

	<u>Unrestricted</u>	<u>Endowment</u>	<u>Total</u>
Interest and dividends	\$ 150,992	\$ 224,763	\$ 375,755
Realized loss on sales	(67,844)	(92,561)	(160,405)
Unrealized loss	(622,073)	(716,765)	(1,338,838)
Total investment income	<u>(538,925)</u>	<u>(584,563)</u>	<u>(1,123,488)</u>
Management fees	<u>(28,877)</u>	<u>(83,867)</u>	<u>(112,744)</u>
Net investment income	<u>\$ (567,802)</u>	<u>\$ (668,430)</u>	<u>\$ (1,236,232)</u>

Investment Income for 2008

	<u>Unrestricted</u>	<u>Endowment</u>	<u>Total</u>
Interest and dividends	\$ 105,124	\$ 226,048	\$ 331,172
Realized gain on sales	151,516	224,017	375,533
Unrealized loss	(375,389)	(524,320)	(899,709)
Total investment income	<u>(118,749)</u>	<u>(74,255)</u>	<u>(193,004)</u>
Management fees	<u>(30,364)</u>	<u>(41,380)</u>	<u>(71,744)</u>
Net investment income	<u>\$ (149,113)</u>	<u>\$ (115,635)</u>	<u>\$ (264,748)</u>

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 4 - ACCOUNTS RECEIVABLE:

Accounts receivable consisted of the following at June 30, 2009 and 2008, respectively:

	<u>2009</u>	<u>2008</u>
Grants receivable	\$2,106,310	\$2,935,787
Advances	74,213	122,719
Other	<u>367,477</u>	<u>387,409</u>
	2,548,000	3,445,915
Less allowance for doubtful accounts	<u>(101,833)</u>	<u>(142,337)</u>
Total	<u>\$2,446,167</u>	<u>\$3,303,578</u>

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2009 and 2008 consisted of the following:

June 30, 2009

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Equipment	\$ 414,293	\$ 3,001	\$ -	\$ 417,294
Buildings	769,643			769,643
Leasehold improvement	418,073			418,073
Furniture and fixtures	72,020			72,020
Construction in progress	<u>55,309</u>			<u>55,309</u>
	1,729,338	<u>3,001</u>	<u>-</u>	1,732,339
Less accumulated depreciation	<u>(788,774)</u>	<u>(118,323)</u>	<u>-</u>	<u>(907,097)</u>
Net capital assets	<u>\$ 940,564</u>	<u>\$(115,322)</u>	<u>\$ -</u>	<u>\$ 825,242</u>

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 5 - CAPITAL ASSETS: (continued)

June 30, 2008

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Equipment	\$ 436,987	\$ 2,806	\$ 25,500	\$ 414,293
Buildings	769,643			769,643
Leasehold improvement	342,443	75,630		418,073
Furniture and fixtures	72,020			72,020
Construction in progress	55,309			55,309
	<u>1,676,402</u>	<u>78,436</u>	<u>25,500</u>	<u>1,729,338</u>
Less accumulated depreciation	<u>(685,183)</u>	<u>(129,091)</u>	<u>(25,500)</u>	<u>(788,774)</u>
Net capital assets	<u>\$ 991,219</u>	<u>\$ (50,655)</u>	<u>\$ -</u>	<u>\$ 940,564</u>

NOTE 6 - DEPOSITORY ACCOUNTS:

Deposits held in custody for others which are comprised of cash and investments as of June 30, 2009 and 2008 are summarized as follows:

	<u>2009</u>	<u>2008</u>
Associated Students, Inc.	\$ 38,669	\$ 34,980
Loker University Student Union, Inc.	279,085	350,625
California Academy of Math and Science	83	2,684
Dominguez Hills Corporation	<u>56,357</u>	<u>57,157</u>
Total deposits held in custody for others	<u>\$ 374,194</u>	<u>\$ 445,446</u>

NOTE 7 - LONG-TERM LIABILITY - MORTGAGE PAYABLE:

During the year ended June 30, 2000, the Foundation purchased a house for \$397,955 which is used by the University President.

