

**CALIFORNIA STATE UNIVERSITY  
DOMINGUEZ HILLS FOUNDATION**

**Report on Financial Statements**

**June 30, 2013 and 2012**

**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

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**June 30, 2013 and 2012**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
California State University Dominguez Hills Foundation

### **Report on the Financial Statements**

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, 2013 and 2012, and the related notes to the financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
California State University Dominguez Hills Foundation

**Opinion**

In our opinion, the financial statements listed in the aforementioned table of contents present fairly, in all material respects, the financial position of the California State University Dominguez Hills Foundation as of June 30, 2013 and 2012, and the results of its operations, changes in net position and cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

**Change in Accounting Principle**

In 2013 California State University Dominguez Hills Foundation adopted new accounting guidance, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GAAS Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of postemployment healthcare benefits funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

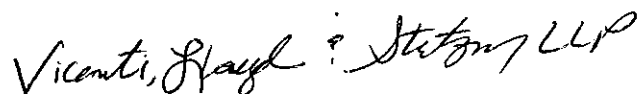
Our audit was conducted for the purpose of forming an opinion on the California State University Dominguez Hills Foundation financial statements as a whole. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of California State University Dominguez Hills Foundation.

Board of Directors  
California State University Dominguez Hills Foundation

The supplementary section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2013 on our consideration of the California State University Dominguez Hills Foundation's internal control over financial reporting and on 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* in considering California State University Dominguez Hills Foundation's internal control over financial reporting and compliance.



VICENTI, LLOYD & STUTZMAN LLP  
Glendora, CA  
September 12, 2013

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended June 30, 2013

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 position, the statement of revenues, expenses, and changes in net position, 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 Position:** The statements of net position includes all assets and liabilities of the Foundation. Assets and liabilities are reported at their book or fair value, on an accrual basis, as of the statement date. It also identifies major categories of restrictions on the net position of the Foundation.

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

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

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) For the Year Ended June 30, 2013

### Analytical Overview

#### Summary

The Foundation's operations for the fiscal year ended June 30, 2013 increased as shown by an increase in net position of approximately \$3,000,000. This was primarily due to an increase in both grants and contracts and auxiliary enterprise activity during the year.

The Foundation is a member of the Auxiliaries Voluntary Employees' Beneficiary Association (VEBA) trust and during the past fiscal year was able to make an initial deposit toward funding the Foundation's postemployment benefits liability.

The Director, Grants & Contracts retired in January 2013 and the Foundation is actively recruiting to fill the vacancy. In the interim, the previous director is assisting the Foundation in an independent contractor capacity.

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>2013</u>	<u>2012</u>	<u>Change</u>
Current assets	\$ 4,394,261	\$ 4,415,362	\$ (21,101)
Restricted and other assets	18,703,047	16,065,310	2,637,737
Capital assets, net	<u>605,853</u>	<u>553,953</u>	<u>51,900</u>
Total assets	<u>23,703,161</u>	<u>21,034,625</u>	<u>2,668,536</u>
Current liabilities	1,840,507	2,179,809	(339,302)
Noncurrent liabilities	2,685,861	2,311,118	374,743
Other liabilities	<u>502,346</u>	<u>861,776</u>	<u>(359,430)</u>
Total liabilities	<u>5,028,714</u>	<u>5,352,703</u>	<u>(323,989)</u>
Net position:			
Invested in capital assets, net of related debt	386,381	325,889	60,492
Restricted	7,547,268	6,223,302	1,323,966
Unrestricted	<u>10,740,798</u>	<u>9,132,731</u>	<u>1,608,067</u>
Total net position	<u>\$18,674,447</u>	<u>\$15,681,922</u>	<u>\$2,992,525</u>

# **CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) For the Year Ended June 30, 2013**

The Foundation's current assets and net capital assets balances at June 30, 2013 were comparable to the prior year end balances while restricted and other assets increased by \$2,637,737. The increase in restricted and other assets was due to increases in the endowment and long term investment portfolios as well as an increase in the gift annuity receivable. Deposits were made to the endowment portfolio as a result of a new quasi endowment received and the collection on an amount pledged in a prior year. Additionally, both the endowment and long term investment portfolios performed well during the fiscal year.

Current liabilities and other liabilities decreased while noncurrent liabilities increased as of June 30, 2013. The decrease in current liabilities was due to a decrease in accounts payable mainly in the amount payable to the University and a decrease in unearned revenue. Noncurrent liabilities continue to increase as the result of implementing GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and accruing postemployment benefits. The accrual for postemployment benefits for fiscal year 2013 was approximately \$400,000. Other liabilities decreased by \$359,000 which is a reflection of the amounts held in custody for others.

### **Restricted Resources**

Net position of the Foundation includes 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 position of \$18,674,447 at June 30, 2013, \$7,547,268 is restricted. Of this amount \$5,902,828 is restricted for nonexpendable endowments, \$1,642,941 is restricted for expendable scholarships and fellowships and \$1,499 is restricted for capital expansion. Net position of \$10,740,798 is unrestricted but is designated for specific purposes and \$386,381 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, 2013**

