

**ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY,
DOMINGUEZ HILLS**

**Financial Statements and Supplementary
Information for the Year Ended June 30, 2018
and Independent Auditor's Report**

VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Associated Students, Inc.
California State University, Dominguez Hills
Carson, California

We have audited the accompanying financial statements of Associated Students, Inc., California State University, Dominguez Hills as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Associated Students, Inc., California State University, Dominguez Hills as of June 30, 2018, and the respective changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT - Continued

Report on Summarized Comparative Information

We previously audited the Associated Students, Inc., California State University, Dominguez Hills' 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 18, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Associated Students, Inc., California State University, Dominguez Hills.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 7, schedule of changes in the net OPEB liability and related ratios, and schedule of contributions to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The GASB Schedule of Net Position, GASB Schedule of Revenues, Expenses and Changes in Net Position, and Other Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The GASB Schedule of Net Position, GASB Schedule of Revenues, Expenses and Changes in Net Position, and Other Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the GASB Schedule of Net Position, GASB Schedule of Revenues, Expenses and Changes in Net Position, and Other Information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Vorwin, Hahn + Co.

Calabasas, California
September 17, 2018

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

This section of Associated Students, Inc. California State University, Dominguez Hills (ASI) annual financial report presents our discussion and analysis of the financial performance of ASI for the fiscal year ended June 30, 2018. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Introduction to Financial Statements

This annual report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and 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*. For reporting purposes, the University is considered a special-purpose government engaged only in business-type activities, which best represent the activities of ASI.

The financial statements include the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. These statements are supported by the notes to the financial statements and this section. All sections must be considered together to obtain a complete understanding of the financial picture of ASI.

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

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

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

Reporting Entity – ASI is a nonprofit auxiliary organization of California State University, Dominguez Hills (the University). ASI sponsors various campus activities that complement the instructional programs of the University campus.

**ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Summary

ASI operates under an Operating Agreement (the Agreement) with the Board of Trustees of the California State University System (Trustees) that extends through June 30, 2019. The ASI offices are housed in the Donald P. & Katherine B. Loker University Student Union (a separate auxiliary) at California State University, Dominguez Hills. The current ASI lease became effective July 1, 2017 and expired June 30, 2019.

ASI is funded primarily through the receipt of mandatory student fees (identified as Student Activity Fee (SAF) in the University Fee Schedule) established through referenda by a vote of the students and collected by the University at the time of registration, which vary on a per student basis by academic term as follows:

Fall semester	\$70.00
Spring semester	\$65.00
Summer session	\$ 3.00

Portions of the SAF revenues have been designated by various student referenda for support of specific student service programs (Technology Referendum Fees, Child Development Center, Toro Learning Center (formerly Center for Learning and Academic Support Services), Intercollegiate Athletics, and the Multicultural Center). The remainder of such revenues is treated as general funds, which have no restrictions and is used for operating expenses. A vote of the students in Spring 2005 reallocated \$8 per student per Fall and Spring Semester of the Technology Referendum Fee funds to General Funds effective Fall 2005 which expired effective Fall 2011. Through Alternative Consultation, the University President approved continued redirection of this \$8 per semester with an additional \$4.50 per semester. Also approved by Presidential Alternative Consultation is the reallocation of the Technology Referendum Fee providing an additional \$2.50 per semester to the ASI General Fund, an additional \$1.00 per semester to the Child Development Center, an additional \$3.50 per semester to the Toro Learning Center and a decrease of \$7.00 per semester to Technology Referendum Fee. Each referendum supported area presents a proposed annual budget to the ASI Finance Commission for approval.

Students have designated their ASI fees as follows:

Technology Referendum Fee (TRF) -The Technology Referendum Fee was established through a student referendum vote in Fall 1997. A total of \$5.50 per student of Fall and Spring Semester SAF revenue is designated for support of providing technology throughout the campus to improve technological skills of California State University, Dominguez Hills students.

Child Development Center (the Center) - The Child Development Center of California State University Dominguez Hills was founded in 1973. The Center is a campus child care and development program. The primary purpose of the program is to provide affordable and quality childcare and developmental services for children of University students, faculty and staff. A total of \$3.75 per student of Fall and Spring Semester SAF revenue is designated for the support of the Center.

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

Toro Learning Center (TLC) formerly *Center for Learning and Academic Support Services (C.L.A.S.S.)* - The Center provides tutorial support for academic programs throughout the campus. A total of \$6.25 per student of Fall and Spring Semester SAF revenue is designated for support of TLC.

Intercollegiate Athletics (ICA) - Students voted to provide Grants-in-Aid to the University Athletic Program through a series of referenda. Currently, \$14.50 per student of Fall and Spring Semester SAF revenue is designated to enhance the University's Athletic Program.

Multicultural Center (MCC) - The MCC was created to enrich campus life by cultivating and coordinating student-centered multicultural initiatives that enhance understanding and appreciation of the diversity that distinguishes our campus community. Currently \$5.00 per student of Fall and Spring Semester SAF revenue is designated to enhance the University's Multicultural programming.

Analytical Overview

Overview of Changes that Affected ASI during 2017-18

During 2017-18, ASI continued to monitor its operational assets, revenues and expenditures. ASI will now be responsible for the tracking and accounting of assets. The University will no longer provide assets management. The ASI accounting software continues to provide checks and balances in relation to University Accounting which has helped provide better reconciliation and reporting capabilities. Moving the CDC Program Director salary from the CCAMPIS grant to the Center has impacted operational spending. The mid-year retirement of the finance manager prompted the hiring of two new staff members. With the changes in ASI staffing student clubs and organizations will have a dedicated advisor for club finances. Based on student demand ASI hosted a free concert featuring a celebrity artist. This was the first concert ever hosted by ASI. ASI completed an actuarial study for postemployment benefits and will now create a funding policy. The corporate bylaws were updated and approved. Significant changes were the elimination of public affairs commissioner and more detailed impeachment process. Organizational spending continued to focus on strengthening of existing programs and services as well as offering new programs and services to students.

In full compliance with Section 89301 of the California Education Code, ASI utilizes California State University, Dominguez Hills as its accounting service provider. Independently funded student club accounts continue to be accounted for by the California State University, Dominguez Hills Foundation.