In connection with the purchase of the house, the Foundation entered into a loan agreement with City National Bank in the original amount of \$287,000. The agreement, which was refinanced in January 2003, provides for monthly interest and principal payments of \$1,782 and has a maturity date of May 1, 2030. The note bears interest at 6.25% and is secured by the deed of trust.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS For the Years Ended June 30, 2009 and 2008

NOTE 7 - LONG-TERM LIABILITY - MORTGAGE PAYABLE: (continued)

A summary of current year activity on the loan for the year ended June 30, 2009 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Mortgage payable	\$ <u>254,882</u>	\$ <u>-</u>	\$ <u>5,644</u>	\$ <u>249,238</u>

Payments required on the mortgage are as follows for the year ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
2010	\$ 6,108	\$ 15,281	\$ 21,389
2011	6,489	14,900	21,389
2012	6,895	14,494	21,389
2013	7,205	14,185	21,390
2014	7,668	13,721	21,389
2015-2019	46,405	60,541	106,946
2020-2024	63,377	43,569	106,946
2025-2029	86,556	20,391	106,947
2030	<u>18,535</u>	<u>599</u>	<u>19,134</u>
Total	<u>\$249,238</u>	<u>\$197,681</u>	<u>\$446,919</u>

In connection with the purchase of the house, the Foundation entered into a Residential Lease Agreement with the University. The initial term of this lease is for ten years, commencing June 1, 2000, and ending May 31, 2010. Under the terms of the agreement, the University will pay the Foundation a monthly rental amount comprised of principal and interest on the City National Bank mortgage, estimate for insurance and property taxes, homeowners' association dues, maintenance costs and reimbursement of the Foundation's \$74,990 down payment on the house.

The Foundation has recorded the cost of the house as well as the mortgage payable in the accompanying basic financial statements. Lease payments due to the Foundation from the University to pay debt service are recorded as revenue when received.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 8 - OPERATING LEASES:

Land and certain facilities used in the Foundation's operations are leased for a nominal amount from both the State of California and the University.

The Foundation entered into a sublease with the Donald P. & Katherine B. Loker University Student Union (Union) on November 1, 2006 expiring on June 30, 2012, for rental of the food service area located in the Union building. Payments of rental fees are to be made by the Foundation on a quarterly basis. Rental fees paid for the year ended June 30, 2009 amounted to \$958.

NOTE 9 - ENDOWMENT:

The Foundation's endowment consists of approximately 60 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 9 - ENDOWMENT: (continued)

- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

Endowment net asset composition by type of fund as of June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (268,545)	\$ 651	\$ 4,494,101	\$ 4,226,207
Board-designated endowment funds	<u>1,173,190</u>			<u>1,173,190</u>
Total	<u>\$ 904,645</u>	<u>\$ 651</u>	<u>\$ 4,494,101</u>	<u>\$ 5,399,397</u>

Changes in Endowment Net Assets for the fiscal year ended June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1	<u>\$ 1,308,520</u>	<u>\$ 406,531</u>	<u>\$ 4,118,860</u>	<u>\$ 5,833,911</u>
Investment return:				
Investment income	39,283	76,440	25,173	140,896
Net realized depreciation	<u>(179,198)</u>	<u>(630,128)</u>		<u>(809,326)</u>
Total investment return:	<u>(139,915)</u>	<u>(553,688)</u>	<u>25,173</u>	<u>(668,430)</u>
Contributions	-	-	340,999	340,999
Appropriation of endowment assets for expenditure	-	(116,152)	-	(116,152)
Other changes	<u>(263,960)</u>	<u>263,960</u>	<u>9,069</u>	<u>9,069</u>
Endowment net assets, June 30	<u>\$ 904,645</u>	<u>\$ 651</u>	<u>\$ 4,494,101</u>	<u>\$ 5,399,397</u>

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS For the Years Ended June 30, 2009 and 2008

NOTE 9 - ENDOWMENT: (continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2008:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (4,585)	\$ 406,531	\$ 4,118,860	\$ 4,520,806
Board-designated endowment funds	<u>1,313,105</u>	<u> </u>	<u> </u>	<u>1,313,105</u>
Total	<u>\$ 1,308,520</u>	<u>\$ 406,531</u>	<u>\$ 4,118,860</u>	<u>\$ 5,833,911</u>

