

**CALIFORNIA STATE UNIVERSITY
DOMINGUEZ HILLS FOUNDATION**

Report on Financial Statements

June 30, 2007 and 2006

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

TABLE OF CONTENTS
June 30, 2007 and 2006

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A).....	i-vi
Statements of Net Assets	1
Statements of Revenues, Expenses and Changes in Net Assets	2
Statements of Cash Flows.....	3
Notes to Basic Financial Statements.....	4-16
 SUPPLEMENTARY INFORMATION:	
Schedule of Net Assets	17-18
Schedule of Revenues, Expenses and Changes in Net Assets	19
Statement of Activities	20
Other Information	21-26



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, 2007 and 2006, 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, 2007 and 2006, 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.

The management's discussion and analysis on pages i through vi are not a required part of the basic financial statements but is 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 17 through 26 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 25, 2007

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended June 30, 2007

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.

Statement 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.

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.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) For the Year Ended June 30, 2007

Analytical Overview

Summary

During fiscal year ended June 30, 2007, the Foundation contributed \$4 million toward construction expenses for the new Loker University Student Union building which was completed and reopened in January 2007. The \$4 million represented funds that were donated in prior years specifically for the Loker University Student Union renovation and had been recognized as income by the Foundation during those years. The \$4 million loss reported on the Foundation's financial statements is a result of this payment toward construction costs incurred during the current fiscal year.

With the completion of the student union building, several Foundation campus dining operations have reopened during 2007. Services now include a restaurant, sports lounge, coffee shop, juice bar and expanded catering operations. Additional outsourced food concepts will be opened during the coming year.

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

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Current assets	\$ 3,665,330	\$ 6,428,559	\$(2,763,229)
Restricted and other assets	11,321,535	10,837,469	484,066
Capital assets, net	<u>991,219</u>	<u>885,443</u>	<u>105,776</u>
Total assets	<u>15,978,084</u>	<u>18,151,471</u>	<u>(2,173,387)</u>
Current liabilities	3,459,110	2,770,675	688,435
Noncurrent liabilities	254,771	260,059	(5,288)
Other liabilities	<u>235,808</u>	<u>235,345</u>	<u>463</u>
Total liabilities	<u>3,949,689</u>	<u>3,266,079</u>	<u>683,610</u>
Net assets:			
Invested in capital assets, net of related debt	731,034	620,278	110,756
Restricted	5,037,738	9,089,454	(4,051,716)
Unrestricted	<u>6,259,623</u>	<u>5,175,660</u>	<u>1,083,963</u>
Total net assets	<u>\$12,028,395</u>	<u>\$14,885,392</u>	<u>\$(2,856,997)</u>

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) For the Year Ended June 30, 2007

The Foundation's current assets decreased by \$2,800,000 while restricted and other assets increased by \$480,000. The decrease in current assets was due to a decrease in short term investments that was necessary to pay the \$4,000,000 toward construction costs for the Loker University Student Union renovation. The increase in restricted and other assets was due to the continued positive performance in both the long term and endowment investment portfolios. Capital assets increased due to the reopening of Campus Dining operations in the Student Union building.

The increase in current liabilities is due to the increased grant and contract activity. The decrease in net assets was due to payment of \$4,000,000 toward construction costs for the Loker Student Union building, which had been restricted for capital expansion.

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 \$12,028,395 at June 30, 2007, \$5,037,738 is restricted. Of this amount, \$4,169,986 is restricted for nonexpendable endowments, \$585,392 is restricted for expendable scholarships and fellowships and \$282,360 is restricted for capital expansion. Net assets of \$6,259,623 are unrestricted but are designated for specific purposes and \$731,034 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, 2007