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

ASI's significant development for June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>
Assets:			
Current assets	\$ 2,678,953	\$ 2,756,829	\$ (77,876)
Other noncurrent assets	<u>-</u>	<u>986</u>	<u>(986)</u>
Total assets	<u>2,678,953</u>	<u>2,757,815</u>	<u>(78,862)</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:			
Current liabilities	420,747	363,204	57,543
Other noncurrent liabilities	<u>1,155,255</u>	<u>837,862</u>	<u>317,393</u>
Total liabilities	<u>1,576,002</u>	<u>1,201,066</u>	<u>374,936</u>
Deferred inflows of resources	<u>11,669</u>	<u>-</u>	<u>11,669</u>
Net position:			
Invested in capital assets	-	986	(986)
Unrestricted	1,091,282	557,063	534,219
Restricted - expandable	<u>-</u>	<u>998,700</u>	<u>(998,700)</u>
Total net position	<u>\$ 1,091,282</u>	<u>\$ 1,556,749</u>	<u>\$ (465,467)</u>
Operating Revenues:			
Student fees	\$ 1,922,359	\$ 1,859,741	\$ 62,618
Grants and contracts	243,645	211,986	31,659
Other Operating revenues	160,340	131,843	28,497
Nonoperating Revenues (Expenses):			
Investment income	<u>44,951</u>	<u>34,812</u>	<u>10,139</u>
Total revenues	<u>2,371,295</u>	<u>2,238,382</u>	<u>132,913</u>
Operating Expenses:			
Student services	2,624,842	2,267,248	\$ 357,594
Depreciation	<u>986</u>	<u>1,972</u>	<u>(986)</u>
Total operating expenses	<u>2,625,828</u>	<u>2,269,220</u>	<u>356,608</u>
Change in net position	(254,533)	(30,838)	(223,695)
Beginning net position	1,556,749	1,587,587	(30,838)
Restatement adjustment	<u>(210,934)</u>	<u>-</u>	<u>(210,934)</u>
Beginning net position, as restated	<u>1,345,815</u>	<u>1,587,587</u>	<u>(241,772)</u>
Ending net position	<u>\$ 1,091,282</u>	<u>\$ 1,556,749</u>	<u>\$ (465,467)</u>

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

For the year ended June 30, 2018 net assets decreased by \$465,467. Although there was an increase in revenues from student fees a number of factors influenced the overall decrease in net assets. Enactment of the GASB 75 requirement caused postemployment liabilities to increase by \$320,000. ASI anticipates designating funds towards this obligation in the current year. Operating expenses for the ASI Children's Center continue to increase in preparation for NAEYC accreditation. ASI hosted a CSSA conference for the 22 sister campuses. Additionally, increases in active and retired staff increased employee benefits.

The current ASI programs and services offered are consistent with the mission, vision and purpose of the corporation. ASI is committed to providing programming that reflects the organization's emphasis on enhancing student life. ASI will started the process for a new five year strategic plan in April 2018.

Factors Impacting Future Periods

ASI monitors enrollment numbers very closely to determine potential changes in the annual budgeted revenue. The campus continued to increased headcount and higher FTES. CSU enrollment management and policy decisions appear to favor a more robust future. In the upcoming year ASI has increased its headcount projections. Annual budgeted revenue has increased. ASI will focus spending on engaging our constituents to more fully to provide the services that will enhance student life, fund student growth initiatives, and allow for stronger advocacy efforts.

ASI continues to support campus programming through partnerships with campus entities or clubs and organizations. To maximize the sphere of programming offered to the CSUDH community ASI will host large scale events that will enhance pride and school spirit. ASI continues to focus on improved customer service while evaluating the programs and services that are provided to enhance the educational experience. As the ASI student internship program expands students will find added value in the organization. The Child Development Center (the Center) continues to monitor the Federal and State program changes that will have some significant impact in the delivery of services to assist students attending college with child care. ASI must look for opportunities in the university master plan to create new revenue streams. There is a campus discussion around the Loker Student Union and ASI merging. In addition, we are in discussion around the Foundation Infant Toddler Center and ASI Child Development Center merging.

Management will continue to monitor operating costs in both ASI and the Center and review its operations and make adjustments accordingly. In addition, ASI has set up an evaluation process to monitor programs, services and activities provided to the campus community and the recently conducted survey has identified both existing expansion of services needed as well as identified possible new services. ASI completed work on a referendum reallocation campaign. Through Presidential Consultation ASI will strategically divest from annual allocations to University departments and discontinue the Technology Resource Fee. Monies previously allocated to these initiatives will become a part of the ASI General Fund. This will help ASI fund programs and services that meet the needs of constituents, as well as funding opportunities for future years.

It has been a challenging year due to the increases in operating expenses, but both ASI and the Center staff have reacted well to the challenges and continue to keep both organizations operating at optimal performance within the boundaries of the funding received.

Relative to Chancellor's Office Executive Order 1000 (EO 1000), the formula developed by the CFO to recover costs will continue to increase in the current fiscal year. The full fiscal impact of this on ASI continues to be monitored and has yet to be determined.

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
STATEMENT OF NET POSITION
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 156,831	\$ 42,974
Short-term investments	2,355,313	2,581,175
Accounts receivable, net	<u>166,809</u>	<u>132,680</u>
Total current assets	<u>\$ 2,678,953</u>	<u>\$ 2,756,829</u>
Capital assets		
Capital assets, net	<u>(0)</u>	<u>986</u>
Total noncurrent assets	<u>(0)</u>	<u>986</u>
Total assets	<u><u>2,678,953</u></u>	<u><u>2,757,815</u></u>
Deferred outflows of resources		
Net other postemployment benefit obligation	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>-</u>	<u>-</u>
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable	\$ 293,894	\$ 199,671
Accrued compensated absences	1,328	6,236
Unearned revenue	124,977	156,749
Other liabilities	<u>548</u>	<u>548</u>
Total current liabilities	420,747	363,204
Noncurrent liabilities		
Accrued compensated absences, net of current portion	20,621	23,369
Postemployment benefits other than pensions	<u>1,134,634</u>	<u>814,493</u>
Total noncurrent liabilities	<u>1,155,255</u>	<u>837,862</u>
Total liabilities	<u><u>1,576,002</u></u>	<u><u>1,201,066</u></u>
Deferred inflows of resources		
Net other postemployment benefit obligation	<u>11,669</u>	<u>-</u>
Total deferred inflows of resources	<u>11,669</u>	<u>-</u>
Net Position		
Net investment in capital assets	-	986
Unrestricted	1,091,282	557,063
Restricted - expendable	<u>-</u>	<u>998,700</u>
Total net position	<u><u>\$ 1,091,282</u></u>	<u><u>\$ 1,556,749</u></u>

See accompanying auditors' report and notes to financial statements.