	<u>2013</u>	<u>2012</u>	<u>Change</u>
Operating revenues:			
Grants and contracts	\$14,267,272	\$13,373,938	\$893,334
Sales and services of educational activities	143,293	148,830	(5,537)
Sales and services of auxiliary enterprises	4,088,553	3,502,013	586,540
Other operating revenues	58,405	79,341	(20,936)
Nonoperating revenues:			
Investment income	1,897,772	203,164	1,694,608
Total revenues	<u>20,455,295</u>	<u>17,307,286</u>	<u>3,148,009</u>
Expenses:			
Operating expenses:			
Instructional	4,503,652	4,863,717	(360,065)
Research	4,306,680	3,004,106	1,302,574
Academic support	2,394,413	2,294,475	99,938
Student services	54,591	186,651	(132,060)
Institutional support	1,370,991	1,372,059	(1,068)
Student grants and scholarships	3,120,071	3,118,033	2,038
Auxiliary enterprise expense	3,738,422	3,705,678	32,744
Depreciation	46,313	56,933	(10,620)
Nonoperating expenses:			
Interest	10,614	11,012	(398)
Total expenses	<u>19,545,747</u>	<u>18,612,664</u>	<u>933,083</u>
Changes in net position before other additions	909,548	(1,305,378)	2,214,926
Gifts, noncapital	2,037,398	2,250,444	(213,046)
Additions to permanent endowments	45,579	53,305	(7,726)
Change in net position	<u>2,992,525</u>	<u>998,371</u>	<u>1,994,154</u>
Net position at beginning of year	15,681,922	14,683,551	998,371
Net position at end of year	<u><u>\$ 18,674,447</u></u>	<u><u>\$ 15,681,922</u></u>	<u><u>\$ 2,992,525</u></u>

# **CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

**For the Year Ended June 30, 2013**

Operating revenue from grants and contracts increased \$893,334 (6.7%) and sales and services of auxiliary enterprises increased \$586,540 (16.7%) while there were slight decreases in revenue from the sales and services of educational activities and other revenue categories. Grants and contracts activity continues to increase as reflected in both revenue from grants and contracts and operating expenses related to grants and contracts. The increase in operating revenue from auxiliary enterprises was due to an overall increase in campus dining revenue particularly in catering. Additionally, a coffee retail outlet was opened in the library and a new food concept vendor began operations during the year.

Investment income of \$1,897,772 represented an increase of \$1,694,608 from the prior year. Long term investment income, net of fees was \$832,358 while endowment income, net of fees was \$1,065,414. Investment income, net of fees consists of a change in the fair market value of the investments including interest, dividends, realized and unrealized gains and losses.

### **Capital Assets and Debt Administration**

The Foundation had \$1,762,136 invested in capital assets, net of accumulated depreciation of \$1,156,283. The Foundation's only major asset capital asset acquisition was a Point of Sale (inventory management) system linking the various different dining service concepts on campus.

The Foundation has \$219,472 in outstanding debt (\$210,525 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 \$8,592 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 fiscal year 2008 resulting in increases in expenses and long term liabilities. The Foundation is a member of the multi-employer Auxiliaries Voluntary Employees' Beneficiary Association (VEBA) trust and during this past fiscal year was able to make an initial deposit toward funding the liability. The Foundation continues to work toward funding the liability and has changed postemployment health benefit eligibility requirements for new employees and will continue to evaluate postemployment benefits offered.

**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

**For the Year Ended June 30, 2013**

Grants and Contracts

The Director of Grants & Contracts retired in January 2013 and the Foundation is actively recruiting to fill the vacancy. In the interim, the previous Director is assisting the Foundation in an independent contractor capacity.

Grants and contracts activity for the next fiscal year is projected to be at the same level or to increase slightly.

**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

**STATEMENTS OF NET POSITION**

**As of June 30, 2013 and 2012**

	<u>ASSETS</u>	
	2013	2012
<b>Current assets:</b>		
Cash and cash equivalents	\$ 828,752	\$ 838,886
Short-term investments	1,107,485	904,264
Accounts receivable, net	1,933,919	2,291,465
Pledge receivable	419,188	333,333
Prepaid expenses and other assets	<u>104,917</u>	<u>47,414</u>
Total current assets	<u>4,394,261</u>	<u>4,415,362</u>
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents	394,851	457,549
Gift annuity receivable	232,417	118,817
Endowment investments	11,770,939	9,701,670
Other long-term investments	6,304,840	5,454,626
Pledge receivable	-	332,648
Capital assets, net	<u>605,853</u>	<u>553,953</u>
Total noncurrent assets	<u>19,308,900</u>	<u>16,619,263</u>
<b>Total assets</b>	<b><u>\$ 23,703,161</u></b>	<b><u>\$ 21,034,625</u></b>
 <b><u>LIABILITIES AND NET POSITION</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,594,876	\$ 1,802,634
Accrued salaries and benefits payable	64,800	65,710
Accrued compensated absences	142,229	145,612
Unearned revenue	-	146,309
Long-term liabilities, current portion	8,947	8,542
Other liabilities	<u>29,655</u>	<u>11,002</u>
Total current liabilities	<u>1,840,507</u>	<u>2,179,809</u>
<b>Noncurrent liabilities:</b>		
Postemployment benefits other than pensions payable	2,475,336	2,091,596
Long-term liabilities, net of current portion	210,525	219,522
Depository accounts	<u>502,346</u>	<u>861,776</u>
Total noncurrent liabilities	<u>3,188,207</u>	<u>3,172,894</u>
Total liabilities	<u>5,028,714</u>	<u>5,352,703</u>
<b>Net position:</b>		
Invested in capital assets, net of related debt	386,381	325,889
Restricted for:		
Nonexpendable endowments	5,902,828	4,987,433
Expendable:		
Scholarships and fellowships	1,642,941	1,199,145
Capital expansion	1,499	36,724
Unrestricted	<u>10,740,798</u>	<u>9,132,731</u>
Total net position	<u>18,674,447</u>	<u>15,681,922</u>
<b>Total liabilities and net position</b>	<b><u>\$ 23,703,161</u></b>	<b><u>\$ 21,034,625</u></b>

*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 POSITION**  
**For the Years Ended June 30, 2013 and 2012**