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Operating revenues:			
Grants and contracts	\$12,615,162	\$11,680,911	\$ 934,251
Sales and services of educational activities	1,243,718	992,461	251,257
Sales and services of auxiliary enterprises	2,891,475	2,393,366	498,109
Other operating revenues	6,401	34,467	(28,066)
Nonoperating revenues:			
Investment income	<u>1,398,657</u>	<u>1,447,463</u>	<u>(48,806)</u>
Total revenues	<u>18,155,413</u>	<u>16,548,668</u>	<u>1,606,745</u>
Expenses:			
Operating expenses:			
Instructional	4,833,723	5,075,924	(242,201)
Research	4,207,052	3,620,499	586,553
Academic support	7,142,638	2,962,626	4,180,012
Student services	33,215	144,514	(111,299)
Institutional support	1,266,177	936,241	329,936
Student grants and scholarships	1,355,777	824,732	531,045
Auxiliary enterprise expense	2,925,380	2,571,388	353,992
Depreciation	105,009	95,749	9,260
Nonoperating expenses:			
Interest	<u>16,417</u>	<u>16,732</u>	<u>(315)</u>
Total expenses	<u>21,885,388</u>	<u>16,248,405</u>	<u>5,636,983</u>
Changes in net assets before other changes in net assets	(3,729,975)	300,263	(4,030,238)
Gifts, noncapital	754,659	866,770	(112,111)
Additions to permanent endowments	<u>118,319</u>	<u>21,294</u>	<u>97,025</u>
Change in net assets	(2,856,997)	1,188,327	(4,045,324)
Net assets at beginning of year	<u>14,885,392</u>	<u>13,697,065</u>	<u>1,188,327</u>
Net assets at end of year	<u>\$12,028,395</u>	<u>\$14,885,392</u>	<u>\$ (2,856,997)</u>

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) For the Year Ended June 30, 2007

Grants and contracts revenue and expenses increased due to an increase in grants and contracts activity during the year. Auxiliary revenue and expenses also increased during the year which was due to the reopening of campus dining operations in the renovated student union building. The increase in expenses in academic support was due to the \$4,000,000 contributed toward construction costs for the renovation of the student union building.

Capital Assets and Debt Administration

The Foundation had \$1,676,000 invested in capital assets, net of accumulated depreciation of \$685,000. Net capital assets increased over \$100,000 due to the opening of the Loker Student Union building. The majority of the increase in net capital assets was the construction costs incurred to open the Subway store and the improvements made to the Grab N Go I (convenience store). Construction costs were also incurred for an outsourced food concept which will be completed in Fall 2007.

The Foundation has \$260,185 in outstanding debt (\$254,771 long term). This debt was incurred in 2000 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 \$4,972 in principal.

Factors Impacting Future Periods

Loker University Student Union Expansion and Renovation Project

The newly expanded portion of the Loker Student Union (60,000 square feet) opened in January 2007. The Foundation opened its self-operating food operations in the January-March 2007 period. They include: a restaurant, sports lounge, coffee shop, juice bar and full-service catering operation. An outsourced Subway store also opened in January 2007. Two other outsourced food concepts are scheduled to open in the Fall 2007.

Faculty/Staff Housing Project

The project continues to be in the developmental stage. The University is in the process of doing an amendment to the 20-year campus plan which will show all future buildings and facilities. Included in the plan is the faculty/staff housing project which will occupy 25 acres on the southeast side of the campus. The Environment Impact Report is currently being developed by an outside consultant retained by the University and should be completed in the next six months. Although not yet determined, Phase I of the faculty/staff housing project may include 100 townhomes in a park-like setting with a community center and pool.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the Year Ended June 30, 2007**

Grants and Contracts

The volume of grants and contracts will continue to expand in the future, primarily through the efforts of the faculty. A growth rate of 5-10% per year can be expected.