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	<u>2018</u>	<u>2017</u>
REVENUES		
Operating revenues:		
Student fees	\$ 1,922,359	\$ 1,859,741
Grants and contracts, noncapital:		
Federal	60,965	62,476
State	182,680	149,510
Other operating revenues	<u>160,340</u>	<u>131,843</u>
Total operating revenues	2,326,344	2,203,570
EXPENSES		
Operating expenses:		
Student services:		
Child Development center	597,596	454,184
Technology	82,488	185,911
Student events	174,049	123,073
Athletics	441,822	377,000
Tutorial	112,500	122,850
Administrative	1,216,387	1,004,230
Depreciation	<u>986</u>	<u>1,972</u>
Total operating expenses	<u>2,625,828</u>	<u>2,269,220</u>
Operating income	<u>(299,484)</u>	<u>(65,650)</u>
Nonoperating revenues (expenses):		
Investment income	<u>44,951</u>	<u>34,812</u>
Nonoperating revenues (expenses)	44,951	34,812
Decrease in Net Position	(254,533)	(30,838)
Net Position at Beginning of Year	1,556,749	1,587,587
Restatement adjustment (Note 10)	<u>(210,934)</u>	<u>-</u>
Net position - beginning of year, as restated	<u>1,345,815</u>	<u>1,587,587</u>
Net Position at End of Year	<u>\$ 1,091,282</u>	<u>\$ 1,556,749</u>

See accompanying auditors' report and notes to financial statements.

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student fees	\$ 1,891,334	\$ 1,815,751
Federal grants and contracts	50,489	21,024
State and local grants and contracts	162,567	143,692
Payments to suppliers	(1,336,080)	(1,367,648)
Payments to employees	(1,081,320)	(824,164)
Other revenues	156,054	87,557
Net cash provided by operating activities	<u>(156,956)</u>	<u>(123,788)</u>
CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	-	-
Net cash used by capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	44,951	34,812
Net purchase of investments	225,862	66,911
Net cash used by investing activities	<u>270,813</u>	<u>101,723</u>
Net increase(decrease) in cash and cash equivalents	113,857	(22,065)
Cash and cash equivalents at beginning of year	<u>42,974</u>	<u>65,039</u>
Cash and cash equivalents at end of year	<u>\$ 156,831</u>	<u>\$ 42,974</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ (299,484)	\$ (65,650)
Adjustments to reconcile operating loss to net cash provided in operating activities:		
Depreciation	986	1,972
Restatement adjustment for postemployment benefit obligation	(210,934)	-
Deferred outflows of resources	-	-
Deferred inflows of resources	11,669	-
Change in assets and liabilities:		
Accounts receivable, net	(34,129)	(96,357)
Accounts payable	94,223	(22,517)
Accrued compensated absences	(7,656)	(1,752)
Unearned revenue	(31,772)	(39,189)
Other liabilities	-	548
Postemployment benefits other than pensions	320,141	99,157
Net cash provided by operating activities	<u>\$ (156,956)</u>	<u>\$ (123,788)</u>

See accompanying auditors' report and notes to financial statements.

**ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

1. ORGANIZATION

Nature of Organization

Associated Students, Inc., California State University, Dominguez Hills (ASI), is a nonprofit auxiliary organization of California State University, Dominguez Hills (the University). ASI sponsors various campus activities that complement the instructional programs of the University campus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Election of Applicable FASB Statements

ASI has elected to follow standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to November 30, 1989, unless those standards conflict with or contradict guidance of the GASB. ASI also has the option of following subsequent private-sector guidance subject to the same limitation. ASI has elected not to adopt the pronouncements issued by the FASB after November 30, 1989.

Financial Reporting Entity

The financial statements include the accounts of ASI. ASI is a government organization under accounting principles generally accepted in the United States of America and is also a component unit of the University, a public university under the California State University system. ASI has chosen to use the reporting model for special-purpose governments engaged only in business type activities.

Basis of Accounting and Reporting

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

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Classification of Current and Noncurrent Assets and Liabilities

ASI 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 ASI 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.

Net Position

ASI's net position is classified into the following net asset categories:

Net investment in capital assets – Capital assets, net of accumulated depreciation. ASI does not have any outstanding principal balances of debt attributable to the acquisition construction, or improvement of those assets.

Unrestricted – All other categories of net position. In addition, unrestricted net position may be designated for use by management of ASI or have legislative or bond indenture requirements associated with their use. These requirements limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be designated to support future operations in these areas. ASI has adopted a policy of utilizing temporarily restricted funds, when available, prior to unrestricted funds.

Restricted – expendable – Net position subject to externally imposed conditions that can be fulfilled by the actions of ASI or by the passage of time.

Deferred Outflows and Deferred Inflows

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

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

ASI considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. The deposits of ASI are maintained at financial institutions and are fully insured or collateralized. The carrying amount of the ASI's deposits represents the bank balance adjusted for outstanding checks and deposits in transit.

The ASI, through the University, maintains its cash balance at one financial institution and is exposed to credit risk for amounts exceeding federally insured limits (\$250,000) in the event of nonperformance by the financial institution. The University has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash and cash equivalents. There is no cash balance exceeding the federally insured limits at June 30, 2018.

Short-Term Investments

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

Accounts Receivables, Net

Accounts receivables are primarily unsecured amounts due from grantors on cost reimbursement or performance grants, student fees and parent fees. Receivables are stated at the amount management expects to collect from outstanding balances. The accounts receivable totaled \$166,809 at June 30, 2018. Management provides for probable uncollectible amounts through a provision for an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Capital Assets

Capital assets are stated at cost or estimated historical cost if purchased, or if donated at estimated fair value at date of donation. Capital assets with a value of less than \$5,000 are not capitalized. ASI 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 is held by ASI. 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.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Unearned Revenue

Unearned revenue consists primarily of fees collected in advance for summer school and fall semester.

