

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

**Financial Statements and Supplementary  
Information for the Year Ended June 30, 2014  
and Independent Auditor's Report**

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
TABLE OF CONTENTS**

	<b>Page</b>
<b>FINANCIAL STATEMENTS</b>	
Independent Auditors' Report	1
Management's Discussion and Analysis (Unaudited)	4
Statement of Net Position	9
Statement of Revenues, Expenses, and Changes in Net Position	10
Statement of Cash Flows	11
Notes to Financial Statements	12
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Postemployment Healthcare Benefits Funding Progress	21
Notes to Postemployment Healthcare Benefits Funding Progress	22
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23
GASB Statement of Net Position	25
GASB Statement of Revenues, Expenses, and Changes in Net Position	26
Other Information	27

## **INDEPENDENT AUDITOR'S 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, 2014, 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.

### ***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 of 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.

## INDEPENDENT AUDITORS' REPORT - Continued

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, Inc., California State University, Dominguez Hills as of June 30, 2014, 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.

### *Report on Summarized Comparative Information*

Another auditor previously audited the Associated Students, Inc., California State University, Dominguez Hills' 2013 financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated September 10, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, 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 4 through 8 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.

## INDEPENDENT AUDITORS' REPORT - Continued

### *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, expenses by natural classification, 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, expenses by natural classification, and other information are 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 8, 2014, on our consideration of Associated Students, Inc., California State University, Dominguez Hills' 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 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 Associated Students, Inc., California State University, Dominguez Hills' internal control over financial reporting and compliance.

*Vorwin, Hahn + Co.*

Calabasas, California  
September 8, 2014

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014. 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)  
FOR THE YEAR ENDED JUNE 30, 2014**

**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 June 25, 2012 and extends through June 30, 2017.

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 which will expire at the end of Spring 2015. 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 \$12.50 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 \$2.75 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)**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(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. The Center is funded in part by mandatory registration fee revenue; a total of \$2.75 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 2013-14**

During 2013-14, ASI continued to monitor its operational assets, revenues and expenditures. ASI improved the process for tracking and accounting of assets, as well as created unallocated reserve spending policies. The ASI accounting software continues to provide checks and balances in relation to University Accounting which has helped provide better reconciliation and reporting capabilities. Organizational spending continued to focus on strengthening of existing programs and services as well as offering new programs and services to students including expanded use of KDHR, the ASI Internet Radio Station. ASI must strategically monitor its operational capacities.

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)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

ASI's significant development for June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>
<b>Assets:</b>			
Current assets	\$ 2,769,969	\$ 2,685,794	\$ 84,175
Other noncurrent assets	<u>6,902</u>	<u>11,125</u>	<u>(4,223)</u>
Total assets	<u>2,776,871</u>	<u>2,696,919</u>	<u>79,952</u>
<b>Liabilities:</b>			
Current liabilities	295,727	235,428	60,299
Other noncurrent liabilities	<u>539,194</u>	<u>479,347</u>	<u>59,847</u>
Total liabilities	<u>834,921</u>	<u>714,775</u>	<u>120,146</u>
<b>Net position</b>			
Invested in capital assets	6,902	11,125	(4,223)
Restricted - expandable	1,237,347	1,346,038	(108,691)
Unrestricted	<u>697,701</u>	<u>624,981</u>	<u>72,720</u>
Total net position	<u>\$ 1,941,950</u>	<u>\$ 1,982,144</u>	<u>\$ (40,194)</u>
<b>Operating Revenues:</b>			
Student fees	\$ 1,778,852	\$ 1,695,483	\$ 83,369
Grants and contracts	95,943	94,504	1,439
Other Operating Revenues	57,092	62,415	(5,323)
<b>Non-operating Revenues:</b>			
Investment income	<u>14,855</u>	<u>25,931</u>	<u>(11,076)</u>
Total revenues	<u>1,946,742</u>	<u>1,878,333</u>	<u>(68,409)</u>
<b>Operating Expenses:</b>			
Student services	1,982,713	1,714,740	\$ 267,973
Depreciation	<u>4,223</u>	<u>6,082</u>	<u>(1,859)</u>
Total expenses	<u>1,986,936</u>	<u>1,720,822</u>	<u>266,114</u>
Change in net position	(40,194)	157,511	(197,705)
Beginning net position	<u>1,982,144</u>	<u>1,824,633</u>	<u>157,511</u>
Ending net position	<u>\$ 1,941,950</u>	<u>\$ 1,982,144</u>	<u>\$ (40,194)</u>

