

**University Student Union
California State University, Northridge**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2016 and 2015

**University Student Union
California State University, Northridge**

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Independent Auditor's Report

The Board of Directors
University Student Union
California State University, Northridge
(A California State University Auxiliary Organization)

Report on Financial Statements

We have audited the accompanying financial statements of University Student Union California State University, Northridge (a California State University Auxiliary Organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, 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 financial position of University Student Union California State University, Northridge as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 16 to 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "CohnReznick LLP".

Los Angeles, California
September 19, 2016

**University Student Union
California State University, Northridge**

**Statements of Financial Position
June 30, 2016 and 2015**

	<u>Assets</u>	
	<u>2016</u>	<u>2015</u>
Current assets		
Cash and cash equivalents	\$ 567,151	\$ 1,815,482
Short-term investments	3,264,023	1,500,003
Accounts receivable, net	49,694	56,727
Prepaid expenses and other	73,897	66,326
	<u>3,954,765</u>	<u>3,438,538</u>
Total current assets		
Property and equipment, net	<u>568,233</u>	<u>763,091</u>
Total assets	<u>\$ 4,522,998</u>	<u>\$ 4,201,629</u>
 <u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	\$ 418,694	\$ 720,635
Accrued expenses	658,553	560,148
Deferred revenue	304,732	297,723
Current portion of postretirement benefit payable	<u>6,715</u>	<u>5,876</u>
Total current liabilities	1,388,694	1,584,382
Commitments		
Postretirement benefit payable, net of current portion	<u>2,013,047</u>	<u>1,501,882</u>
Total liabilities	<u>3,401,741</u>	<u>3,086,264</u>
Net assets		
Unrestricted	<u>1,121,257</u>	<u>1,115,365</u>
Total liabilities and net assets	<u>\$ 4,522,998</u>	<u>\$ 4,201,629</u>

See Notes to Financial Statements.

**University Student Union
California State University, Northridge**

**Statements of Activities
Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Operating revenues		
Student activity fees	\$ 12,020,363	\$ 11,177,771
Program revenue	464,636	478,486
Rental income	843,314	729,903
Recreation center income	687,636	759,462
Commission income	90,416	67,690
Other income	63,198	72,208
	<u>14,169,563</u>	<u>13,285,520</u>
Total operating revenues		
Operating expenses		
Program services	12,423,436	11,831,843
General and administrative	1,286,038	1,119,073
	<u>13,709,474</u>	<u>12,950,916</u>
Total operating expenses		
Change in net assets from operating activities	<u>460,089</u>	<u>334,604</u>
Nonoperating (expense) revenue		
Pension related changes other than net periodic pension costs	(353,494)	(275,865)
Interest income	14,071	264
Transfer to the University	-	(3,752)
Loss on disposal of property and equipment	(114,774)	(2,772)
	<u>(454,197)</u>	<u>(282,125)</u>
Net nonoperating expense		
Change in net assets	5,892	52,479
Net assets, beginning	<u>1,115,365</u>	<u>1,062,886</u>
Net assets, end	<u><u>\$ 1,121,257</u></u>	<u><u>\$ 1,115,365</u></u>

See Notes to Financial Statements.

**University Student Union
California State University, Northridge**

**Statements of Cash Flows
Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 5,892	\$ 52,479
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	160,079	261,521
Net loss on disposal of property and equipment	114,773	2,772
Postretirement benefits	353,494	275,865
Changes in operating assets and liabilities		
Accounts receivable	7,033	(14,609)
Prepaid expenses and other	(7,571)	(11,754)
Accounts payable	(301,941)	19,727
Accrued expenses	98,405	89,177
Postretirement benefit payable	158,510	116,102
Deferred revenue	7,009	46,837
	<u>595,683</u>	<u>838,117</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of investments	(1,764,020)	(1,497,884)
Purchases of property and equipment	(79,994)	(56,660)
	<u>(1,844,014)</u>	<u>(1,554,544)</u>
Net cash used in investing activities		
Net decrease in cash and cash equivalents	(1,248,331)	(716,427)
Cash and cash equivalents, beginning	<u>1,815,482</u>	<u>2,531,909</u>
Cash and cash equivalents, end	<u><u>\$ 567,151</u></u>	<u><u>\$ 1,815,482</u></u>

See Notes to Financial Statements.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2016 and 2015**

Note 1 - Business activity and summary of significant accounting policies

Business activity

The University Student Union California State University, Northridge (a California State University Auxiliary Organization) (the "Union") is a nonprofit auxiliary organization related to California State University, Northridge (the "University"). The Union was organized to provide a variety of unique and convenient programs and services on the University campus. The Union operates the Student Union building as well as sponsors various campus activities that complement the instructional program and initiatives of the University.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation

The Union is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets, which are described as follows:

Unrestricted - Net assets that are not subject to explicit donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted - Net assets whose use by the Union is subject to either explicit donor-imposed stipulations or by operation of law that can be fulfilled by actions of the Union or that expire by the passage of time. At June 30, 2016 and 2015, the Union does not have any temporarily restricted net assets.