Changes in endowment net assets for the fiscal year June 30, 2008:

Endowment net assets, July 1	<u>\$ 1,339,870</u>	<u>\$ 664,595</u>	<u>\$ 3,856,211</u>	<u>\$ 5,860,676</u>
Investment return:				
Investment income	41,321	116,988	26,359	184,668
Net realized depreciation	<u>(68,086)</u>	<u>(232,217)</u>	<u> </u>	<u>(300,303)</u>
Total investment return:	(26,765)	(115,229)	26,359	(115,635)
Contributions	-	-	236,290	236,290
Appropriation of endowment assets for expenditure	-	(147,420)	-	(147,420)
Other changes	<u>(4,585)</u>	<u>4,585</u>	<u>-</u>	<u>-</u>
Endowment net assets, June 30	<u>\$ 1,308,520</u>	<u>\$ 406,531</u>	<u>\$ 4,118,860</u>	<u>\$ 5,833,911</u>

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 9 - ENDOWMENT: (continued)

Description of amounts classified as permanently restricted net assets and temporarily restricted new assets (endowment only):

Permanently Restricted Net Assets

Portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	<u>\$ 4,494,101</u>
Total endowment funds classified as permanently restricted net assets	<u>\$ 4,494,101</u>

Temporarily Restricted Net Assets

Term endowment funds	\$ 651
The portion of perpetual endowment funds subject to a time restriction under UPMIFA	
Without purpose restrictions	-
With purpose restrictions	-
Total endowment funds classified as temporarily restricted net assets	<u>\$ 651</u>

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$268,545 as of June 30, 2009. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors. The deficiency as of June 30, 2008 was \$4,585.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 9 - ENDOWMENT: (continued)

Return objectives and risk parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that match or exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 4.5 percent annually plus the rate of inflation. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy

The Foundation has a policy of appropriating for distribution interest and dividends earned each year. Also, the Foundation will distribute the average annual increase (realized and unrealized) in the value of the endowment fund as measured over a three-year rolling average period, net of all fees and other distributions. In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 10- PENSION PLANS:

The Foundation maintains a pension plan for all eligible employees with Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA CREF).

(a) *Plan Description*

TIAA CREF is an agent which provides variable individual and group annuities for retirement and tax-deferred savings plans at nonprofit or publicly supported colleges, universities, and other educational and research organization. The TIAA CREF pension plan is a defined contribution plan. The contributions are invested and then disbursed at the time of the employees' retirement in the form of lifetime income or other payment options.

(b) *Funding Policy*

Participants are not required to contribute any of their annual covered salary. From February 1, 2001 through June 30, 2009, the Foundation contributed 10% of the employees' annual covered payroll. The contribution rates to TIAA CREF are established by the Foundation's board of directors.

(c) *Annual Pension Cost*

For the years ended June 30, 2009 and 2008, the Foundation's annual TIAA CREF pension cost totaled \$159,370 and \$211,155, respectively.

NOTE 11 – PRIOR PERIOD ADJUSTMENT:

During fiscal year 2008, it was determined that certain prior year expenditures totaling \$227,910 were incorrectly recorded. To correct this error, the beginning net assets of \$12,028,395, as originally reported, has been increased to \$12,256,305. These expenditures are being properly recorded in Auxiliary expenses for the fiscal year ended June 30, 2008.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 12 – POSTEMPLOYMENT HEALTHCARE BENEFITS:

The Foundation provides lifetime postretirement medical coverage to employees who satisfy certain eligibility requirements. Retirees receive the same monthly allowance toward the cost of coverage as active employees.

The Foundation implemented GASB Statement No. 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions” and has recorded the cost and obligation of these benefits in the government-wide financial statements.