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

The GASB 45 requirement to recognize postemployment benefit liability, as determined by an actuarial study dated July 1, 2011, found the unfunded actuarial liability to be \$803,981. Of this amount, \$67,458 was recognized in 2013 and \$69,781 was recognized in the current year. ASI is active member of the VEBA Trust developed by the California State University, Auxiliary Organizations Association. ASI anticipates designating funds towards this obligation in the current year.

For the year ended June 30, 2014 net assets decreased by \$40,194. Although there was an increase in revenues from student fees, a number of factors influenced the overall decrease in net assets including a decrease in capital assets, a decrease in investment income, as well as a decrease from non-operating revenues. There was an increase in operating expenses due to general salary increases.

ASI implemented the Strategic Plan completed February 2012. The current programs and services offered are more 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.

**Factors Impacting Future Periods**

ASI monitors enrollment numbers very closely to determine potential changes in the annual budgeted revenue. The campus headcount numbers were lower and FTES (number of full-time equivalent students) decreased. The campus continues to meet its enrollment target. CSU enrollment management and policy decisions appear to favor a more robust future. In the upcoming year ASI will continue to be fiscally conservative. ASI will focus on improving existing programs like the Child Development Center and KDHR radio station.

ASI continues to partner with the other campus programming entities to maximize the sphere of programming offered to the CSUDH community. This has continued to enhance student programming during the 2013-2014 Fiscal Year. In addition, ASI continues to focus on improved customer service while evaluating the programs and services that are provided to enhance the educational experience. 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. Funds on the State level for Child Care continue to decrease and ASI must look for other income sources to meet future needs.

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 and published a 5-year strategic plan which has helped ASI identify 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 economic instability of the State, 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 appears to working and service costs have leveled during 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, 2014**  
**(WITH COMPARATIVE TOTALS FOR 2013)**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 235,078	\$ 178,976
Short-term investments	2,516,338	2,482,228
Accounts receivable, net	<u>18,553</u>	<u>24,590</u>
Total current assets	<u>\$2,769,969</u>	<u>\$2,685,794</u>
<b>Capital assets</b>		
Capital assets, net	<u>6,902</u>	<u>11,125</u>
<b>Total assets</b>	<u>2,776,871</u>	<u>2,696,919</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 180,275	\$ 132,521
Accrued compensated absences	22,186	10,155
Unearned revenue	<u>93,266</u>	<u>92,752</u>
Total current liabilities	<u>295,727</u>	<u>235,428</u>
<b>Noncurrent liabilities</b>		
Accrued compensated absences, net of current portion	12,390	22,324
Postemployment benefits other than pensions	<u>526,804</u>	<u>457,023</u>
Total noncurrent liabilities	<u>539,194</u>	<u>479,347</u>
<b>Total liabilities</b>	<u>834,921</u>	<u>714,775</u>
<b>Net Position</b>		
Net investment in capital assets	6,902	11,125
Unrestricted	697,701	624,981
Restricted - expendable	<u>1,237,347</u>	<u>1,346,038</u>
<b>Total net position</b>	<u>\$1,941,950</u>	<u>\$1,982,144</u>
<b>Total liabilities and net position</b>	<u>\$2,776,871</u>	<u>\$2,696,919</u>

See accompanying auditors' reports 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, 2014**  
**(WITH COMPARATIVE TOTALS FOR 2013)**