<b><u>REVENUES</u></b>	<u>2013</u>	<u>2012</u>
<b>Operating revenues:</b>		
Grants and contracts, noncapital:		
Federal	\$ 11,457,165	\$ 10,915,196
State and local	2,453,777	2,360,077
Nongovernmental	356,330	98,665
Sales and services of educational activities	143,293	148,830
Sales and services of auxiliary enterprises	4,088,553	3,502,013
Other operating revenues	<u>58,405</u>	<u>79,341</u>
Total operating revenues	<u>18,557,523</u>	<u>17,104,122</u>
<b><u>EXPENSES</u></b>		
<b>Operating expenses:</b>		
Instruction	4,503,652	4,863,717
Research	4,306,680	3,004,106
Academic support	2,394,413	2,294,475
Student services	54,591	186,651
Institutional support	1,370,991	1,372,059
Student grants and scholarships	3,120,071	3,118,033
Auxiliary enterprise expenses	3,738,422	3,705,678
Depreciation	<u>46,313</u>	<u>56,933</u>
Total operating expenses	<u>19,535,133</u>	<u>18,601,652</u>
Operating loss	<u>(977,610)</u>	<u>(1,497,530)</u>
<b>Nonoperating revenues (expenses):</b>		
Gifts, noncapital	2,037,398	2,250,444
Investment income, net	1,897,772	203,164
Interest on capital-related debt	<u>(10,614)</u>	<u>(11,012)</u>
Total nonoperating revenues	<u>3,924,556</u>	<u>2,442,596</u>
<b>Additions to permanent endowments</b>	<u>45,579</u>	<u>53,305</u>
<b>CHANGE IN NET POSITION</b>	2,992,525	998,371
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>15,681,922</u>	<u>14,683,551</u>
<b>NET POSITION AT END OF YEAR</b>	<u><u>\$ 18,674,447</u></u>	<u><u>\$ 15,681,922</u></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, 2013 and 2012**

	2013	2012
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Federal grants and contracts	\$ 11,944,037	\$ 11,382,218
State and local grants and contracts	2,453,777	2,360,077
Nongovernmental grants and contracts	356,330	98,665
Payments to suppliers	(11,619,718)	(10,277,880)
Payments to employees	(5,019,248)	(4,772,631)
Payments to students	(3,120,071)	(3,118,033)
Sales and services of educational activities	143,293	148,830
Sales and services of auxiliary enterprises	4,349,167	3,838,105
Other receipts	58,405	79,341
Net cash used by operating activities	<u>(454,028)</u>	<u>(261,308)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>		
Gifts and grants received for other than capital purposes	2,082,977	1,637,768
Monies received on behalf of others	3,999,068	4,078,657
Monies disbursed on behalf of others	<u>(4,358,498)</u>	<u>(3,700,671)</u>
Net cash provided by noncapital financing activities	<u>1,723,547</u>	<u>2,015,754</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>		
Acquisitions of capital assets	(98,213)	(21,694)
Principal paid on capital debt and lease	(8,592)	(8,194)
Interest paid on capital debt and lease	<u>(10,614)</u>	<u>(11,012)</u>
Net cash used by capital and related financing activities	<u>(117,419)</u>	<u>(40,900)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Proceeds from sales and maturities of investments	5,187,939	4,693,542
Purchases of investments	<u>(6,412,871)</u>	<u>(5,496,430)</u>
Net cash used by investing activities	<u>(1,224,932)</u>	<u>(802,888)</u>
Net (decrease)/increase in cash and cash equivalents	(72,832)	910,658
Cash and cash equivalents at beginning of year	<u>1,296,435</u>	<u>385,777</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 1,223,603</u></b>	<b><u>\$ 1,296,435</u></b>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>		
Operating loss	\$ (977,610)	\$ (1,497,530)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	46,313	56,933
Gift annuity receivable	(113,600)	(2,262)
Postemployment benefits other than pensions payable	383,740	403,034
Change in assets and liabilities:		
Accounts receivable	357,546	534,989
Pledges receivable	246,793	-
Prepaid and other assets	(57,503)	44,526
Accounts payable and amounts payable to the University	(207,758)	273,084
Accrued salaries and benefits	(910)	13,829
Accrued compensated absences	(3,383)	44,736
Unearned revenue	(146,309)	107,671
Other liabilities	18,653	(240,318)
Net cash used provided by operating activities	<u>\$ (454,028)</u>	<u>\$ (261,308)</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, 2013 and 2012**

### **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, 2013 and 2012**

**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 position 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 position 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.

**(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 position 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, and prepaid expenditures.



**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2013 and 2012**

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

***(h) Capital Assets***

Capital assets are stated at cost or estimated historical cost if purchased or, at estimated fair value at date of donation if donated. Capital assets with a value of less than \$5,000 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 three 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) Compensated Absences***

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

***(j) Unearned Revenue***

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

***(k) Other Liabilities***

Other liabilities included sales tax, nonresident alien tax withholding, and miscellaneous payroll withholdings.

**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2013 and 2012**

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

***(l) Net Position***

The Foundation's net position is classified into the following 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 position 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 position 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 position. In addition, unrestricted net position may be designated for use by management of the Foundation.

***(m) Classification of Revenues and Expenses***

The Foundation considers operating revenues and expenses in the statement of revenues, expenses and changes in net position 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.