Accrued Compensated Absences

Accrued compensated absences are accrued on a monthly basis based on length of service and job classification. Full-time employees accrue vacation time based upon job classification and years of service to ASI as follows:

<u>Years Employed</u>	<u>Annualized Accrual</u>
0 - 3 years	10 Days
4 - 6 years	15 Days
7 - 15 years	20 Days
16 + years	24 Days
Management Employees	24 Days

Accrued leave will be paid at the time of termination. Total accrued compensated absences at June 30, 2018 was \$21,949.

Classification of Revenues and Expenses

ASI considers operating revenues and expenses in the statements of revenues, expenses, and changes in net position to be the revenues and expenses that result from exchange transactions or from other activities that are connected directly to the ASI'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 consist of net investment income and the disposition of research equipment.

Government Revenue

Government revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Government revenue from federal agencies is subject to independent audit required by the Uniform Guidance and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, ASI's management believes that costs ultimately disallowed, if any, would not materially affect the net position of ASI.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

ASI is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

ASI 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 ASI'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.

ASI's Forms 990, *Return of Organization Exempt from Income Tax*, for each of the three years ended June 30, 2017, 2016, and 2015, are subject to examination by the IRS, generally for 3 years after they were filed.

Estimates

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Management also determines the accounting principles to be used in the preparation of the financial statements. A description of the significant accounting policies employed in the preparation of these financial statements follows.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ASI's financial statements for the year ended June 30, 2017 from which the summarized information was derived.

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NOTES TO FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements

ASI reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value in accordance with GASB 72, *Fair Value Measurement and Application*. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The three levels of inputs used to measure fair value are as follows:

- *Level 1* - Quoted prices for identical assets or liabilities in active markets to which ASI has access at the measurement date.
- *Level 2* - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets in markets that are not active;
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3* – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents, accounts receivable and related party receivables approximate fair value because of the terms and relatively short maturity of these financial instruments. The investments are valued at quoted market prices, which represent the net asset value held by ASI at year end.

The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, ASI measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

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FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

3. INVESTMENTS

At June 30, 2018, the investment portfolio of the ASI consists of investments held in the California State University investment pool. Investments related to ASI are carried in the investment pool in the name of the University, but are distinguished from investments of the University in the University's financial records. Gains and losses on the investments of the ASI are recorded separately from those related to the investments of the University.

None of ASI's investments are represented by specific identifiable investment securities and, accordingly, are not subject to custodial risk categorization as prescribed by GASB Statement No. 3, and as amended by GASB No. 40.

ASI measures fair value in accordance with GASB 72, *Fair Value Measurement and Application*. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires the ASI to develop its own assumptions. ASI uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, ASI measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Assets reported at fair value at June 30, 2018, are Level 1 and Level 2 inputs.

Investments consist of the following at June 30, 2018:

	Fair Value Measurements Using				Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	
Asset Backed Securities	\$ -	\$ 171,505	\$ -	\$ -	\$ 171,505
Certificates of Deposit	-	118,428	-	-	118,428
Corporate Bonds	-	670,454	-	-	670,454
Money Market Funds	-	-	-	5,721	5,721
Mortgage Backed Securities	-	158	-	-	158
Municipal Bonds	-	30,372	-	-	30,372
Mutual Fund	-	74,919	-	-	74,919
Repurchase Agreement	-	5,990	-	-	5,990
U.S. Agency Securities	-	692,239	-	-	692,239
U.S. Treasury Securities	-	585,527	-	-	585,527
Total	<u>\$ -</u>	<u>\$2,349,592</u>	<u>\$ -</u>	<u>\$ 5,721</u>	<u>\$2,355,313</u>

ASSOCIATED STUDENTS, INC.
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3. INVESTMENTS - Continued

At June 30, 2018, ASI did not have any investments measured using Level 1 and 3 inputs. The composition of the investment return reported in the statement of revenues, expenses, and changes in net position is follows:

Investment income	<u>\$ 44,951</u>
Total investment income	<u>\$ 44,951</u>

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the University manages its exposure to interest rate risk is by purchasing a combination of short-term and mid-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or nearing maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The University monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The weighted average maturity of the University's investment portfolio for each investment type as of June 30, 2018 is presented in the table below.

Credit risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following table presents the fair value, weighted average maturity, and actual rating by investment type of the University's investment portfolio as of June 30, 2018:

Investment Type	Fair Value	Weighted Average Maturity in Years	AAA	AA	A	B+	B	Not rated
Asset Backed Securities	\$ 171,505	1.05694	\$ 171,505	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Deposit	118,428	0.20921	43,723	-	74,705	-	-	-
Corporate Bonds	670,454	0.92657	4,658	101,634	564,163	-	-	-
Money Market Funds	5,721	-	-	-	-	-	-	5,721
Mortgage Backed Securities	158	2.18645	-	158	-	-	-	-
Municipal Bonds	30,372	1.15095	11,930	16,916	1,526	-	-	-
Mutual Funds	74,919	5.68226	3,746	16,494	-	4,495	4,495	45,689
Repurchase Agreement	5,990	0.00537	-	-	-	-	-	5,990
U.S. Agency Securities	692,239	0.96169	11,833	680,406	-	-	-	-
U.S. Treasury Securities	<u>585,527</u>	1.20576	-	<u>585,527</u>	-	-	-	-
Total	<u>\$2,355,313</u>		<u>\$ 247,395</u>	<u>\$1,401,135</u>	<u>\$ 640,393</u>	<u>\$4,495</u>	<u>\$4,495</u>	<u>\$57,400</u>

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

4. ACCOUNTS RECEIVABLE, NET

Accounts Receivable, Net at June 30, 2018 consisted of the following:

Student receivables	\$ 29,148
Child Development Center receivables	142,540
Other receivables	6,391
Less allowance for doubtful accounts	<u>(11,270)</u>
Total	<u>\$ 166,809</u>

5. CAPITAL ASSETS

Capital assets for the year ended June 30, 2018 consisted of the following:

	Beginning of Year 7/1/17	Additions	Deletions	End of Year 6/30/18
Computer software	\$ 18,484	\$ -	\$ -	\$ 18,484
Accumulated depreciation	<u>(18,484)</u>	-	-	<u>(18,484)</u>
	-	-	-	-
Equipment	40,818	-	-	40,818
Accumulated depreciation	<u>(39,832)</u>	<u>(986)</u>	-	<u>(40,818)</u>
	<u>986</u>	<u>(986)</u>	-	-
Net Property and Equipment	<u>\$ 986</u>	<u>\$ (986)</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for the year ended June 30, 2018 was \$986.