Bookstore

The bookstore has re-opened in the renovated portion of the Loker Student Union. Space has been expanded by about 1,500 square feet. Sales are expected to increase in the next several years consistent with student enrollment growth. A new bookstore manager has been hired by Follett and he is doing an excellent job in marketing and customer relations.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

STATEMENTS OF NET ASSETS
As of June 30, 2007 and 2006

	<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Current assets:			
Cash and cash equivalents		\$ 95,873	\$ 253,356
Short-term investments		150,453	3,477,348
Accounts receivable, net		3,314,387	2,628,835
Prepaid expenses and other assets		<u>104,617</u>	<u>69,020</u>
Total current assets		<u>3,665,330</u>	<u>6,428,559</u>
Noncurrent assets:			
Restricted cash and cash equivalents		394,112	242,511
Gift annuity receivable		114,222	98,137
Endowment investments		6,335,755	5,724,927
Other long-term investments		4,477,446	4,771,894
Capital assets, net		<u>991,219</u>	<u>885,443</u>
Total noncurrent assets		<u>12,312,754</u>	<u>11,722,912</u>
Total assets		<u>\$ 15,978,084</u>	<u>\$ 18,151,471</u>
 <u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Accounts payable		\$ 2,186,596	\$ 1,639,941
Accrued salaries and benefits payable		30,374	4,188
Accrued compensated absences		159,388	155,097
Deferred revenue		946,191	827,474
Long-term liabilities, current portion		5,414	5,098
Other liabilities		<u>131,147</u>	<u>138,877</u>
Total current liabilities		<u>3,459,110</u>	<u>2,770,675</u>
Noncurrent liabilities:			
Long-term liabilities, net of current portion		254,771	260,059
Depository accounts		<u>235,808</u>	<u>235,345</u>
Total noncurrent liabilities		<u>490,579</u>	<u>495,404</u>
Total liabilities		<u>3,949,689</u>	<u>3,266,079</u>
Net assets:			
Invested in capital assets, net of related debt		731,034	620,286
Restricted for:			
Nonexpendable endowments		4,169,986	4,001,949
Expendable:			
Scholarships and fellowships		585,392	662,309
Capital expansion		282,360	4,425,196
Unrestricted		<u>6,259,623</u>	<u>5,175,652</u>
Total net assets		<u>12,028,395</u>	<u>14,885,392</u>
Total liabilities and net assets		<u>\$ 15,978,084</u>	<u>\$ 18,151,471</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, 2007 and 2006