***(n) 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.

**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2013 and 2012**

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

**(n) *Income Taxes (continued)***

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

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

**(o) *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.

**(p) *Change in Accounting Principle***

As of June 30, 2013, the Foundation adopted new accounting guidance, GASB Statement No. 62, *Codification of Accounting and financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*. *There was no effect on the Foundation's financial statements.*

**(q) *Subsequent Events***

The Foundation has evaluated subsequent events through September 12, 2013 which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2013 and 2012

### **NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS:**

The deposits and investments held at June 30, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Deposits:		
Demand deposits (Category 1)	\$ 669,017	\$ 669,094
Cash equivalents – Cash Reserve Trust Fund (Category 3)	<u>554,586</u>	<u>627,341</u>
	<u>1,223,603</u>	<u>1,296,435</u>
Investments:		
Local Agency Investment Fund	1,107,485	904,264
Money Market Funds	17,350	12,138
Equities	10,986,902	9,137,917
Corporate bonds	3,254,053	2,551,349
Government bonds	<u>3,817,474</u>	<u>3,454,892</u>
	<u>19,183,264</u>	<u>16,060,560</u>
Total deposits and investments	<u>\$20,406,867</u>	<u>\$17,356,995</u>
Reconciliation to statement of net position		
Current:		
Cash and cash equivalents	\$ 828,752	\$ 838,886
Investments	1,107,485	904,264
Noncurrent:		
Cash equivalents	394,851	457,549
Investments – Endowment	11,770,939	9,701,670
Investments – Other long term	<u>6,304,840</u>	<u>5,454,626</u>
	<u>\$20,406,867</u>	<u>\$17,356,995</u>

The deposits of the Foundation are maintained at financial institutions and are in category 1, fully insured or collateralized. The Cash equivalents – Cash Reserve Trust Fund are in category 3, uninsured and uncollateralized as prescribed by GASB Statement No. 3, as amended by GASB Statement No. 40.

# **CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2013 and 2012**

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

The Foundation also maintains investments with the State of California Local Agency Investment Fund (LAIF) amounting to \$1,107,485 and \$904,264 as of June 30, 2013 and 2012. 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.

#### **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 the financial institution, reported as components of cash had bank balances of \$1,153,424 for 2013 and \$1,518,035 for 2012. As of June 30, 2013 \$250,000 of these balances are insured under the Federal Deposit Insurance Corporation (FDIC). The remaining \$903,424 is at risk.

#### **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, 2013 and 2012

### 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 position:

#### **Investment Income for 2013**

	<u>Unrestricted</u>	<u>Endowment</u>	<u>Total</u>
Interest and dividends	\$ 157,984	\$ 305,211	\$ 463,195
Realized gain on sales, net	280,099	286,032	566,131
Unrealized gain, net	<u>436,512</u>	<u>836,570</u>	<u>1,273,082</u>
Total investment income	874,595	1,427,813	2,302,408
Management fees	<u>(42,237)</u>	<u>(362,399)</u>	<u>(404,636)</u>
Net investment income	\$ <u>832,358</u>	\$ <u>1,065,414</u>	\$ <u>1,897,772</u>

#### **Investment Income for 2012**

	<u>Unrestricted</u>	<u>Endowment</u>	<u>Total</u>
Interest and dividends	\$ 139,497	\$ 265,279	\$ 404,776
Realized gain on sales, net	192,194	317,656	509,850
Unrealized loss, net	<u>(221,951)</u>	<u>(337,315)</u>	<u>(559,266)</u>
Total investment income	109,740	245,620	355,360
Management fees	<u>(37,499)</u>	<u>(114,697)</u>	<u>(152,196)</u>
Net investment income	\$ <u>72,241</u>	\$ <u>130,923</u>	\$ <u>203,164</u>

**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2013 and 2012**

**NOTE 4 - ACCOUNTS RECEIVABLE:**

Accounts receivable consisted of the following at June 30, 2013 and 2012, respectively:

	<u>2013</u>	<u>2012</u>
Grants receivable	\$1,657,972	\$2,112,348
Advances	26,259	44,871
Other	<u>445,278</u>	<u>315,956</u>
	2,129,509	2,473,173
Less allowance for doubtful accounts	<u>(195,590)</u>	<u>(181,708)</u>
Total	<u>\$1,933,919</u>	<u>\$2,291,465</u>

**NOTE 5 – PLEDGE RECEIVABLE:**

Pledge receivables consisted of the following at June 30, 2013 and 2012, respectively:

	<u>2013</u>	<u>2012</u>
Due within 1 year	\$ 419,188	\$ 333,333
Due within 2 to 5 years		333,334
Less discount to reflect present value		<u>(686)</u>
	<u>\$ 419,188</u>	<u>\$ 665,981</u>

In July 2011, the Foundation received a three-year pledge of \$1,000,000 from the Annenberg Foundation. Also in June 2013, the Foundation received a pledge for \$85,854 from the Science, Technology, Engineering, and Math (STEM) Advantage. These pledges are expected to be fully realized. Therefore, no allowance for uncollectible has been recognized.

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## NOTES TO BASIC FINANCIAL STATEMENTS For the Years Ended June 30, 2013 and 2012

### **NOTE 6 - CAPITAL ASSETS:**

Capital asset activity for the years ended June 30, 2013 and 2012 consisted of the following:

#### **June 30, 2013**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Equipment	\$ 404,187	\$ 98,213	\$ -	\$ 502,400
Buildings	769,643			769,643
Leasehold improvements	418,073			418,073
Furniture and fixtures	<u>72,020</u>			<u>72,020</u>
	1,663,923	98,213	-	1,762,136
Less accumulated depreciation	<u>(1,109,970)</u>	<u>(46,313)</u>	<u>-</u>	<u>(1,156,283)</u>
Net capital assets	<u>\$ 553,953</u>	<u>\$ 51,900</u>	<u>\$ -</u>	<u>\$ 605,853</u>