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
<b>Operating revenues</b>		
Student fees	\$ 1,778,852	\$ 1,695,483
Grants and contracts, noncapital:		
Federal	34,313	14,398
State and local	61,630	80,106
Other operating revenues	<u>57,092</u>	<u>62,415</u>
<b>Total operating revenues</b>	<u>1,931,887</u>	<u>1,852,402</u>
<b>EXPENSES</b>		
<b>Operating expenses</b>		
Student services:		
Child Development center	277,681	207,562
Technology	338,088	213,947
Student events	117,324	91,854
Athletics	356,290	374,115
Tutorial	64,164	65,174
Administrative	829,166	762,088
Depreciation	<u>4,223</u>	<u>6,082</u>
Total operating expenses	<u>1,986,936</u>	<u>1,720,822</u>
Operating income	<u>(55,049)</u>	<u>131,580</u>
<b>Nonoperating revenues:</b>		
Investment income	<u>14,855</u>	<u>25,931</u>
Nonoperating revenue	14,855	25,931
<b>Increase in Net Position</b>	(40,194)	157,511
<b>Net Position at Beginning of Year</b>	<u>1,982,144</u>	<u>1,824,633</u>
<b>Net Position at End of Year</b>	<u><u>1,941,950</u></u>	<u><u>1,982,144</u></u>

See accompanying auditors' reports and notes to financial statements.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR 2013)**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Student fees	\$ 1,785,403	\$ 1,667,795
Federal grants and contracts	34,313	14,398
State and local grants and contracts	61,630	80,106
Payments to suppliers	(1,112,426)	(903,233)
Payments to employees	(750,655)	(706,852)
Other revenues	<u>57,092</u>	<u>62,415</u>
Net cash provided by operating activities	<u>75,357</u>	<u>214,629</u>
<b>CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of capital assets	<u>-</u>	<u>(9,859)</u>
Net cash used by capital and related financing activities	<u>-</u>	<u>(9,859)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment income	14,855	25,931
Net purchase of investments	<u>(34,110)</u>	<u>(192,956)</u>
Net cash used by investing activities	<u>(19,255)</u>	<u>(167,025)</u>
Net increase in cash and cash equivalents	56,102	37,745
Cash and cash equivalents at beginning of year	<u>178,976</u>	<u>141,231</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 235,078</u></b>	<b><u>\$ 178,976</u></b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ (55,049)	\$ 131,580
Adjustments to reconcile operating loss to net cash provided in operating activities:		
Depreciation	4,223	6,082
Postemployment benefits other than pensions	69,781	67,458
Change in assets and liabilities:		
Accounts receivable	6,037	(9,398)
Accounts payable	47,754	(11,752)
Accrued salaries and benefits	-	45,606
Accrued compensated absences	2,097	3,343
Unearned revenue	<u>514</u>	<u>(18,290)</u>
Net cash provided by operating activities	<b><u>\$ 75,357</u></b>	<b><u>\$ 214,629</u></b>

See accompanying auditors' reports and notes to financial statements.

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**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, 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*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.

*Classification of Current and Noncurrent Assets and Liabilities*

ASI considers assets to be current that can be reasonably 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's 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.

*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, 2014.

*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.

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Accounts Receivables*

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 \$18,553 at June 30, 2014. 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. 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 \$2,500 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.

*Unearned Revenue*

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

*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, 2014, was \$34,576.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*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 under the Office of Management and Budget Circular A-133 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.

*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 the years ending 2012, 2011, 2010, are subject to examination by the IRS, generally for 3 years after they were filed.

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*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.

*Subsequent Events*

ASI has evaluated events subsequent to June 30, 2014, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 8, 2014, 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.

**3. INVESTMENTS**

At June 30, 2014, 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.

Investments at fair value consisted of the following at June 30, 2014:

U.S. Bank SWIFT Pool	<u>\$ 2,516,338</u>
----------------------	---------------------

Investments represent a portion of funds held by the Campus on behalf of ASI which are redeemable in cash in accordance with Campus Policies. The Campus, in turn, holds the funds in the CSU Consolidated Investment Pool.