6. COMPENSATED ABSENCES

Accrued compensated absences at year end are included in accrued expenses and other liabilities in the Statement of Net Position and consists of the following activity during the year ended June 30, 2018:

	Beginning Balance as of July 1, 2017	Additions	Reductions	Ending Balance as of June 30, 2018	Current Portion
Liabilities:					
Compensated absences	\$ 29,605	\$ 27,360	\$ (35,016)	\$ 21,949	\$ 1,328
Total current liabilities, net	<u>\$ 29,605</u>	<u>\$ 27,360</u>	<u>\$ (35,016)</u>	<u>\$ 21,949</u>	<u>\$ 1,328</u>

Accrued compensated absences will be paid at the time of termination.

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NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)

7. PENSION PLAN

ASI provides a variable annuity plan (the Plan) which covers ASI's management and other qualifying participants after the first year of employment. The Plan is a defined contribution plan which provides for an employer contribution in an amount determined from year to year at the employer's discretion to individual accounts of qualifying participants. Matching contributions were \$25,579 for the year ended June 30, 2018. The Plan is administered by various carriers including Metlife, Vanguard and TIAA-CREF.

8. POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

In addition to ASI's employer defined benefit plan, ASI 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 fiscal year ended June 2011, the ASI participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association) and contributed \$50,000 in fiscal year ended June 2012. The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding post-retirement healthcare benefits for recognized auxiliaries of the California State University System. The plan does not issue separate financial statements.

The fair value composition of the Voluntary Employers Beneficiary Association consists of the following at June 30, 2018:

	Fair Value Measurements Using				Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	
Cash	\$ -	\$ -	\$ -	\$ 90	\$ 90
Due From/To Broker	-	-	-	(90)	(90)
Mutual Funds:					
Domestic Equity	34,115	-	-	-	34,115
Fixed Income	29,978	-	-	-	29,978
International Equity	8,412	-	-	-	8,412
Real Estate	4,335	-	-	-	4,335
Total investments	<u>\$ 76,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,840</u>

In accordance with GASB Statement No. 75 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, ASI has recorded the cost and obligation of these benefits in the basic financial statements.

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8. POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued

Total OPEB Liability, Fiduciary Net Position and Net OPEB Liability

In accordance with the parameters of Government Accounting Standards Board Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 75), the OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB that are required to be reported by an employer primarily result from changes in the components of the net OPEB liability—that is, changes in the total OPEB liability and in the OPEB plan’s fiduciary net position.

This statement requires that most changes in the net OPEB liability be included in OPEB expense in the period of the change. For example, changes in the total OPEB liability resulting from current-period service cost, interest on the total OPEB liability, and changes of benefit terms are required to be included in OPEB expense immediately. Projected earnings on the OPEB plan’s investments also are required to be included in the determination of OPEB expense immediately.

In circumstances in which the net OPEB liability is determined based on the results of an actuarial valuation, the effects of certain other changes in the net OPEB liability are required to be included in OPEB expense over the current and future periods. The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

Information about the OPEB Plan

The following is a table of plan participants:

Inactive Employees Receiving Benefits	3
Inactive Employees Entitled but Not Receiving Benefits	0
Participating Active Employees	<u>10</u>
Total Number of Participants	<u>13</u>

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8. POSTEMPLOYMENT HEALTHCARE PLAN – 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 includes the types of benefits provided at the time of each valuation. 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, consistent with the long-term perspective of the calculations.

ASI' net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2017 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Discount Rate	3.63%
Inflation	2.0%
Salary Increases	3.25%
Net Investment Rate of Return	3.63%
Healthcare Cost Trend Rate	Varies from 3.95% to 7.64%
Mortality Rate	CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover	CalPERS Active Mortality for Miscellaneous Employees

Changes in the OPEB Liability

ASI invoked Paragraph 244 of GASB 75 and used a “roll-back” technique to determine the beginning Net OPEB Liability as of June 30, 2016. The following table shows the results of the roll-back:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Rollback balance - June 30, 2016	<u>\$ 1,109,708</u>	<u>\$ (65,372)</u>	<u>\$ 1,044,336</u>
Service cost	81,590	-	81,590
Interest on Total OPEB Liability	42,904	-	42,904
Employer contributions	-	(18,909)	(18,909)
Employee contributions	-	-	-
Actual investment income	-	(7,232)	(7,232)
Administrative expense	-	477	477
Benefit payments	(18,909)	18,909	-
Other	<u>(8,532)</u>	<u>-</u>	<u>(8,532)</u>
Net change	<u>97,053</u>	<u>(6,755)</u>	<u>90,298</u>
Balance at June 30, 2017	<u>\$ 1,206,761</u>	<u>\$ (72,127)</u>	<u>\$ 1,134,634</u>

The Net OPEB Liability is shown as a noncurrent liability on the Schedule of Net Position.

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8. POSTEMPLOYMENT HEALTHCARE PLAN – Continued

Sensitivity of the Net OPEB Liability to Changes in the Discount and Trend Rate

The following presents the net OPEB liability of ASI if it were calculated using a discount rate and trend table that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	<u>NOL</u>	<u>\$ Change</u>	<u>% Change</u>
Discount Rate:			
+1%	\$ 956,912	\$ (177,722)	(16%)
Base	\$ 1,134,634	-	-
-1%	\$ 1,359,495	\$ 224,861	20%
Trend Rate:			
+1%	\$ 1,364,082	\$ 229,448	20%
Base	\$ 1,134,634	-	-
-1%	\$ 959,815	\$ (174,819)	(15%)

Long-Term Expected Rate of Return

As of June 30, 2017, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

<u>Investment Class</u>	<u>Target Allocation</u>	<u>Strategy Expected Real Rate of Return¹</u>	<u>Secular Expected Real Rate of Return¹</u>
Equity	43.00%	3.59%	6.78%
REITs	7.00%	2.80%	5.30%
Fixed Income	50.00%	0.80%	2.60%

¹Morgan Stanley Wealth Management Global Investment Committee/Special Report capital market assumptions (expected inflation of 2.2%).