<u>REVENUES</u>	<u>2007</u>	<u>2006</u>
Operating revenues:		
Grants and contracts, noncapital:		
Federal	\$ 7,505,562	\$ 7,237,342
State and local	4,427,966	3,883,091
Nongovernmental	681,634	560,478
Sales and services of educational activities	1,243,718	992,461
Sales and services of auxiliary enterprises	2,891,475	2,393,366
Other operating revenues	<u>6,401</u>	<u>34,467</u>
Total operating revenues	<u>16,756,756</u>	<u>15,101,205</u>
 <u>EXPENSES</u>		
Operating expenses:		
Instruction	4,833,723	5,075,924
Research	4,207,052	3,620,499
Academic support	7,142,638	2,962,626
Student services	33,215	144,514
Institutional support	1,266,177	936,241
Student grants and scholarships	1,355,777	824,732
Auxiliary enterprise expenses	2,925,380	2,571,388
Depreciation	<u>105,009</u>	<u>95,749</u>
Total operating expenses	<u>21,868,971</u>	<u>16,231,673</u>
 Operating loss	<u>(5,112,215)</u>	<u>(1,130,468)</u>
 Nonoperating revenues (expenses):		
Gifts, noncapital	754,659	866,770
Investment income, net	1,398,657	1,447,463
Interest on capital-related debt	<u>(16,417)</u>	<u>(16,732)</u>
Total nonoperating revenues	<u>2,136,899</u>	<u>2,297,501</u>
 Additions to permanent endowments	<u>118,319</u>	<u>21,294</u>
 CHANGE IN NET ASSETS	<u>(2,856,997)</u>	<u>1,188,327</u>
 NET ASSETS AT BEGINNING OF YEAR	<u>14,885,392</u>	<u>13,697,065</u>
 NET ASSETS AT END OF YEAR	<u>\$ 12,028,395</u>	<u>14,885,392</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, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Federal grants and contracts	\$ 7,051,096	\$ 7,351,055
State and local grants and contracts	4,427,966	3,883,091
Nongovernmental grants and contracts	681,634	560,478
Payments to suppliers	(14,634,064)	(9,946,277)
Payments to employees	(5,232,586)	(5,299,571)
Payments to students	(1,355,777)	(1,307,860)
Sales and services of educational activities	1,243,718	992,461
Sales and services of auxiliary enterprises	2,771,376	2,108,743
Other receipts	6,401	34,467
Net cash used by operating activities	<u>(5,040,236)</u>	<u>(1,623,413)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Gifts and grants received for other than capital purposes	856,893	2,047,344
Monies received on behalf of others	2,063,971	1,801,181
Monies disbursed on behalf of others	<u>(2,063,508)</u>	<u>(1,861,716)</u>
Net cash provided by noncapital financing activities	<u>857,356</u>	<u>1,986,809</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Acquisitions of capital assets	(210,785)	(434,938)
Principal paid on capital debt and lease	(4,979)	(4,657)
Interest paid on capital debt and lease	<u>(16,417)</u>	<u>(16,732)</u>
Net cash used by capital and related financing activities	<u>(232,181)</u>	<u>(456,327)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from sales and maturities of investments	8,086,946	2,106,880
Purchases of investments	<u>(3,677,767)</u>	<u>(2,150,300)</u>
Net cash provided/(used) by investing activities	<u>4,409,179</u>	<u>(43,420)</u>
Net decrease in cash and cash equivalents	(5,882)	(136,351)
Cash and cash equivalents at beginning of year	<u>495,867</u>	<u>632,218</u>
Cash and cash equivalents at end of year	<u>\$ 489,985</u>	<u>\$ 495,867</u>
Reconciliation of operating loss to net cash (used)/provided by operating activities:		
Operating loss	\$ (5,112,215)	\$ (1,130,468)
Adjustments to reconcile operating loss to net cash (used)/provided by operating activities:		
Depreciation	105,009	95,749
Change in assets and liabilities:		
Accounts receivable	(685,552)	(443,029)
Prepays and other assets	(35,597)	58,259
Accounts payable and amounts payable to the University	546,655	(498,062)
Accrued salaries and benefits	26,186	595
Accrued compensated absences	4,291	21,424
Deferred revenue	118,717	268,354
Other liabilities	<u>(7,730)</u>	<u>3,765</u>
Net cash (used)/provided by operating activities	<u>\$ (5,040,236)</u>	<u>\$ (1,623,413)</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, 2007 and 2006

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, 2007 and 2006

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, 2007 and 2006

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 contract.

(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 retain them in perpetuity.

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, 2007 and 2006**

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. 35. 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, 2007, 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.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS For the Years Ended June 30, 2007 and 2006

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS:

The deposits and investments held at June 30, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Deposits:		
Demand deposits	\$ (98,128)	\$ (62,073)
Cash equivalents-Cash Reserve Trust Fund	<u>601,562</u>	<u>557,940</u>
	<u>503,434</u>	<u>495,867</u>
Investments:		
Local Agency Investment Fund	150,453	3,477,348
Equities	6,536,882	6,432,794
Corporate bonds	787,216	695,996
Government bonds	<u>3,475,654</u>	<u>3,368,031</u>
	<u>10,950,205</u>	<u>13,974,169</u>
Total deposits and investments	<u>\$11,453,639</u>	<u>\$14,470,036</u>
Reconciliation to statement of net assets		
Current:		
Cash and cash equivalents	\$ 95,873	\$ 253,356
Investments	<u>150,453</u>	<u>3,477,348</u>
	246,326	3,730,704
Noncurrent:		
Cash equivalents	394,112	242,511
Investments – Endowment	6,335,755	5,724,927
Investments – Other long term	<u>4,477,446</u>	<u>4,771,894</u>
	<u>\$11,453,639</u>	<u>\$14,470,036</u>

The Foundation maintains investments with the State of California Local Agency Investment Fund (LAIF) amounting to \$150,453 and \$3,477,348 as of June 30, 2007 and 2006. 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, 2007 and 2006

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 \$555,812 for 2007 and \$597,506 for 2006 which were insured by depository insurance up to \$148,958 and \$149,758 respectively.