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

**4. ACCOUNTS RECEIVABLE**

Accounts Receivable at June 30, 2014 consisted of the following:

Student receivables	\$ 25,122
Child Development Center Receivables	1,661
Less allowance for doubtful accounts	<u>(8,230)</u>
Total	<u>\$ 18,553</u>

**5. CAPITAL ASSETS**

Capital assets for the year ended June 30, 2014 consisted of the following:

Computer software	\$ 18,484
Equipment	<u>56,821</u>
	75,305
Less: Accumulated Depreciation	<u>(68,403)</u>
Total	<u>\$ 6,902</u>

No additions or deletion to capital assets were made during the year. Depreciation expense as of June 30, 2014 was \$4,223.

**6. PENSION PLAN**

ASI provides a variable annuity plan (the Plan) which covers ASI's management and other personnel after the first year of employment. The Plan is a defined contribution plan which provides for an annuity of approximately 10% of the annual salary of covered members to be contributed to the Plan each year. The amount of each individual's designated annuity payment is established each year through the budget process of the ASI Finance Commission, the ASI Board of Directors, the University Chief Financial Officer, and the University President. The Plan is administered by various carriers including Metlife, Vanguard and TIAA-CREF. Pension expense for year ending June 30, 2014 was \$22,337.

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**7. 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.

In accordance with GASB Statement No. 45 *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.

*Annual OPEB Cost and Net OPEB Obligation*

ASI'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 table on the following page shows the components of the ASI's annual OPEB cost for the year, the amount actually contributed, and changes in the OPEB obligation.

	June 30, 2014
Annual required contribution	\$ 100,849
Interest on net OPEB obligation	22,816
Adjustment to annual required contribution	<u>(25,266)</u>
Annual OPEB cost (expense)	98,399
Retiree premium cost	(28,618)
Contributions made	<u>-</u>
Change in net OPEB obligation	69,781
Net OPEB obligation – beginning of year	<u>457,023</u>
Net OPEB obligation – end of year	<u>\$ 526,804</u>

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**7. POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued**

The ASI’s annual OPEB cost for the year, the percentage of annual OPEB cost contributed, and the net OPEB obligation was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/11	\$ 79,098	6.32%	\$ 368,574
6/30/12	85,533	16.99%	389,565
6/30/13	91,970	26.65%	457,023
6/30/14	98,399	29.08%	526,804

*Funding Status and Funding Progress*

The prior year June 30, 2013 the market value of plan assets was \$57,799. 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 \$803,981. The covered payroll (annual payroll of active employees covered by the plan) was \$376,700, and the ratio of the UAAL to the covered payroll was 213.43%.

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.

*Actuarial Methods and Assumptions*

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

In the July 1, 2011 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.5 percent discount rate and an annual healthcare cost trend rate of 7.6% initially, reduced by decrements to an ultimate rate of 5.5% after 9 years. The UAAL is being amortized on a dollar level approach and closed basis over 30 years as allowed under GASB Statement No. 45. The remaining amortization period will expire on June 30, 2037.

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

**8. RESTRICTED EXPENDABLE NET POSITION**

Restricted – expendable net position at June 30, 2014 consists of the following:

Technology Referendum Fee	\$ 1,044,004
Child Development Center	1,096
Intercollegiate Athletics	37,592
C.L.A.S.S.	56,808
Multicultural Center	<u>97,847</u>
Total	<u>\$ 1,237,347</u>

**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 June 25, 2012 and extends through June 30, 2017.

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, 2014 was \$67,702, 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, 2014 was \$84,828, and is included in liabilities in the accompanying statement of net position.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Actuarial Accrued Liability (Unit Cost Method) (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funding Ratio</u>	<u>Covered Payroll</u>	<u>UUAL as a Percentage of Covered Payroll</u>
7/1/2008	\$ -	\$ 663,489	\$ 663,489	0.00%	\$ 382,000	173.69%
7/1/2011	* -	803,981	803,981	0.00%	376,700	213.43%

Note: In 2011-12, ASI contributed \$50,000 to the Auxiliaries Multiple Employer VEBA Trust.

\* The valuation date is July 1, 2011. The valuation results were "rolled back" actuarially to July 1, 2010 in order to coincide with ASI's fiscal year.