#### **June 30, 2012**

Equipment	\$ 382,493	\$ 21,694	\$ -	\$ 404,187
Buildings	769,643			769,643
Leasehold improvements	418,073			418,073
Furniture and fixtures	72,020			72,020
Construction in Progress	<u>55,309</u>		55,309	<u>-</u>
	1,697,538	21,694	55,309	1,663,923
Less accumulated depreciation	<u>(1,053,037)</u>	<u>(56,933)</u>	<u>-</u>	<u>(1,109,970)</u>
Net capital assets	<u>\$ 644,501</u>	<u>\$ (35,239)</u>	<u>\$ 55,309</u>	<u>\$ 553,953</u>



**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2013 and 2012**

**NOTE 7 - DEPOSITORY ACCOUNTS:**

Deposits held in custody for others which are comprised of cash and investments as of June 30, 2013 and 2012 are summarized as follows:

	<u>2013</u>	<u>2012</u>
Dominguez Hills Corporation	\$ 53,014	\$ 53,845
Loker University Student Union, Inc.	398,549	761,472
Associated Students, Inc.	<u>50,783</u>	<u>46,459</u>
Total deposits held in custody for others	\$ <u>502,346</u>	\$ <u>861,776</u>

**NOTE 8 - 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 modified in January 2011, provides for monthly interest and principal payments of \$1,600 and will mature as of the fiscal year ending June 30, 2030. The note bears interest at 4.75% and is secured by the deed of trust.

A summary of current year activity on the loan for the year ended June 30, 2013 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Mortgage payable	<u>\$228,064</u>	<u>\$ -</u>	<u>\$ 8,592</u>	<u>\$219,472</u>

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## NOTES TO BASIC FINANCIAL STATEMENTS For the Years Ended June 30, 2013 and 2012

### **NOTE 8 - LONG-TERM LIABILITY - MORTGAGE PAYABLE: (continued)**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
2014	\$ 8,947	\$ 10,259	\$ 19,206
2015	9,408	9,798	19,206
2016	9,865	9,341	19,206
2017	10,345	8,861	19,206
2018	10,847	8,359	19,206
2019-2023	62,661	33,366	96,027
2024-2028	79,422	16,605	96,027
2029-2030	<u>27,977</u>	<u>1,046</u>	<u>29,023</u>
Total	<u>\$ 219,472</u>	<u>\$ 97,635</u>	<u>\$ 317,107</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 was for ten years, commencing June 1, 2000, and ending May 31, 2010. The lease was subsequently extended through June 30, 2020. 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.

### **NOTE 9 - OPERATING LEASE:**

The Foundation entered into a sublease with the Donald P. & Katherine B. Loker University Student Union (Union) on November 1, 2006 extended to June 30, 2017 for rental of the food service area located in the Union building. Payments of rental fees are made by the Foundation on a quarterly basis. Rental fees paid for the year ended June 30, 2013 and 2012 amounted to \$22,959 and \$22,625 respectively.

# **CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2013 and 2012**

### **NOTE 10 - ENDOWMENT:**

The Foundation has a policy of distributing the average annual appreciation (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. For the year ended June 30, 2013, the net amount of appreciation available for authorization for expenditure was \$1,972,557 and was reported in unrestricted net assets.

### **NOTE 11 - 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 organizations. 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, 2013 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, 2013 and 2012, the Foundation's annual TIAA CREF pension cost totaled \$196,981 and \$173,517, respectively.

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## NOTES TO BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2013 and 2012

### 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.

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Foundation has recorded the cost and obligation of these benefits in the basic 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 No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Foundation's annual OPEB cost for the year, the amount actually contributed, and changes in the OPEB obligation:

	<u>2013</u>	<u>2012</u>
Annual required contribution	\$ 498,155	\$ 457,474
Interest on net OPEB obligation	94,122	75,985
Adjustment to annual required contribution	<u>(100,632)</u>	<u>(78,563)</u>
Annual OPEB cost (expense)	491,645	454,896
Contributions (trust deposit)	(45,000)	-
Contributions (retiree benefit cost)	<u>(62,905)</u>	<u>(51,862)</u>
Change in net OPEB obligation	383,740	403,034
Net OPEB obligation - beginning of year	<u>2,091,596</u>	<u>1,688,562</u>
Net OPEB obligation - end of year	<u><u>\$ 2,475,336</u></u>	<u><u>\$ 2,091,596</u></u>

**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2013 and 2012**

**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:

<b><u>Fiscal Year Ended</u></b>	<b><u>Annual OPEB Cost</u></b>	<b><u>Percentage of Annual OPEB Cost Contributed</u></b>	<b><u>Net OPEB Obligation</u></b>
6/30/2011	\$ 420,426	11.4%	\$1,688,562
6/30/2012	454,896	11.4%	2,091,596
6/30/2013	491,645	21.9%	2,475,336

**Funding Status and Funding Progress**

Beginning in fiscal year ending June 2011, the Foundation participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association) and contributed \$45,000 in fiscal year ending June 2013. The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding post-retirement healthcare benefits for recognized auxiliaries of the California State University System. The plan does not issue separate financial statements.

As of July 1, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) was \$3,391,687. This estimated liability is updated with an actuarial study every three years.

Actuarial valuations of an ongoing benefit plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of postemployment healthcare benefits funding progress, presented as required supplementary information following the notes to the financial statements, presents 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, 2013 and 2012**

**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, 2011 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 No. 45. The remaining amortization period will end on June 30, 2037.

**NOTE 13 - COMMITMENTS:**

The operation of the University bookstore is contracted to an outside vendor whose contract 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 \$359,705 and \$379,202 for the years ended June 30, 2013 and 2012, 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, 2013 and 2012 amounted to \$19,528 and \$23,398 respectively.

# **CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2013 and 2012**

### **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. 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, 2013. 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, 2013 and 2012 amounted to \$49,389 and \$49,358 respectively.