Annual OPEB Cost and Net OPEB Obligation

The Foundation’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 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 Foundation’s annual OPEB cost for the year, the amount actually contributed, and changes in the OPEB obligation:

	<u>2009</u>	<u>2008</u>
Annual required contribution	\$489,258	\$452,175
Interest on net OPEB obligation	18,191	-
Adjustment to annual required contribution	<u>(17,153)</u>	<u>-</u>
Annual OPEB cost (expense)	490,296	452,175
Contributions made	<u>(49,947)</u>	<u>(47,929)</u>
Change in net OPEB obligation	440,349	404,246
Net OPEB obligation - beginning of year	<u>404,246</u>	<u>-</u>
Net OPEB obligation - end of year	<u><u>\$844,595</u></u>	<u><u>\$404,246</u></u>

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS For the Years Ended June 30, 2009 and 2008

NOTE 12 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

The Foundation'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>
6/30/2008	\$ 452,175	10.6%	\$ 404,246
6/30/2009	490,296	10.2%	844,595

Fiscal year 2008 was the year of implementation of GASB Statement No. 45 and the Foundation elected to implement prospectively, therefore, comparative data prior to 2008 is not available. In future years, three-year trend information will be presented.

Funding Status and Funding Progress

As of June 30, 2009, the plan was unfunded. As of July 1, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$4,074,912. It is the Foundation's plan to establish a designated funding source in the coming year.

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 funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend 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.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2009 and 2008

NOTE 12 – POSTEMPLOYMENT HEALTHCARE BENEFITS: (continued)

Actuarial Methods and Assumptions

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

In the July 1, 2008 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) which is the current expected long-term investment returns on plan assets. 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, 2009, was 28 years.

NOTE 13 - COMMITMENTS:

The operation of the University bookstore is contracted to an outside vendor who paid the Foundation \$1,200,000 during the year ended June 30, 1988 under a contract which expired March 2006. The amount paid was recorded as deferred revenue and was being amortized using the straight-line method over 18 years, the term of the contract. This contract was renegotiated and will expire in May 2014. Effective June 1, 2004, the Foundation receives fees equal to 10.1% of the first \$6,000,000 in bookstore sales. The fees, which totaled \$419,729 and \$468,111 for the years ended June 30, 2009 and 2008, are included in sales and services of auxiliary enterprises.

In January 1995, the Foundation entered into an agreement with an external vendor to provide vending services for the University. The agreement was originally for one year commencing January 5, 1995 and automatically renews annually. In connection with the contract, the Foundation shall receive 25% of all vending revenues as commission. The revenues received on this contract, included in sales and services of auxiliary enterprises, for the years ended June 30, 2009 and 2008 amounted to \$21,255 and \$20,050, respectively.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS For the Years Ended June 30, 2009 and 2008

NOTE 13 - COMMITMENTS: (continued)

In February 1998, the Foundation entered into an agreement with an external vendor to provide a food service venue to the University. The agreement was originally for one year commencing July 1, 1998 through June 30, 1999. The tenant has the option of extending this lease for 18 consecutive periods of one year. The tenant has exercised their options through the year ending June 30, 2009. In connection with the contract, the Foundation shall receive 7% of gross sales per month. The contract commission revenues received on this contract, included in sales and services of auxiliary enterprises, for the years ended June 30, 2009 and 2008 amounted to \$39,014 and \$38,515 respectively.

In January 2000, the Foundation entered into a sponsorship agreement with a major beverage corporation to give exclusive advertising and beverage availability rights on the University Campus. The sponsor shall have the exclusive rights for a term of ten years beginning January 1, 2000 through December 31, 2009. In connection with the contract, the sponsor agreed to pay the Foundation a total of \$950,002 to be paid at a rate of \$250,000 for year one, then nine equal annual installments of \$77,778 in January of each subsequent year beginning January 2001. The sponsor also agreed to pay marketing activation fees in the total amount of \$50,000 for the entire term of the contract, to be paid by providing marketing products and signage valued at \$5,000 per year. The annual payments were suspended during the closure of the Loker University Student Union and resumed in the Spring of 2008.