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, 2007 and 2006**

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 2007

	<u>Unrestricted</u>	<u>Endowment</u>	<u>Total</u>
Interest and dividends	\$ 162,092	\$ 210,273	\$ 372,365
Realized gain/(loss) on sales	417,991	215,471	633,462
Unrealized gain/(loss)	<u>94,002</u>	<u>368,740</u>	<u>462,742</u>
Total investment income	674,085	794,484	1,468,569
Management fees	<u>(30,767)</u>	<u>(39,145)</u>	<u>(69,912)</u>
Net investment income	<u>\$ 643,318</u>	<u>\$ 755,339</u>	<u>\$1,398,657</u>

Investment Income for 2006

	<u>Unrestricted</u>	<u>Endowment</u>	<u>Total</u>
Interest and dividends	\$ 266,225	\$ 175,756	\$ 441,981
Realized gain/(loss) on sales	280,998	246,860	527,858
Unrealized gain/(loss)	<u>281,194</u>	<u>259,678</u>	<u>540,872</u>
Total investment income	828,417	682,294	1,510,711
Management fees	<u>(30,210)</u>	<u>(33,038)</u>	<u>(63,248)</u>
Net investment income	<u>\$ 798,207</u>	<u>\$ 649,256</u>	<u>\$1,447,463</u>

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS For the Years Ended June 30, 2007 and 2006

NOTE 4 - ACCOUNTS RECEIVABLE:

Accounts receivable consisted of the following at June 30, 2007 and 2006, respectively:

	<u>2007</u>	<u>2006</u>
Grants receivable	\$2,852,898	\$2,306,709
Advances	197,813	134,630
Other	<u>419,361</u>	<u>318,827</u>
	3,470,092	2,760,166
Less allowance for doubtful accounts	<u>(155,685)</u>	<u>(131,331)</u>
Total	<u><u>\$3,314,387</u></u>	<u><u>\$2,628,835</u></u>

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2007 and 2006 consisted of the following:

June 30, 2007

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Equipment	\$ 408,936	\$ 28,051	\$ -	\$ 436,987
Buildings	769,643			769,643
Leasehold improvement	159,709	182,734		342,443
Furniture and fixtures	72,020			72,020
Construction in progress	<u>55,309</u>			<u>55,309</u>
	1,465,617	210,785	-	1,676,402
Less accumulated depreciation	<u>(580,174)</u>	<u>(105,009)</u>		<u>(685,183)</u>
Net capital assets	<u><u>\$ 885,443</u></u>	<u><u>\$ 105,776</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 991,219</u></u>

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS For the Years Ended June 30, 2007 and 2006

NOTE 5 - CAPITAL ASSETS: (continued)

June 30, 2006

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Equipment	\$ 379,307	\$ 29,629	\$	\$ 408,936
Buildings	419,643	350,000		769,643
Leasehold improvement	159,709			159,709
Furniture and fixtures	72,020			72,020
Construction in progress	<u> </u>	<u>55,309</u>	<u>-</u>	<u>55,309</u>
	1,030,679	434,938	-	1,465,617
Less accumulated depreciation	<u>(484,425)</u>	<u>(95,749)</u>	<u>-</u>	<u>(580,174)</u>
Net capital assets	<u>\$ 546,254</u>	<u>\$ 339,189</u>	<u>\$ -</u>	<u>\$ 885,443</u>

NOTE 6 - DEPOSITORY ACCOUNTS:

Deposits held in custody for others which are comprised of cash and investments as of June 30, 2007 and 2006 are summarized as follows:

	<u>2007</u>	<u>2006</u>
Associated Students, Inc.	\$ 41,847	\$ 40,672
Loker University Student Union, Inc.	133,246	43,753
California Academy of Math and Science	2,733	92,138
Dominguez Hills Corporation	<u>57,982</u>	<u>58,782</u>
Total deposits held in custody for others	<u>\$ 235,808</u>	<u>\$ 235,345</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, 2007 and 2006