Permanently restricted - Net assets subject to explicit donor-imposed stipulations that must be maintained permanently by the Union and stipulate the use of income and/or appreciation as temporarily restricted based on donor-imposed stipulations or by operation of law. At June 30, 2016 and 2015, the Union does not have any permanently restricted net assets.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and all highly liquid investments with an initial maturity at date of purchase of three months or less.

Accounts receivable

Accounts receivable are stated as unpaid balances less an allowance for doubtful accounts. The Union provides for losses on receivables using the allowance method which is based on experience and other circumstances. The Union had approximately \$10,000 in allowance for doubtful accounts at both June 30, 2016 and 2015.

Investments

Investments are reported at their fair values in the statement of financial position. Realized and unrealized gains or losses are included in the statement of activities as investment income (loss). At June 30, 2016 and 2015, investments consist of pooled investment funds with the University in the amount of \$3,264,023 and \$1,500,003, respectively.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2016 and 2015**

Fair value measurements

The Union values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Leasehold improvements are stated at cost and are amortized using the straight-line method over the estimated useful life of fifteen years. Repairs and maintenance are charged to expenses as incurred.

Revenue recognition

The Union recognizes revenues for student fees and services when earned. Deferred revenue consists of amounts received which have not been earned. These amounts are transferred to revenue when earned.

Advertising costs

Advertising costs are charged to expense as incurred. Advertising expense was \$20,918 and \$21,777 for the years ended June 30, 2016 and 2015, respectively.

Functional allocation expenses

The costs of providing programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and general and administrative services benefited.

Income taxes

The Union is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue Taxation Code of California. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Union has no unrecognized tax benefits at June 30, 2016. The Union's federal and state income tax returns prior to fiscal years 2013 and 2012, respectively, are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2016 and 2015**

If applicable, the Union recognizes interest and penalties associated with tax matters as part of income tax expense and includes accrued interest and penalties with accrued expenses in the statements of financial position.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications of 2015 amounts have been made to confirm with the 2016 presentation.

Subsequent events

The Union has evaluated subsequent events through September 19, 2016, which is the date these financial statements were available to be issued.

Note 2 - Concentrations

Financial instruments which potentially subject the Union to concentrations of credit risk consist primarily of cash and cash equivalents. The Union maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits.

Note 3 - Fair value measurements

At June 30, 2016 and 2015, investments are carried at fair value and are classified in one of the three categories as described in Note 1. The pooled investment funds are not traded on an active market and are therefore classified as Level 2 and are valued using quoted prices for similar assets in active exchange markets.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2016 and 2015**

Note 4 - Related party transactions

The Union provides and receives services from the University, California State University, Northridge Foundation, Associated Students, Inc., and The University Corporation. At June 30, 2016 and 2015, accounts receivable and accounts payable relating to these organizations are as follows:

	<u>2016</u>	<u>2015</u>
Receivables		
California State University, Northridge	\$ 28,970	\$ 15,652
California State University, Northridge Foundation	7,205	6,812
Associated Students, Inc.	571	-
The University Corporation	781	5,807
	<u>\$ 37,527</u>	<u>\$ 28,271</u>
Payables		
California State University, Northridge	\$ 162,934	\$ 132,316
California State University, Northridge Foundation	35	-
Associated Students, Inc.	7,488	10,226
The University Corporation	25,652	28,533
	<u>\$ 196,109</u>	<u>\$ 171,075</u>

During the years ended June 30, 2016 and 2015, amounts received from the University for rent and other services are included in operating revenues and were as follows:

	<u>2016</u>	<u>2015</u>
Amounts paid by the University	\$ 421,865	\$ 1,217,831
Work Study	120,500	96,449
	<u>\$ 542,365</u>	<u>\$ 1,314,280</u>

During the years ended June 30, 2016 and 2015, amounts paid to the University for services such as student advising services, software maintenance, physical plant management and other services are included in operating expenses and were as follows:

	<u>2016</u>	<u>2015</u>
Services	\$ 906,786	\$ 990,478
Salaries	205,576	195,722
	<u>\$ 1,112,362</u>	<u>\$ 1,186,200</u>

For the year ended June 30, 2016, there were no transfers to the University. For the year ended June 30, 2015, the Union transferred \$3,752 to the University.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2016 and 2015**

The Union entered into agreements with Associated Students, Inc., International and Exchange Student Center, and Office of Student Involvement & Development for space. Associated Students, Inc. is a campus auxiliary and the International and Exchange Student Center and the Office of Student Involvement & Development are departments of the University. The Union received rental income of \$105,564, \$86,135, and \$131,801 from each entity, respectively, for the year ended June 30, 2016 in connection with these agreements. The Union received rental income of \$80,046, \$81,323 and \$124,438 from each entity, respectively, for the year ended June 30, 2015 in connection with these agreements.