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
NOTES TO SCHEDULE OF  
POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2014**

**1. PURPOSE OF SCHEDULE**

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

**OTHER SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT**  
**ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND**  
**OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED**  
**IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the 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, the financial statements of Associated Students, Inc. California State University, Dominguez Hills (A California Non-Profit Corporation), which comprise the statement of net position as of June 30, 2014, and the related statements revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 8, 2014.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Associated Students, Inc. California State University, Dominguez Hills internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Associated Students, Inc. California State University, Dominguez Hills internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Associated Students, Inc. California State University, Dominguez Hills financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Vorwin, Hryn + Co.*

Calabasas, California  
September 8, 2014

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**GASB SCHEDULE OF NET POSITION**  
**JUNE 30, 2014**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 235,078
Short-term investments	2,516,338
Accounts receivable, net	18,553
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	—
Total current assets	<u>2,769,969</u>
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	6,902
Other assets	—
Total noncurrent assets	<u>6,902</u>
Total assets	<u>2,776,871</u>
Deferred outflows of resources:	
Unamortized loss on refunding(s)	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	180,275
Accrued salaries and benefits payable	—
Accrued compensated absences— current portion	22,186
Unearned revenue	93,266
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Claims Liability for losses and LAE - current portion	—
Depository accounts	—
Other liabilities	—
Total current liabilities	<u>295,727</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	12,390
Unearned revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims Liability for losses and LAE, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	526,804
Other liabilities	—
Total noncurrent liabilities	<u>539,194</u>
Total liabilities	<u>834,921</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	6,902
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	
Research	
Loans	
Capital projects	—
Debt service	
Other	1,237,347
Unrestricted	697,701
Total net position	<u>\$ 1,941,950</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, 2014**

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$_____)	\$ 1,778,852
Grants and contracts, noncapital:	
Federal	34,313
State	61,630
Local	—
Nongovernmental	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)	—
Other operating revenues	<u>57,092</u>
Total operating revenues	<u>1,931,887</u>
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	1,982,713
Institutional support	—
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	<u>4,223</u>
Total operating expenses	<u>1,986,936</u>
Operating income (loss)	<u>(55,049)</u>
Nonoperating revenues (expenses):	
State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	14,855
Endowment income (loss), net	—
Interest Expenses	—
Other nonoperating revenues (expenses)	<u>—</u>
Net nonoperating revenues (expenses)	<u>14,855</u>
Income (loss) before other additions	(40,194)
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	<u>—</u>
Increase (decrease) in net position	(40,194)
Net position:	
Net position at beginning of year, as previously reported	1,982,144
Restatements	—
Net position at beginning of year, as restated	<u>1,982,144</u>
Net position at end of year	<u>\$ 1,941,950</u>

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014**

<b>1</b>	<b>Restricted cash and cash equivalents at June 30, 2014:</b>	
	Portion of restricted cash and cash equivalents related to endowments	\$ -
	All other restricted cash and cash equivalents	<u>                  -</u>
	Total restricted cash and cash equivalents	<u>                  -</u>

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

**2.1 Composition of investments at June 30, 2014:**

	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)	-	-	-	-	-	-	-
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF)	2,516,338	-	2,516,338	-	-	-	2,516,338
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:	-	-	-	-	-	-	-
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-					

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

<b>2.2 Investments held by the University under contractual agreements at June 30, 2014:</b>						
Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2014 :	2,516,338	-	2,516,338	-	-	2,516,338
<b>2.3 Restricted current investments at June 30, 2014 related to:</b>	<b>Amount</b>					
Add description	\$ —					
Add description	—					
Add description	—					
Add description	—					
Add description	—					
Add description	—					
<b>Total restricted current investments at June 30, 2014</b>	<b>\$ —</b>					
<b>2.4 Restricted noncurrent investments at June 30, 2014 related to:</b>	<b>Amount</b>					
Endowment investment	\$ —					
Add description						
Add description						
Add description						
Add description	—					
Add description	—					
<b>Total restricted noncurrent investments at June 30, 2014</b>	<b>\$ —</b>					