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8. POSTEMPLOYMENT HEALTHCARE PLAN – Continued

Discount Rate

The discount rate is based on a blend of (a) the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Above are the arithmetic long-term expected real rates of return by asset class for the next 20+ years as provided by Morgan Stanley Wealth Management The Strategic return is based on a seven-year time horizon while the Secular return is based on a 20-year-plus time horizon. Investment expenses were assumed to be 25 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Discount Rate	3.63%	3.63%
Bond Buyer 20-Bond GO Index	2.85%	3.58%

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime

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8. POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

As of fiscal year ended June 30, 2018, ASI reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience in the measurement of the TOL	\$ -	\$ 7,775
Changes in assumptions	-	-
Net difference between projected and actual earnings of OPEB plan investments	-	3,894
Contribution to OPEB plan after measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ 11,669</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Deferred Outflows(Inflows) of Resources</u>
2019	\$ (1,731)
2020	(1,731)
2021	(1,731)
2022	(1,729)
2023	(757)
Thereafter	<u>(3,990)</u>
Total	<u>\$ (11,669)</u>

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8. POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued

For the fiscal year ended June 30, 2018, ASI recognized OPEB expense of \$120,876.

Service Cost	\$ 81,590
Interest on the Total OPEB Liability	42,904
Changes on Benefit Terms	-
Recognized Differences between Expected and Actual Experience	(757)
Recognized Changes of Assumptions	-
Employee Contributions	-
Projected Earnings on OPEB Plan Investments	(2,364)
Recognized Differences Between Projected and Actual Earnings on	
Plan Investments	(974)
Administrative Expense	477
Other Changes in Fiduciary Net Position	-
Aggregate OPEB Expense	<u>\$ 120,876</u>

Interest on the Total OPEB Liability

As of fiscal year ended June 30, 2018, ASI reported interest on the total OPEB liability from the following:

	Amount For Period a	Portion of Period b	Interest Rate c	Interest on the Total OPEB Liability a*b*c
Beginning Total OPEB Liability	\$ 1,109,708	100%	3.63%	\$ 40,282
Service Cost	81,590	100%	3.63%	2,962
Benefit payments, including refunds of employee contribution	(18,909)	50%	3.63%	(340)
Total				<u>\$ 42,904</u>

**ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

8. POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued

Earnings on Plan Fiduciary Net Position

As of fiscal year ended June 30, 2018, ASI reported earnings on plan fiduciary net position from the following:

	Amount For Period <u>a</u>	Portion of Period <u>b</u>	Projected Rate of Return <u>c</u>	Projected Earnings a*b*c <u></u>
Beginning Plan Fiduciary Net Position	\$ 65,372	100%	3.63%	\$ 2,373
Employer Contributions	18,909	50%	3.63%	340
Employee Contributions	-	50%	3.63%	-
Benefits payments, including refunds of employee contributions	(18,909)	50%	3.63%	(340)
Administrative Expense and Other	(477)	50%	3.63%	(9)
Total projected earnings				<u>\$ 2,364</u>

Comparison of Projected and Actual Earnings on Investments

Total Projected Earnings	\$ 2,364
Actual Net Investment Income	<u>7,232</u>
Net difference Between Projected and Actual Earnings on Investments	<u>\$ (4,868)</u>

Funding Status and Funding Progress

As of June 30, 2018 the market value of plan assets was \$76,840. As of June 30, 2017, the most recent actuarial valuation date, the actuarial accrued liability for benefits as well as the unfunded actuarial accrued liability (UAAL) for the year ended June 30, 2018 is \$1,134,634. The covered payroll (annual payroll of active employees covered by the plan) was not available.

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.

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

9. TRANSACTIONS WITH RELATED ENTITIES

ASI leases certain facilities from the Donald P. and Katherine B. Loker University Student Union (Student Union) for a nominal amount. In lieu of rent, ASI administers various student programs. The ASI recognizes expenses related to student programs in student services expense. The current ASI lease became effective July 1, 2017 and expired June 30, 2019.

The University bills ASI for financial administration and other costs including utilities, maintenance, postage, and other reimbursable expenses. Amounts due to the University at June 30, 2018 was \$157,997, and is included in accounts payable in the accompanying statements of net position.

California State University, Dominguez Hills Foundation (Foundation) bills ASI for payroll costs and other costs. Amounts due to the Foundation at June 30, 2018 was \$64,972, and is included in liabilities in the accompanying statement of net position.

10. RESTATEMENT

Net position at the beginning of the year decreased per GASB 75's actuarial report at June 30, 2017 of ASI's postemployment benefit obligation liability by \$210,934 in accordance with generally accepted accounting principles.

11. SUBSEQUENT EVENTS

ASI has evaluated events subsequent to June 30, 2018, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 17, 2018, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS FOR THE
MEASUREMENT PERIODS ENDED JUNE 30,**

<i>Measurement Period</i>	2017
Total OPEB Liability	
Service Cost	\$ 81,590
Interest on the total OPEB liability	42,904
Change of benefit terms	-
Differences between expected and actual experience	(8,532)
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	(18,909)
Net change in total OPEB Liability	97,053
Total OPEB Liability - beginning (a)	1,109,708
Total OPEB Liability - ending (b)	\$ 1,206,761
 Plan Fiduciary Net Position	
Contributions - employer	\$ 18,909
Contributions - employee ³	-
Net investment income	7,232
Benefit payments, including refunds of employee contributions	(18,909)
Administrative expense	(477)
Other	-
Net change in Plan Fiduciary Net Position	6,755
Plan Fiduciary Net Position - beginning (c)	65,372
Plan Fiduciary Net Position - ending (d)	\$ 72,127
Total OPEB Liability - beginning (a) - (c)	1,044,336
Total OPEB Liability - ending (b) - (d)	\$ 1,134,634
 Plan fiduciary net position as a percentage of the total OPEB Liability	6%
Covered-employee payroll	N/A *
 Net OPEB liability as a percentage of covered-employee payroll	N/A

Notes to Schedule:

* Covered payroll not available

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
SCHEDULE OF CONTRIBUTIONS LAST TEN YEARS***

	2018
Plan Year 2016-2017	
Actuarially Determined Contribution (ADC) **	\$ 137,995
Covered-employee payroll***	N/A
Contributions as a percentage of covered-employee payroll	N/A
Contributions to the Trust	-
Pay-go Payments by Employer Unreimbursed by the Trust	18,909
Total OPEB Contributions*	-
Contribution deficiency (excess)	\$ 18,909
 Covered-employee payroll	 N/A
 Contributions as a percentage of covered-employee payroll	 0%

Notes to Schedule:

* ADC and Contributions are for the measurement period July 1, 2016 to June 30, 2017.