On January 1, 2010, the Foundation entered into a sponsorship agreement with a major beverage corporation to give exclusive beverage availability and merchandising rights on the University campus for a five year period ending December 31, 2014. In connection with the contract, the sponsor agreed to pay the Foundation \$80,000 in year one, then \$75,000 in years two through five. The sponsor also agreed to provide an annual marketing allowance up to \$5,000 in wholesale cost as well as annual product donations and sales based commission. Commission received on this contract, included in sales and services of auxiliary enterprises, for the years ended June 30, 2013 and 2012 amounted to \$89,544 and \$16,634 respectively.

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 had the option of extending this lease for ten consecutive periods of one year. However, due to the closure and remodel of the Loker Student Union this was extended through February 11, 2013. The tenant has exercised their option through February 11, 2013, however the Foundation elected not to renew the contract upon expiration. In connection with the contract, the Foundation shall receive 12% 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, 2013 and 2012 amounted to \$10,406 and \$23,408 respectively.

# **CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Years Ended June 30, 2013 and 2012**

### **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, 2007 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, 2013 and 2012 amounted to \$32,627 and \$33,178 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, 2007 and automatically renews for an additional five years. On March 19, 2013 the contract was reassigned to a new operator for an additional five year term which expires on March 19, 2018 without an option to renew. 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 years ended June 30, 2013 and 2012 amounted to \$22,110 and \$17,536 respectively.

In December 2012, the Foundation entered into an agreement with an external vendor to provide vending services to the University. In connection with the contract, the Foundation received 10.0% 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, 2013 and 2012 amounted to \$15,991 and \$9,655 respectively. The agreement is for five years with the option of extending this lease for an additional five years.

### **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, 2013 and 2012 totaled \$1,009,907 and \$1,172,058, respectively. Receivables from the University at June 30, 2013 totaled \$129,440 with no receivable at June 30, 2012. Amounts receivable from other University auxiliaries totaled \$90,955 and \$41,818 at June 30, 2013 and 2012, respectively. Amounts payable to other University auxiliaries totaled \$420 and \$41,652 at June 30, 2013 and 2012, 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 \$50,588 and \$50,511 for the years ended June 30, 2013 and 2012, respectively.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

**SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS**

**For the Fiscal Year Ended June 30, 2013**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (AVA)</b>	<b>Actuarial Accrued Liability (Unit Cost Method) (AAL)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funding Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
7/1/2008	\$ -	\$ 4,074,912	\$ 4,074,912	0.0%	\$1,881,000	216.64%
7/1/2011*	-	3,391,687	3,391,687	0.0%	2,032,250	166.89%

\*The valuation date is July 1, 2011. The valuation results were “rolled back” actuarially to July 1, 2010 in order to coincide with the Foundation’s fiscal year. The contribution of \$45,000 during the 2012-13 fiscal year will be reflected in the next actuarial report.

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, 2013**

**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 Position

June 30, 2013

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 828,752
Short-term investments	1,107,485
Accounts receivable, net	1,933,919
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	419,188
Prepaid expenses and other assets	104,917
Total current assets	<u>4,394,261</u>

Noncurrent assets:

Restricted cash and cash equivalents	394,851
Accounts receivable, net	232,417
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	11,770,939
Other long-term investments	6,304,840
Capital assets, net	605,853
Other assets	—
Total noncurrent assets	<u>19,308,900</u>
Total assets	<u>23,703,161</u>

Deferred outflows of resources:

Unamortized loss on refunding(s)	—
Total deferred outflows of resources	<u>—</u>

Liabilities:

Current liabilities:

Accounts payable	1,594,876
Accrued salaries and benefits payable	64,800
Accrued compensated absences— current portion	142,229
Unearned revenue	—
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	8,947
Self-insurance claims liability – current portion	—
Depository accounts	—
Other liabilities	29,655
Total current liabilities	<u>1,840,507</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	—
Unearned revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	210,525
Self-insurance claims liabilities, net of current portion	—
Depository accounts	502,346
Other postemployment benefits obligation	2,475,336
Other liabilities	—
Total noncurrent liabilities	<u>3,188,207</u>
Total liabilities	<u>5,028,714</u>

Deferred inflows of resources:

Deferred inflows from SCAs, grants, and others	—
Total deferred inflows of resources	<u>—</u>

Net Position:

Net investment in capital assets	386,381
Restricted for:	
Nonexpendable – endowments	5,902,828
Expendable:	
Scholarships and fellowships	1,642,941
Research	—
Loans	—
Capital projects	1,499
Debt service	—
Other	—
Unrestricted	<u>10,740,798</u>
Total net position	<u>\$ 18,674,447</u>

See the accompanying independent auditor's report.

**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2013

(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$ 0 )	\$ —
Grants and contracts, noncapital:	
Federal	11,457,165
State	2,453,777
Local	—
Nongovernmental	356,330
Sales and services of educational activities	143,293
Sales and services of auxiliary enterprises (net of scholarship allowances of \$ 0 )	4,088,553
Other operating revenues	58,405
<b>Total operating revenues</b>	<b>18,557,523</b>

Expenses:

Operating expenses:

Instruction	4,503,652
Research	4,306,680
Public service	—
Academic support	2,394,413
Student services	54,591
Institutional support	1,370,991
Operation and maintenance of plant	—
Student grants and scholarships	3,120,071
Auxiliary enterprise expenses	3,738,422
Depreciation and amortization	46,313
<b>Total operating expenses</b>	<b>19,535,133</b>
<b>Operating income (loss)</b>	<b>(977,610)</b>

Nonoperating revenues (expenses):

State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	2,037,398
Investment income (loss), net	1,897,772
Endowment income (loss), net	—
Interest Expenses	(10,614)
Other nonoperating revenues (expenses)	—
<b>Net nonoperating revenues (expenses)</b>	<b>3,924,556</b>

**Income (loss) before other additions** 2,946,946

State appropriations, capital	—
Grants and gifts, capital	—
<b>Additions (reductions) to permanent endowments</b>	<b>45,579</b>
<b>Increase (decrease) in net position</b>	<b>2,992,525</b>

Net position:

Net position at beginning of year, as previously reported	15,681,922
Restatements	—
<b>Net position at beginning of year, as restated</b>	<b>15,681,922</b>
<b>Net position at end of year</b>	<b>\$ 18,674,447</b>

See the accompanying independent auditor's report.