In May 2000, the Foundation entered into an agreement with an external vendor to provide vending services to the University. The agreement was originally for one year commencing May 1, 2000 through April 30, 2001. The tenant has the option of extending this lease for ten consecutive periods of one year. The tenant has exercised their option through year ended April 30, 2009. In connection with the contract, the Foundation shall receive 12% gross sales per month. The contract commission revenues received on this contract, included in sales and services of auxiliary enterprises, for the years ended June 30, 2009 and 2008 amounted to \$29,553 and \$23,726 respectively.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS For the Years Ended June 30, 2009 and 2008

NOTE 13 - COMMITMENTS: (continued)

In April 2007, the Foundation entered into an agreement with an external vendor to provide vending services to the University. The agreement was originally for five years commencing April 23, 2008 through April 23, 2012 and automatically renews for an additional five years. In connection with the contract, the Foundation shall receive 10.5% of gross sales per month. The contract commission revenues received on this contract, included in sales and services of auxiliary enterprises, for the years ended June 30, 2009 and 2008 amounted to \$34,322 and \$19,953, respectively.

In April 2007, the Foundation entered into an agreement with an external vendor to provide vending services to the University. The agreement is for five years. The tenant has the option of extending this lease for an additional five years. In connection with the contract, the Foundation shall receive 15.5% gross sales per month. The contract commission revenues received on this contract, included in sales and services of auxiliary enterprises, for the years ended June 30, 2009 and 2008 amounted to \$7,541 and \$12,721, respectively.

In August 2007, the Foundation entered into an agreement with an external vendor to provide vending services to the University. The agreement was originally for five years commencing August 28, 2008 through August 28, 2012 and automatically renews for an additional five years. In connection with the contract, the Foundation shall receive 12.5% of gross sales per month. The contract commission revenues received on this contract, included in sales and services of auxiliary enterprises, for the year ended June 30, 2009 and 2008 amounted to \$30,001 and \$10,613, respectively.

NOTE 14 - TRANSACTIONS WITH RELATED ENTITIES:

The Foundation and the University provide various services on each other's behalf. Such services are appropriately billed. Amounts payable to the University at June 30, 2009 and 2008 totaled \$1,509,836 and \$1,993,805, respectively. Amount receivable from the University at June 30, 2009 was \$8,529. Amounts receivable from other University auxiliaries totaled \$85,428 and \$97,145 at June 30, 2009 and 2008, respectively. Amounts payable to other University auxiliaries totaled \$131,562 and \$53,055 at June 30, 2009 and 2008, respectively.

The Foundation charges a fee to the Loker University Student Union, Inc. and the Associated Students, Inc. for administrative services. Fees collected for these services were approximately \$50,174 and \$46,500 for the years ended June 30, 2009 and 2008.

REQUIRED SUPPLEMENTARY INFORMATION

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS

For the Fiscal Year Ended June 30, 2009

Fiscal Year Ended	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
6/30/2008	7/1/2008	\$ -	\$ 3,658,011	\$ 3,658,011	0.0%	\$2,242,000	163.16%
6/30/2009	7/1/2008	\$ -	\$ 4,074,912	\$ 4,074,912	0.0%	\$1,881,000	216.64%

Note: Fiscal year 2008 was the year of implementation of GASB Statement No. 45 and the Foundation elected to implement prospectively, therefore, comparative data prior to 2008 is not available. In future years, three year trend information will be presented.

See the accompanying notes to the required supplementary information.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2009**

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 Foundation's actuarially determined liability for postemployment benefits other than pensions.

SUPPLEMENTARY INFORMATION

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

Schedule of Net Assets

June 30, 2009

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 230,514
Short term investments	488,269
Accounts receivable, net	2,446,167
Leases receivable, current portion	
Notes receivable, current portion	
Pledges receivable, net	
Prepaid expenses and other assets	<u>96,308</u>
Total current assets	<u>3,261,258</u>

Noncurrent assets:

Restricted cash and cash equivalents	362,965
Accounts receivable, net	96,917
Leases receivable, net of current portion	
Notes receivable, net of current portion	
Student loans receivable, net	
Pledges receivable, net	
Endowment investments	5,670,322
Other long-term investments	3,861,420
Capital assets, net	825,242
Other assets	
Total noncurrent assets	<u>10,816,866</u>
Total assets	<u>14,078,124</u>