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

A summary of current year activity on the loan for the year ended June 30, 2007 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Mortgage payable	\$ <u>265,157</u>	\$ <u>-</u>	\$ <u>4,972</u>	\$ <u>260,185</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>
2008	\$ 5,414	\$ 15,976	\$ 21,390
2009	5,750	15,639	21,389
2010	6,108	15,281	21,389
2011	6,489	14,900	21,389
2012	6,895	14,494	21,389
2013-2017	41,533	65,412	106,945
2018-2022	56,387	50,558	106,945
2023-2027	76,672	30,273	106,945
2028-2032	<u>54,937</u>	<u>9,230</u>	<u>64,167</u>
Total	\$ <u>260,185</u>	\$ <u>231,763</u>	\$ <u>491,948</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, 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, 2007 and 2006

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 January 1, 2005 expiring on June 30, 2007, 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. There were no rental fees throughout the contract period due to the closure of the building for expansion and renovation.

NOTE 9 - 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, 2007, 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, 2007 and 2006, the Foundation's annual TIAA CREF pension cost totaled \$231,552 and \$192,834, respectively.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS For the Years Ended June 30, 2007 and 2006

NOTE 10 - 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 expiring in March 2006. The amount paid was recorded as deferred revenue and is 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 \$486,834 and \$469,885 for the years ended June 30, 2007 and 2006, 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, 2007 and 2006 amounted to \$18,250 and \$23,547, respectively.

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 ended June 30, 2008. 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 year ended June 30, 2007 amounted to \$19,814. There was no revenue received for the year ended June 30, 2006 due to the renovation of the Loker University Student Union building.

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 in ten equal installments of \$5,000 per year. The annual payments were suspended during the closure of the Loker University Student Union and are expected to resume in the Spring of 2008.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2007 and 2006

NOTE 10 - COMMITMENTS: (continued)

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 year ended June 30, 2007 amounted to \$883.

NOTE 11 - 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, 2007 and 2006 totaled \$1,445,318 and \$1,159,841, respectively. Amounts receivable from other University auxiliaries totaled \$80,774 and \$39,716 at June 30, 2007 and 2006, respectively. Amounts payable to other University auxiliaries totaled \$23,783 and \$22,835 at June 30, 2007 and 2006, 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 \$45,500 for the years ended June 30, 2007 and 2006.

SUPPLEMENTARY INFORMATION

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

Schedule of Net Assets June 30, 2007 (for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 95,873
Short-term investments	150,453
Accounts receivable, net	3,314,387
Leases receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	104,617
Total current assets	<u>3,665,330</u>

Noncurrent assets:

Restricted cash and cash equivalents	394,112
Accounts receivable, net	114,222
Leases receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	6,335,755
Other long-term investments	4,477,446
Capital assets, net	991,219
Other assets	—
Total noncurrent assets	<u>12,312,754</u>
Total assets	<u>15,978,084</u>

Liabilities:

Current liabilities:

Accounts payable	2,186,596
Accrued salaries and benefits payable	30,374
Accrued compensated absences— current portion	159,388
Deferred revenue	946,191
Capitalized lease obligations — current portion	—
Long-term debt obligations — current portion	5,414
Self-insurance claims liability - current portion	—
Other liabilities	131,147
Total current liabilities	<u>3,459,110</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	254,771
Self-insurance claims liabilities, net of current portion	—
Depository accounts	235,808
Other liabilities	—
Total noncurrent liabilities	<u>490,579</u>
Total liabilities	<u>3,949,689</u>

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

Schedule of Net Assets
June 30, 2007
(for inclusion in the California State University)

Net assets:	731,034
Invested in capital assets, net of related debt	
Restricted for:	4,169,986
Nonexpendable – endowments	
Expendable:	585,392
Scholarships and fellowships	—
Research	—
Loans	282,360
Capital projects	—
Debt service	—
Other	6,259,623
Unrestricted	\$ 12,028,395
Total net assets	