**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2013**

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Endowment Fund</u>	<u>Plant Fund</u>	<u>Total</u>
<b>REVENUES:</b>					
Federal	\$ -	\$ 11,457,165	\$ -	\$ -	\$ 11,457,165
State and local		2,453,777			2,453,777
Nongovernmental	1,458,645	935,083	45,579		2,439,307
Sales and services of educational activities	143,293				143,293
Sales and services of auxiliary enterprises	4,088,553				4,088,553
Investment income	832,358		1,065,414		1,897,772
Other operating revenues	58,405				58,405
Transfers	(276,796)	411,902	(195,598)	60,492	-
<b>TOTAL REVENUES</b>	<u>6,304,458</u>	<u>15,257,927</u>	<u>915,395</u>	<u>60,492</u>	<u>22,538,272</u>
<b>EXPENSES:</b>					
Instruction		4,503,652			4,503,652
Research		4,306,680			4,306,680
Academic support	936,267	1,458,146			2,394,413
Student services		54,591			54,591
Institutional support		1,370,991			1,370,991
Scholarships and fellowships		3,120,071			3,120,071
Depreciation	46,313				46,313
Interest expense	10,614				10,614
Auxiliary expenditures	3,738,422				3,738,422
<b>TOTAL EXPENSES</b>	<u>4,731,616</u>	<u>14,814,131</u>	<u>-</u>	<u>-</u>	<u>19,545,747</u>
<b>INCREASE IN NET POSITION</b>	1,572,842	443,796	915,395	60,492	2,992,525
<b>BEGINNING NET POSITION</b>	<u>9,169,455</u>	<u>1,199,145</u>	<u>4,987,433</u>	<u>325,889</u>	<u>15,681,922</u>
<b>ENDING NET POSITION</b>	<u>\$ 10,742,297</u>	<u>\$ 1,642,941</u>	<u>\$ 5,902,828</u>	<u>\$ 386,381</u>	<u>\$ 18,674,447</u>

See the accompanying independent auditor's report.

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## Other Information June 30, 2013 (for inclusion in the California State University)

### 1 Restricted cash and cash equivalents at June 30, 2013: Portion of restricted cash and cash equivalents related to endowments All other restricted cash and cash equivalents

\$	394,851
\$	<u>394,851</u>

### 2.1 Composition of investments at June 30, 2013:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	1,107,485	-	1,107,485	-	-	-	1,107,485
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF)	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	974,252	2,279,801	3,254,053	3,254,053
Equity securities	-	-	-	4,089,413	6,897,489	10,986,902	10,986,902
Fixed income securities (Treasury notes, GNMA's)	-	-	-	1,223,825	2,593,649	3,817,474	3,817,474
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	7,045	-	7,045	7,045
Money Market funds	-	-	-	10,305	-	10,305	10,305
Collateralized mortgage obligations:	-	-	-	-	-	-	-
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Partnership interests (includes private pass-through)	-	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Other major investments:	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	1,107,485	-	1,107,485	6,304,840	11,770,939	18,075,779	19,183,264
Less endowment investments (enter as negative number)	-	-	-	-	(11,770,939)	(11,770,939)	(11,770,939)
Total investments	1,107,485	-	1,107,485	6,304,840	-	6,304,840	7,412,325

See the accompanying independent auditor's report.



# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## Other Information June 30, 2013 (for inclusion in the California State University)

<b>2.2 Investments held by the University under contractual agreements at June 30, 2013:</b>	
Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2013 :	
<b>2.3 Restricted current investments at June 30, 2013 related to:</b>	
Add description	\$
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
<b>Total restricted current investments at June 30, 2013</b>	<b>\$</b>
<b>2.4 Restricted noncurrent investments at June 30, 2013 related to:</b>	
Endowment investment	\$
Add description	11,770,939
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
<b>Total restricted noncurrent investments at June 30, 2013</b>	<b>\$</b>
	11,770,939

See the accompanying independent auditor's report.

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## Other Information June 30, 2013 (for inclusion in the California State University)

### 3.1 Composition of capital assets at June 30, 2013:

	Balance June 30, 2012	Prior period Adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2013
<b>Nondepreciable/nonamortizable capital assets:</b>								
Land and land improvements	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
<b>Intangible assets:</b>								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-
<b>Total nondepreciable/nonamortizable capital assets</b>	-	-	-	-	-	-	-	-
<b>Depreciable/amortizable capital assets:</b>								
Buildings and building improvements	769,643	-	-	769,643	-	-	-	769,643
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	418,073	-	-	418,073	-	-	-	418,073
Leasehold improvements	476,207	-	-	476,207	98,213	-	-	574,420
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:	-	-	-	-	-	-	-	-
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable capital assets</b>	1,663,923	-	-	1,663,923	98,213	-	-	1,762,136
<b>Total capital assets</b>	1,663,923	-	-	1,663,923	98,213	-	-	1,762,136
<b>Less accumulated depreciation/amortization:</b>								
Buildings and building improvements	(239,322)	-	-	(239,322)	(25,656)	-	-	(264,978)
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(415,364)	-	-	(415,364)	(4,386)	-	-	(419,750)
Personal property:								
Equipment	(455,284)	-	-	(455,284)	(16,271)	-	-	(471,555)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	(1,109,970)	-	-	(1,109,970)	(46,312)	-	-	(1,156,282)
<b>Total capital assets, net</b>	553,953	-	-	553,953	51,900	-	-	605,853

See the accompanying independent auditor's report.