Liabilities:

Current liabilities:

Accounts payable	2,017,443
Accrued salaries and benefits payable	101,133
Accrued compensated absences - current portion	120,634
Deferred revenue	272,718
Capitalized lease obligations - current portion	
Long-term debt obligations - current portion	6,108
Self-insurance claims liability - current portion	
Other liabilities	<u>37,401</u>
Total current liabilities	<u>2,555,437</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	243,130
Self-insurance claims liabilities, net of current portion	
Depository accounts	374,194
Post retirement benefits, non current portion	844,595
Other liabilities	
Total noncurrent liabilities	<u>1,461,919</u>
Total liabilities	<u>4,017,356</u>

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

Schedule of Net Assets

June 30, 2009

(for inclusion in the California State University)

Net assets:	
Invested in capital assets, net of related debt	576,004
Restricted for:	
Nonexpendable - endowments	4,494,101
Expendable:	
Scholarships and fellowships	934,988
Research	
Loans	
Capital projects	104,438
Debt service	
Other	
Unrestricted	<u>3,951,237</u>
Total net assets	<u><u>\$10,060,768</u></u>

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION
Schedule of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2009
(for inclusion in the California State University)

Revenues:

Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$)	\$ -
Grants and contracts, noncapital	
Federal	7,926,658
State	3,243,460
Local	
Nongovernmental	236,585
Sales and services of educational activities	788,928
Sales and services of auxiliary enterprises (net of scholarship allowances of \$)	3,268,279
Other operating revenues	<u>63,703</u>
Total operating revenues	<u>15,527,613</u>

Expenses:

Operating expenses:	
Instruction	4,240,287
Research	3,092,628
Public service	
Academic support	3,125,841
Student services	66,399
Institutional support	1,162,811
Operation and maintenance of plant	
Student grants and scholarships	1,979,935
Auxiliary enterprise expenses	3,502,582
Depreciation and amortization	<u>118,323</u>
Total operating expenses	<u>17,288,806</u>
Operating income (loss)	<u>(1,761,193)</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	
Gifts, noncapital	1,072,842
Investment income (loss), net	(567,802)
Endowment income	(668,430)
Interest expenses	(15,745)
Other nonoperating revenues (expenses)	<u></u>
Net nonoperating revenues (expenses)	<u>(179,135)</u>
Income (loss) before other additions	<u>(1,940,328)</u>

State appropriations, capital	
Grants and gifts, capital	
Additions to permanent endowments	<u>340,999</u>
Increase (decrease) in net assets	<u>(1,599,329)</u>

Net assets:	
Net assets at beginning of year, as previously reported	<u>11,660,097</u>
Net assets at end of year, as restated	<u>\$10,060,768</u>

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009**

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Endowment Fund</u>	<u>Plant Fund</u>	<u>Total</u>
REVENUES:					
Federal	\$ -	\$ 7,926,658	\$ -	\$ -	\$ 7,926,658
State and local		3,243,460			3,243,460
Nongovernmental	671,951	637,476	340,999		1,650,426
Sales and services of educational activities	788,928				788,928
Sales and services of auxiliary enterprises	3,268,279				3,268,279
Investment income	(650,123)	58,570	(644,679)		(1,236,232)
Other operating revenues	63,703				63,703
Transfers	<u>(681,432)</u>	<u>2,511</u>	<u>678,921</u>		-
TOTAL REVENUES	<u>3,461,306</u>	<u>11,868,675</u>	<u>375,241</u>	<u>-</u>	<u>15,705,222</u>
EXPENSES:					
Instruction		4,240,287			4,240,287
Research		3,092,628			3,092,628
Academic support	1,859,611	1,266,230			3,125,841
Student services		66,399			66,399
Institutional support		1,162,811			1,162,811
Scholarships and fellowships		1,979,935			1,979,935
Depreciation	118,323				118,323
Interest expense	15,745				15,745
Auxiliary expenditures	<u>3,502,582</u>				<u>3,502,582</u>
TOTAL EXPENSES	<u>5,496,261</u>	<u>11,808,290</u>	<u>-</u>	<u>-</u>	<u>17,304,551</u>
INCREASE (DECREASE) IN NET ASSETS	(2,034,955)	60,385	375,241	-	(1,599,329)
BEGINNING NET ASSETS	<u>6,390,194</u>	<u>874,603</u>	<u>4,118,860</u>	<u>276,440</u>	<u>11,660,097</u>
ENDING NET ASSETS	<u>\$ 4,355,239</u>	<u>\$ 934,988</u>	<u>\$ 4,494,101</u>	<u>\$276,440</u>	<u>\$10,060,768</u>