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

Schedule of Revenues, Expenses, and Changes in Net Assets For the Year Ended June 30, 2007 (for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$ _____)	\$ —
Grants and contracts, noncapital:	
Federal	7,505,562
State	4,427,966
Local	681,634
Nongovernmental	—
Sales and services of educational activities	1,243,718
Sales and services of auxiliary enterprises (net of scholarship allowances of \$ _____)	2,891,475
Other operating revenues	6,401
Total operating revenues	<u>16,756,756</u>

Expenses:

Operating expenses:

Instruction	4,833,723
Research	4,207,052
Public service	—
Academic support	7,142,638
Student services	33,215
Institutional support	1,266,177
Operation and maintenance of plant	—
Student grants and scholarships	1,355,777
Auxiliary enterprise expenses	2,925,380
Depreciation and amortization	105,009
Total operating expenses	<u>21,868,971</u>
Operating income (loss)	<u>(5,112,215)</u>

Nonoperating revenues (expenses):

State appropriations, noncapital	—
Gifts, noncapital	754,659
Investment income, net	1,398,657
Endowment income	—
Interest on capital-related debt	(16,417)
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>2,136,899</u>
Income (loss) before other additions	<u>(2,975,316)</u>

State appropriations, capital

Grants and gifts, capital

Additions to permanent endowments

Increase (decrease) in net assets

Net assets:

Net assets at beginning of year, as previously reported	14,885,392
Restatements	—
Net assets at end of year, as restated	\$ <u>12,028,395</u>

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Endowment Fund</u>	<u>Plant Fund</u>	<u>Total</u>
REVENUES:					
Federal	\$ -	\$ 7,505,562	\$ -	\$ -	\$ 7,505,562
State and local		4,427,966			4,427,966
Nongovernmental	574,022	862,271	118,319		1,554,612
Sales and services of educational activities	1,243,718				1,243,718
Sales and services of auxiliary enterprises	2,891,475				2,891,475
Investment income	1,268,291	80,648	49,718		1,398,657
Other operating revenues	<u>6,401</u>				<u>6,401</u>
TOTAL REVENUES	<u>5,983,907</u>	<u>12,876,447</u>	<u>168,037</u>	<u>-</u>	<u>19,028,391</u>
EXPENSES:					
Instruction		4,833,723			4,833,723
Research		4,207,052			4,207,052
Academic support	5,885,218	1,257,420			7,142,638
Student services		33,215			33,215
Institutional support		1,266,177			1,266,177
Scholarships and fellowships		1,355,777			1,355,777
Depreciation	105,009				105,009
Auxiliary expenditures	<u>2,941,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,941,797</u>
TOTAL EXPENSES	<u>8,932,024</u>	<u>12,953,364</u>	<u>-</u>	<u>-</u>	<u>21,885,388</u>
INCREASE (DECREASE) IN NET ASSETS	(2,948,117)	(76,917)	168,037	-	(2,856,997)
BEGINNING NET ASSETS	<u>9,944,694</u>	<u>662,309</u>	<u>4,001,949</u>	<u>276,440</u>	<u>14,885,392</u>
ENDING NET ASSETS	<u>\$ 6,996,577</u>	<u>\$ 585,392</u>	<u>\$ 4,169,986</u>	<u>\$ 276,440</u>	<u>\$ 12,028,395</u>

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

Other Information
June 30, 2007
(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2007:
Portion of restricted cash and cash equivalents related to endowments
All other restricted cash and cash equivalents
Total restricted cash and cash equivalents

\$ 394,112
\$ 394,112

2 Composition of investments at June 30, 2007:

State of California Surplus Money Investment Fund (SMIF)
State of California Local Agency Investment Fund (LALIF)
Met West Short Term Fund
Met West Medium Term Fund
Met West Equity Fund
Debt securities
Equity securities
Fixed income securities (Treasury notes, GNMA's)
Real estate
Certificates of deposit
Notes receivable
Mutual funds
Collateralized mortgage obligations:
Inverse floaters
Interest-only strips
Agency pass-through
Private pass-through
Other investments:
Money market funds
Add description
Add description
Add description
Add description
Add description
Add description