** Employers setting a discount rate based on the assumption that assets will be sufficient to cover all future benefit payments under the plan are assumed to annually make contributions equal to the actuarially determined contribution. Annual contributions made that are substantially less than the ADC would require additional support for use of a discount rate equal to the long-term expected return on trust assets. The ADC is based on the actuarial valuation as of the July 1, 2014 report.

*** Covered-Employee Payroll represented above is based on covered-employee payroll provided by the employer. GASB 75 defines covered-employee payroll as the total payroll of employees that are provided OPEBs through the OPEB plan. Accordingly, if OPEB covered-employee payroll shown above is different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payrollrelated ratios.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Straight-line amortization. Certain gain and losses can be deferred over a period of five years
Asset Valuation Method	Market value
Discount Rate	3.63%
Net Investment Return	3.63%
Inflation	2.00%
Salary Increases	3.25%
Healthcare Cost Trend Rate	Varies between 3.95% to 7.64%
Retirement Age	2% @ 55 for employees hired before January 1, 2013 and 2% @ 62 for employees hired after January 1, 2013. Probability of retirement are based on CalPERS Experience Study.
Mortality Rate	CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover	CalPERS Active Mortality for Miscellaneous Employees

**Historical information is required only for measurement periods for which GASB 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.**

OTHER SUPPLEMENTARY INFORMATION

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
GASB SCHEDULE OF NET POSITION
JUNE 30, 2018

Assets:	
Current assets:	
Cash and cash equivalents	\$ 156,831
Short-term investments	2,355,313
Accounts receivable, net	166,809
Capital lease receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	—
Total current assets	<u>2,678,953</u>
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Capital lease receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	—
Other assets	—
Total noncurrent assets	<u>—</u>
Total assets	<u>2,678,953</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Others	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	293,894
Accrued salaries and benefits	—
Accrued compensated absences, current portion	1,328
Unearned revenues	124,977
Capital lease obligations, current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	548
Total current liabilities	<u>420,747</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	20,621
Unearned revenues	—
Grants refundable	—
Capital lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Net other postemployment benefits liability	1,134,634
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	<u>1,155,255</u>
Total liabilities	<u>1,576,002</u>
Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Net OPEB liability	11,669
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
Total deferred inflows of resources	<u>11,669</u>
Net Position:	
Net investment in capital assets	—
Restricted for:	—
Nonexpendable – endowments	—
Expendable:	—
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	1,091,282
Total net position	<u>\$ 1,091,282</u>

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
GASB SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

Revenues:	
Operating revenues:	
Student tuition and fees, gross	\$ 1,922,359
Scholarship allowances (enter as negative)	—
Grants and contracts, noncapital:	
Federal	60,965
State	182,680
Local	—
Nongovernmental	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises, gross	—
Scholarship allowances (enter as negative)	—
Other operating revenues	160,340
	<hr/>
Total operating revenues	2,326,344
	<hr/>
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	2,624,842
Institutional support	—
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	986
	<hr/>
Total operating expenses	2,625,828
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Operating income (loss)	(299,484)
	<hr/>
Nonoperating revenues (expenses):	
State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	44,951
Endowment income (loss), net	—
Interest expense	—
Other nonoperating revenues (expenses) - excl. interagency transfers	—
Other nonoperating revenues (expenses) - interagency transfers	—
	<hr/>
Net nonoperating revenues (expenses)	44,951
	<hr/>
Income (loss) before other revenues (expenses)	(254,533)
	<hr/>
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
	<hr/>
Increase (decrease) in net position	(254,533)
	<hr/>
Net position:	
Net position at beginning of year, as previously reported	1,556,749
Restatements	(210,934)
	<hr/>
Net position at beginning of year, as restated	1,345,815
	<hr/>
Net position at end of year	\$ 1,091,282
	<hr/>

**ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

1	Restricted cash and cash equivalents at June 30, 2018:	
	Portion of restricted cash and cash equivalents related to endowments	\$ —
	All other restricted cash and cash equivalents	—
		<hr/>
	Total restricted cash and cash equivalents	\$ —
		<hr/> <hr/>

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

2.1 Composition of investments at June 30, 2018:

	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)	—	—	—	—	—	—	—
Corporate bonds	670,454	—	670,454	—	—	—	670,454
Certificates of deposit	118,428	—	118,428	—	—	—	118,428
Mutual funds	74,919	—	74,919	—	—	—	74,919
Money Market funds	5,721	—	5,721	—	—	—	5,721
Repurchase agreements	5,990	—	5,990	—	—	—	5,990
Commercial paper	—	—	—	—	—	—	—
Asset backed securities	171,505	—	171,505	—	—	—	171,505
Mortgage backed securities	158	—	158	—	—	—	158
Municipal bonds	30,372	—	30,372	—	—	—	30,372
U.S. agency securities	692,239	—	692,239	—	—	—	692,239
U.S. treasury securities	585,527	—	585,527	—	—	—	585,527
Equity securities	—	—	—	—	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—	—	—
Alternative investments:							
Private equity (including limited partnerships)	—	—	—	—	—	—	—
Hedge funds	—	—	—	—	—	—	—
Managed futures	—	—	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—	—	—
Commodities	—	—	—	—	—	—	—
Derivatives	—	—	—	—	—	—	—
Other alternative investment types	—	—	—	—	—	—	—
Other external investment pools (excluding SWIFT)							
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Other major investments:							
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**ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