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

Other Information

June 30, 2009

(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 20089

Portion of restricted cash and cash equivalents related to endowments
All other restricted cash and cash equivalents

\$	362,965
\$	<u>362,965</u>

Total restricted cash and cash equivalents

2.1 Composition of investments at June 20, 2009

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
\$	488,269	\$	\$	\$	\$	\$	\$
State of California Surplus Money Investment Fund (SMIF)							
State of California Local Agency Investment Fund (LAIF)							
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							
Collateralized mortgage obligations:							
Inverse floaters							
Interest-only strips							
Agency pass-through							
Private pass-through							
Other major investments:							
Money market funds							
Total investments	488,269		488,269	4,665	5,670,322	9,531,742	10,020,011
							4,665
Less endowment investments (enter as negative number)							(5,670,322)
Total investments	\$ 488,269	\$ -	\$ 488,269	\$ 3,861,420	\$ -	\$ 3,861,420	\$ 4,349,689

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION
 Other Information
 June 30, 2009
 (for inclusion in the California State University)

2.2 Investments held by the University under contractual agreements at June 30, 2009:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2009:

2.3 Restricted current investments at June 30, 2009 related to:

Total restricted current investments at June 20, 2009

	\$ -
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2.4 Restricted noncurrent investments at June 30, 2009 related to:

Endowments

Total restricted noncurrent investments at June 20, 2009

	\$ 5,670,322
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See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION
Other Information
June 30, 2009
(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2009

	Balance June 30, 2008	Prior period Adjustments	Reclassifications	Balance June 30, 2008 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2009
Nondepreciable capital assets								
Land and land improvements	\$ 55,309	\$	\$	\$ 55,309		\$	\$	\$ 55,309
Works of art and historical treasures								
Construction work in progress (CWIP)								
Total nondepreciable capital assets	55,309			55,309				55,309
Depreciable capital assets								
Buildings and building improvements	769,643			769,643				769,643
Improvements, other than buildings								
Infrastructure	418,073			418,073				418,073
Leasehold improvements	486,313			486,313	3,001			489,314
Personal property								
Equipment								
Library books and materials								
Intangible assets								
Total depreciable capital assets	1,674,029			1,674,029	3,001			1,677,030
Total capital assets	1,729,338			1,729,338	3,001			1,732,339
Less accumulated depreciation								
Buildings and building improvements	(136,701)			(136,701)	(25,655)			(162,356)
Improvements, other than buildings								
Infrastructure	(201,779)			(201,779)	(75,772)			(277,551)
Leasehold improvements	(450,294)			(450,294)	(16,896)			(467,190)
Personal property								
Equipment								
Library books and materials								
Intangible assets								
Total accumulated depreciation	(788,774)			(788,774)	(118,323)			(907,097)
Total capital assets, net	\$ 940,564	\$ -	\$ -	\$ 940,564	\$ (118,322)	\$ -	\$ -	\$ 825,242
3.2 Depreciation and amortization expense related to capital assets	\$ (118,323)							
Amortization expenses related to other assets	\$ (118,323)							
Total depreciation and amortization								

3.2

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION
Other Information
June 30, 2009
(for inclusion in the California State University)