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

**3.1 Composition of capital assets at June 30, 2014:**

	Balance June 30, 2013	Prior period Adjustments	Reclassifications	Balance June 30, 2013 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2014
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	-	-	-	-	-	-	-	-
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	56,821	-	-	56,821	-	-	-	56,821
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	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Total intangible assets	18,484	-	-	18,484	-	-	-	18,484
Total depreciable/amortizable capital assets	75,305	-	-	75,305	-	-	-	75,305
Total capital assets	75,305	-	-	75,305	-	-	-	75,305

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(47,544)	-	-	(47,544)	(2,375)	-	-	(49,919)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	(16,636)	-	-	(16,636)	(1,848)	-	-	(18,484)
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Total intangible assets	<u>(16,636)</u>	<u>-</u>	<u>-</u>	<u>(16,636)</u>	<u>(1,848)</u>	<u>-</u>	<u>-</u>	<u>(18,484)</u>
Total accumulated depreciation/amortization	<u>(64,180)</u>	<u>-</u>	<u>-</u>	<u>(64,180)</u>	<u>(4,223)</u>	<u>-</u>	<u>-</u>	<u>(68,403)</u>
Total capital assets, net	<u>\$ 11,125</u>	<u>-</u>	<u>-</u>	<u>11,125</u>	<u>(4,223)</u>	<u>-</u>	<u>-</u>	<u>6,902</u>

**3.2 Detail of depreciation and amortization expense for the year ended June 30, 2014:**

Depreciation and amortization expense related to capital assets	\$ 4,223
Amortization expense related to other assets	<u>—</u>
Total depreciation and amortization	<u>\$ 4,223</u>

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

4 Long-term liabilities activity schedule:

	Balance June 30, 2013	Prior period adjustments	Reclassifications	Balance June 30, 2013 (restated)	Additions	Reductions	Balance June 30, 2014	Current portion	Long-term portion
Accrued compensated absences	\$ 32,479	—	—	32,479	24,283	(22,186)	34,576	22,186	12,390
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:									
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	\$ 32,479	—	—	32,479	24,283	(22,186)	34,576	22,186	12,390

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

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

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
Year ending June 30:			
2015	-	-	—
2016	-	-	—
2017	-	-	—
2018	-	-	—
2019	-	-	—
2020 - 2024	-	-	—
2025 - 2029	-	-	—
2030 - 2034	-	-	—
2035 - 2039	-	-	—
2040 - 2044	-	-	—
2045 - 2049	-	-	—
2050 - 2054	-	-	—
2055 - 2059	-	-	—
2060 - 2064	-	-	—
	<hr/>	<hr/>	<hr/>
Total minimum lease payments			—
Less amounts representing interest			—
Present value of future minimum lease payments			—
Less: current portion			—
<b>Capitalized lease obligation, net of current portion</b>			<b>\$ —</b>

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2015	\$ -	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020 - 2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-
2055 - 2059	-	-	-	-	-	-	-	-	-
2060 - 2064	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-



**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

**8 Transactions with Related Entities**

	<b>Amount</b>
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	468,743
Payments received from University for services, space, and programs	2,140
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	338,272
Accounts (payable to) University (enter as negative number)	(67,702)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	—
Other amounts receivable from University	—

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

**9 Other Postemployment Benefits Obligation (OPEB)**

Annual required contribution (ARC)	\$	69,781
Contributions during the year		—
		69,781
Increase (decrease) in net OPEB obligation (NOO)		69,781
NOO - beginning of year		457,023
NOO - end of year	\$	526,804

**ASSOCIATED STUDENTS, INC.**  
**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

**10 Pollution remediation liabilities under GASB Statement No. 49:**

<b>Description</b>	<b>Amount</b>
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	—

**ASSOCIATED STUDENTS, INC.  
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

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

	Net Position	Amount
	Class	Dr. (Cr.)
Net position as of June 30, 2013, as previously reported		\$ 1,982,144
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, 2013, as restated		<u>\$ 1,982,144</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: _____		
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)	—	—