2.2 Investments held by the University under contractual agreements at June 30, 2018:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2018 :	2,355,313	—	2,355,313	—	—	—	2,355,313
---	-----------	---	-----------	---	---	---	-----------

2.3 Restricted current investments at June 30, 2018 related to:

	<u>Amount</u>	
Add description	\$ —	
Add description	—	
Add description	—	
Add description	—	
Add description	—	
Add description	—	
Add description	—	
Total restricted current investments at June 30, 2018	\$ —	

2.4 Restricted noncurrent investments at June 30, 2018 related to:

	<u>Amount</u>	
Endowment investment	\$ —	
Scholarships	—	
Inflation reserves	—	
University projects	—	
Add description	—	
Add description	—	
Add description	—	
Total restricted noncurrent investments at June 30, 2018	\$ —	

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

2.5 Fair value hierarchy in investments at June 30, 2018:

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	—	—	—	—	—
Corporate bonds	670,454	—	670,454	—	—
Certificates of deposit	118,428	—	118,428	—	—
Mutual funds	74,919	—	74,919	—	—
Money Market funds	5,721	—	—	—	5,721
Repurchase agreements	5,990	—	5,990	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	171,505	—	171,505	—	—
Mortgage backed securities	158	—	158	—	—
Municipal bonds	30,372	—	30,372	—	—
U.S. agency securities	692,239	—	692,239	—	—
U.S. treasury securities	585,527	—	585,527	—	—
Equity securities	—	—	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	—	—	—	—	—
Hedge funds	—	—	—	—	—
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—
Commodities	—	—	—	—	—
Derivatives	—	—	—	—	—
Other alternative investment types	—	—	—	—	—
Other external investment pools (excluding SWIFT)					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Other major investments:					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Total investments	2,355,313	—	2,349,592	—	5,721

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

3.1 Composition of capital assets at June 30, 2018:

	Balance June 30, 2017	Prior period Adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2018
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	—	—	—	—	—	—	—	—
Intangible assets:								
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	—	—	—	—	—	—	—	—
Depreciable/amortizable capital assets:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	40,818	—	—	40,818	—	—	—	40,818
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	18,484	—	—	18,484	—	—	—	18,484
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
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Add description	—	—	—	—	—	—	—	—
Total intangible assets	18,484	—	—	18,484	—	—	—	18,484
Total depreciable/amortizable capital assets	59,302	—	—	59,302	—	—	—	59,302
Total capital assets	59,302	—	—	59,302	—	—	—	59,302
Less accumulated depreciation/amortization:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	(39,832)	—	—	(39,832)	(986)	—	—	(40,818)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	(18,484)	—	—	(18,484)	—	—	—	(18,484)
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	(18,484)	—	—	(18,484)	—	—	—	(18,484)
Total accumulated depreciation/amortization	(58,316)	—	—	(58,316)	(986)	—	—	(59,302)
Total capital assets, net	\$ 986	—	—	986	(986)	—	—	—

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2018:

Depreciation and amortization expense related to capital assets	\$ 986
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 986

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4 Long-term liabilities activity schedule:

	Balance June 30, 2017	Prior period adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Balance June 30, 2018	Current portion	Long-term portion
Accrued compensated absences	\$ 29,605	—	—	29,605	27,360	(35,016)	21,949	1,328	20,621
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capital lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capital lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	—	—	—	—	—	—	—	—	—
Others: (list by type)									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ 29,605	—	—	29,605	27,360	(35,016)	21,949	1,328	20,621

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5 Future minimum lease payments - Capital lease obligations:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
Total minimum lease payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum lease payments									—
Unamortized net premium (discount)									—
Total capital lease obligations									—
Less: current portion									—
Capital lease obligation, net of current portion									\$ —

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6 Long-term debt obligations schedule

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
	\$ —	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum payments									—
Unamortized net premium (discount)									—
Total long-term debt obligations									—
Less: current portion									—
Long-term debt obligations, net of current portion									\$ —

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7 Calculation of net position

7.1 Calculation of net position - Net investment in capital assets

Capital assets, net of accumulated depreciation	\$	—
Capital lease obligations, current portion		—
Capital lease obligations, net of current portion		—
Long-term debt obligations, current portion		—
Long-term debt obligations, net of current portion		—
Portion of outstanding debt that is unspent at year-end (enter as positive number)		—
Other adjustments: (please list)		
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
		—
Net position - Net investment in capital assets	\$	—

7.2 Calculation of net position - Restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	\$	—
Endowment investments		—
Other adjustments: (please list)		
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
		—
Net position - Restricted for nonexpendable - endowments	\$	—

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8 Transactions with related entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ —
Payments to University for other than salaries of University personnel	622,762
Payments received from University for services, space, and programs	17,898
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	79,899
Accounts (payable to) University (enter as negative number)	(157,597)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University (enter as positive number)	12
Other amounts receivable from University	—

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- 9 Other postemployment benefits (OPEB) liability**
Intentionally left blank - not required/applicable eff FY17/18

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10 Pollution remediation liabilities under GASB Statement No. 49:

Description	Amount
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total pollution remediation liabilities	\$ —
Less: current portion	—
Pollution remediation liabilities, net of current portion	—

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

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 2017, as previously reported		\$ 1,556,749
Prior period adjustments:		
1 Restatement of Net Assets due to GASB75	Unrestricted	(210,934)
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, 2017, as restated		<u>\$ 1,345,815</u>

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: Unrestricted		
1 (breakdown of adjusting journal entry)		
Post-employment health benefits	\$ 120,876	
Deferred inflows-Net OPEB liabilities		11,669
2 Net Assets - Unrestricted	210,934	
Net OPEB liability		320,141
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)	—	—

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12 Natural Classifications of Operating Expenses

	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	—	—	—	—	—	—
Research	—	—	—	—	—	—
Public service	—	—	—	—	—	—
Academic support	—	—	—	—	—	—
Student services	826,497	313,421	453,822	1,031,102	—	2,624,842
Institutional support	—	—	—	—	—	—
Operation and maintenance of plant	—	—	—	—	—	—
Student grants and scholarships	—	—	—	—	—	—
Auxiliary enterprise expenses	—	—	—	—	—	—
Depreciation and amortization	—	—	—	—	986	986
Total	826,497	313,421	453,822	1,031,102	986	2,625,828