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## Other Information June 30, 2013 (for inclusion in the California State University)

### 3.2 Detail of depreciation and amortization expense for the year ended June 30, 2013:

Depreciation and amortization expense related to capital assets	\$ 46,313
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 46,313

### 4 Long-term liabilities activity schedule:

	Balance June 30, 2012	Prior period adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Balance June 30, 2013	Current portion	Long-term portion
Accrued compensated absences	\$ 145,612	—	—	145,612	158,507	(161,890)	142,229	142,229	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	—	—	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	—	—	—	—	—
Commercial Paper	—	—	—	—	—	—	—	—	—
Note Payable related to SRB	—	—	—	—	—	—	—	—	—
Other:									
Real Property Mortgage	228,064	—	—	228,064	—	(8,592)	219,472	8,947	210,525
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	228,064	—	—	228,064	—	(8,592)	219,472	8,947	210,525
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Unamortized loss on refunding	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	228,064	—	—	228,064	—	(8,592)	219,472	8,947	210,525
Total long-term liabilities	\$ 373,676	—	—	373,676	158,507	(170,482)	361,701	151,176	210,525

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

Year ending June 30:	Principal	Interest	Principal and Interest
2014	—	—	—
2015	—	—	—
2016	—	—	—
2017	—	—	—
2018	—	—	—
2019 - 2023	—	—	—
2024 - 2028	—	—	—
2029 - 2033	—	—	—
2034 - 2038	—	—	—
2039 - 2043	—	—	—
2044 - 2048	—	—	—
2049 - 2053	—	—	—
2054 - 2058	—	—	—
2059 - 2063	—	—	—
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 auditor's report.

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## Other Information June 30, 2013 (for inclusion in the California State University)

### 6 Long-term debt obligation schedule

	Revenue Bonds		All other long-term debt obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Year ending June 30:						
2014	-	-	8,947	10,259	8,947	10,259
2015	-	-	9,408	9,798	9,408	9,798
2016	-	-	9,865	9,341	9,865	9,341
2017	-	-	10,345	8,861	10,345	8,861
2018	-	-	10,847	8,359	10,847	8,359
2019 - 2023	-	-	62,661	33,366	62,661	33,366
2024 - 2028	-	-	79,422	16,605	79,422	16,605
2029 - 2033	-	-	27,977	1,046	27,977	1,046
2034 - 2038	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-
Total	-	-	219,472	97,635	219,472	97,635
	\$	-	-	-	317,107	317,107

### 7 Calculation of net position

	Auxiliary Organizations		Total
	CASB	FASB	
7.1 Calculation of net position - Net investment in capital assets			
Capital assets, net of accumulated depreciation	605,853	-	605,853
Capitalized lease obligations - current portion	-	-	-
Long-term debt obligations - current portion	(8,947)	-	(8,947)
Long-term debt obligations, net of current portion	(210,525)	-	(210,525)
Portion of outstanding debt that is unspent at year-end	-	-	-
Other adjustments: (please list)	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Net position - net investment in capital asset	386,381	-	386,381
7.2 Calculation of net position - Restricted for nonexpendable - endowments			
Portion of restricted cash and cash equivalents related to endowments	394,851	-	394,851
Endowment investments	11,770,939	-	11,770,939
Other adjustments: (please list)	-	-	-
Board designated/quest endowment	(3,698,400)	-	(3,698,400)
Unrestricted	(1,972,557)	-	(1,972,557)
Endowment asset expenditures	(592,005)	-	(592,005)
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Net position - Restricted for nonexpendable - endowments per SNP	5,902,828	-	5,902,828

See the accompanying independent auditor's report.

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## Other Information June 30, 2013 (for inclusion in the California State University)

8	Transactions with Related Entities	Amount
	Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 1,001,564
	Payments to University for other than salaries of University personnel	1,100,476
	Payments received from University for services, space, and programs	230,910
	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)	(1,009,907)
	Other amounts (payable to) University (enter as negative number)	—
	Accounts receivable from University	129,440
	Other amounts receivable from University	—

9	Other Postemployment Benefits Obligation (OPEB)	
	Annual required contribution (ARC)	\$ 498,155
	Contributions during the year	(114,415)
	Increase (decrease) in net OPEB obligation (NOO)	383,740
	NOO - beginning of year	2,091,596
	NOO - end of year	<u>2,475,336</u>

10	Pollution remediation liabilities under GASB Statement No. 49:	Amount
	Description	\$
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Add description	—
	Total pollution remediation liabilities	\$ —
	Less: current portion	—
	Pollution remediation liabilities, net of current portion	<u>—</u>

11	The nature and amount of the prior period adjustment(s) recorded to beginning net position	Net Position Class	Amount Dr. (Cr.)
			\$ 15,681,922
	Net position as of June 30, 2012, as previously reported		—
	Prior period adjustments:		—
	1 (list description of each adjustment)		—
	2 (list description of each adjustment)		—
	3 (list description of each adjustment)		—
	4 (list description of each adjustment)		—
	5 (list description of each adjustment)		—
	6 (list description of each adjustment)		—
	7 (list description of each adjustment)		—
	8 (list description of each adjustment)		—
	9 (list description of each adjustment)		—
	10 (list description of each adjustment)		—
	Net position as of June 30, 2012, as restated		<u>\$ 15,681,922</u>

See the accompanying independent auditor's report.

# CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION

## Other Information June 30, 2013 (for inclusion in the California State University)

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

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

See the accompanying independent auditor's report.