Current	Noncurrent	Total
\$ 150,453	—	150,453
—	—	—
—	—	—
—	6,536,882	6,536,882
—	787,217	787,217
—	3,475,654	3,475,654
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	13,448	13,448
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
150,453	10,813,201	10,963,654
—	(6,335,755)	(6,335,755)
150,453	4,477,446	4,627,899

Total investments
Less endowment investments (enter as negative number)
Total investments

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

Other Information
June 30, 2007

(for inclusion in the California State University)

3 Composition of capital assets at June 30, 2007:

	Balance June 30, 2006	Prior period Adjustments	Reclassifications	Balance 30-Jun-06 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2007
Nondepreciable capital assets:								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	55,309	—	—	55,309	—	—	—	55,309
Construction work in progress (CWIP)	55,309	—	—	55,309	—	—	—	55,309
Total nondepreciable capital assets								
	769,643	—	—	769,643	—	—	—	769,643
Depreciable capital assets:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	159,709	—	—	159,709	182,734	—	—	342,443
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	480,956	—	—	480,956	28,051	—	—	509,007
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets	1,410,308	—	—	1,410,308	210,785	—	—	1,621,093
Total depreciable capital assets								
	1,465,617	—	—	1,465,617	210,785	—	—	1,676,402
Total cost								
	(86,237)	—	—	(86,237)	(24,917)	—	—	(111,154)
Less accumulated depreciation:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	(88,513)	—	—	(88,513)	(35,788)	—	—	(124,301)
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	(405,424)	—	—	(405,424)	(44,304)	—	—	(449,728)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets	(580,174)	—	—	(580,174)	(105,009)	—	—	(685,183)
Total accumulated depreciation								
	885,443	—	—	885,443	105,776	—	—	991,219
Net capital assets								
	\$ —	—	—	—	—	—	—	—

Detail of depreciation and amortization expense for the year ended June 30, 2007:

Depreciation and amortization expense related to capital assets	\$ 105,009
Amortization expense related to other assets	—
Total depreciation and amortization	<u>\$ 105,009</u>

See the accompanying independent auditors' report.

Other Information

June 30, 2007
(for inclusion in the California State University)

Accrued compensated absences
Capitalized lease obligations:
Gross balance
Unamortized premium on capitalized lease obligations

Total capitalized lease obligations

Long-term debt obligations:

Total long-term debt obligations

Unamortized bond premium / (discount)
Unamortized loss on refunding
Total long-term debt obligations, net
Total long-term liabilities

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

Other Information
June 30, 2007
(for inclusion in the California State University)

5 Future minimum lease payments: not applicable

Year ending June 30:	Principal	Interest	Principal and Interest
2008	—	—	—
2009	—	—	—
2010	—	—	—
2011	—	—	—
2012	—	—	—
2013 - 2017	—	—	—
2018 - 2022	—	—	—
2023 - 2027	—	—	—
2028 - 2032	—	—	—
2033 - 2037	—	—	—
2038 - 2042	—	—	—
2043 - 2047	—	—	—
2048 - 2052	—	—	—
2053 - 2057	—	—	—
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.

(for inclusion in the California State University)

[illegible]

See the accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

Other Information
June 30, 2007
(for inclusion in the California State University)

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

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
	991,219	—	991,219
Capital assets, net of accumulated depreciation	—	—	—
Capitalized lease obligations - current portion	—	—	—
Capitalized lease obligations, net of current portion	(5,414)	—	(5,414)
Long-term debt obligations - current portion	(254,771)	—	(254,771)
Long-term debt obligations, net of current portion	—	—	—
Portion of outstanding debt that is unspent at year-end	—	—	—
Other:			
(description)	—	—	—
(description)	—	—	—
(description)	—	—	—
(description)	—	—	—
(description)	—	—	—
Net assets - invested in capital assets, net of related debt	\$ 731,034	—	\$ 731,034

8 The nature and amount of the prior period adjustment(s) recorded to beginning net assets: not applicable

See the accompanying independent auditors' report.