4 Long-term liabilities activity schedules:

	Balance June 30, 2008 \$	Prior period adjustments \$	Reclassifications \$	Balance June 20, 2008 (restated) \$	Additions \$	Reductions \$	Balance June 30, 2009 \$	Current Portion \$	Long-term Portion \$
Accrued compensated absences									
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	254,882			254,882		(5,644)	249,238	6,108	243,130
Other:									
Real property mortgage	254,882	-	-	254,882	-	(5,644)	249,238	6,108	243,130
Total long-term debt obligations									
Unamortized bond premium / (discount)									
Unamortized loss on refinancing									
Total long-term debt obligations, net	254,882	-	-	254,882	-	(5,644)	249,238	6,108	243,130
Total long-term liabilities	394,926	-	-	394,926	132,557	(157,611)	369,872	126,742	243,130

5 Future minimum lease payments - capital lease obligations:

Year ending June 30:	Principal	Interest	Principal and Interest
2010			
2011			
2012			
2013			
2014			
2015-2019			
2020-2024			
2025-2029			
2030-2034			
2035-2039			
2040-2044			
2045-2049			
2050-2054			
2055-2059			
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			\$ -

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION
 Other Information
 June 30, 2009
 (for inclusion in the California State University)

6 Long-term debt obligation schedule

Long-term debt obligation schedule	Revenue Bonds				All other long-term debt obligations				Total			
	Principal and Interest		Principal and Interest		Principal and Interest		Principal and Interest		Principal and Interest		Principal and Interest	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Year ended June 30:												
2010	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2011												
2012												
2013												
2014												
2015-2019												
2020-2024												
2025-2029												
2030-2034												
2035-2039												
2040-2044												
2045-2049												
2050-2054												
2055-2059												
Total	\$	-	\$	-	\$	249,238	\$	197,681	\$	446,919	\$	197,681
												</

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION
Other Information
June 30, 2009
(for inclusion in the California State University)

7 Calculation of net assets

7.1 Calculation of net assets - Invested in capital assets, net of related debt

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
Capital assets, net of accumulated depreciation	\$ 825,242	\$	\$ 825,242
Capitalized lease obligations - current portion			
Capitalized lease obligations - net of current portion	(6,108)		(6,108)
Long-term debt obligations - current portion	(243,130)		(243,130)
Long-term debt obligations - net of current portion			
Portion of outstanding debt that is unpaid at year-end			
Other:			
Net assets - invested in capital assets, net of related debt	\$ 576,004	\$ -	\$ 576,004

7.2 Calculation of net assets - Restricted for nonexpendable- endowments

Portion of restricted cash and cash equivalents related to endowments	\$ 362,965	\$	\$ 362,965
Endowment investments	5,670,322		5,670,322
Other adjustments:			
Board designated endowment fund	(1,173,190)		(1,173,190)
Temporarily restricted	(651)		(651)
Unrestricted	(268,545)		(268,545)
Endowment asset expenditures	(96,800)		(96,800)
Net assets - Restricted for nonexpendable-endowments per SNA	\$ 4,494,101	\$ -	\$ 4,494,101

8 Transactions with Related Entities

	Amount
Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs	\$ 2,437,687
Reimbursements to University for other than salaries of University personnel	1,719,298
Payments received from university for services, space, and programs	771,248
Gifts-in-kind to the university from Auxiliary Organizations	-
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	-
Accounts (payable to) University (enter as negative number)	(1,509,836)
Amounts receivable from University	8,529
Other amounts receivable from University	

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION
Other Information
June 30, 2009
(for inclusion in the California State University)

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$ 489,258
Contributions during the year	(48,909)
Increase in net OPEB obligation (NOO)	440,349
NOO - beginning of year	404,246
NOO - end of year	<u>\$ 844,595</u>

10 Pollution remediation liabilities under GASB Statement No. 49:

Description	Amount
Total pollution remediation liabilities	\$ -
Less: current portion	\$ -
Pollution remediation liabilities, net of current portion	<u>\$ -</u>

11 The nature and amount of the prior period adjustment(s) recorded to beginning of net assets

Net Asset Class	Amount Dr. (Cr.)
-----------------	------------------

Net assets as of June 30, 2008, as previously reported

Prior period adjustments:

1
2

Net assets as of June 30, 2008, as restated

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

Debit	Credit
-------	--------

Net asset class:

See the accompanying independent auditors' report.