The Union, The University Corporation, and Student Housing entered into an agreement in which The University Corporation manages all operation of the food units located at the Union and Satellite Union in exchange for a 1.5% commission of all The University Corporation's food unit and catering sales on campus. Student Housing receives 68% of the commission and the Union receives 32% of the commission. Commission income from this agreement was \$90,416 and \$67,690 for the years ended June 30, 2016 and 2015, respectively.

Revenue bonds were issued by the Trustees of the California State University and Colleges ("Trustees") for the construction, repair and maintenance of the University's Student Union building. Legal title to the Student Union building is vested, along with related debt, with the Trustees. Accordingly, both the building and debt are carried on the books of the Trustees. Student Union fees are collected by the University and remitted to a trust fund administered by the University on the behalf of the Union. The Union has entered into a five-year revolving agreement with the Chancellor's Office, which will expire on June 30, 2017 and provides, among other things, that the excess of the student fees (after satisfying certain reserve requirements; servicing principal and interest payments on the revenue bonds; providing funds for major repairs and replacements; providing funds for projects under construction; and Chancellor's Office overhead expenses) is available, after approval by the University, for payment of expenses incurred in operation of the Union.

Pursuant to this agreement, the Union received and recorded to revenue \$12,020,363 and \$11,177,771 to fund its operation for the fiscal years ended June 30, 2016 and 2015, respectively.

Note 5 - Property and equipment

At June 30, 2016 and 2015, property and equipment consist of the following:

	2016	2015
Equipment and software	\$ 1,212,021	\$ 1,496,264
Leasehold improvements	725,491	867,323
Total	1,937,512	2,363,587
Less accumulated depreciation and amortization	1,369,279	1,600,496
Total	<u>\$ 568,233</u>	<u>\$ 763,091</u>

Depreciation and amortization expense for the years ended June 30, 2016 and 2015 was \$160,079 and \$261,521, respectively.

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2016 and 2015**

Note 6 - Pension plan

The Union maintains a noncontributory defined contribution employer pension plan (the "Plan"). Employees are eligible to participate in the Plan once they have attained the age of twenty-one and have completed one year of service. Under the provisions of the Plan agreement, the Union makes employer pension contributions into the Plan for the benefit of eligible employees. For the years ended June 30, 2016 and 2015, the Union made contributions of \$149,274 and \$126,930, respectively.

Note 7 - Postretirement benefit plan

In 2007, the Union implemented a postretirement benefit plan which provides postretirement benefits. Employees are eligible if they either retire after the age of 60 with 20 years of continuous service; or retire after the age of 65 with 10 years of continuous service, and were hired prior to July 1, 2008. The following tables provide further information about the Union's postretirement benefit plan:

	2016	2015
Obligations and funding status		
Benefit obligation	\$ (2,019,762)	\$ (1,507,758)
Employer contributions	5,624	5,105
Participant contributions	-	-
Benefit payments	(5,624)	(5,105)
Fair value of plan assets	-	-
Net unfunded status of the plan	<u>\$ (2,019,762)</u>	<u>\$ (1,507,758)</u>

Amounts recognized in the statements of financial position consist of the following:

	2016	2015
Current liabilities	\$ (6,715)	\$ (5,876)
Noncurrent liabilities	<u>(2,013,047)</u>	<u>(1,501,882)</u>
Total recognized in statement of financial position	<u>\$ (2,019,762)</u>	<u>\$ (1,507,758)</u>

Amounts recognized in the statements of activities consist of the following:

	2016	2015
Service cost	\$ 125,494	\$ 100,333
Interest cost	69,222	55,748
Amortization of unrecognized prior service credit	(34,874)	(34,874)
Amortization of unrecognized loss	<u>4,292</u>	<u>-</u>
Net postretirement benefit cost ("NPBC")	<u>\$ 164,134</u>	<u>\$ 121,207</u>

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2016 and 2015**

Other changes recognized in changes in unrestricted net assets ("CUNA") are as follows:

	2016	2015
Prior service cost for period	\$ -	\$ -
Net loss for period	322,912	240,991
Amortization of prior service credit	34,874	34,874
Amortization of net (loss) gain	(4,292)	-
	<u>\$ 353,494</u>	<u>\$ 275,865</u>
Total changes recognized in CUNA	<u>\$ 353,494</u>	<u>\$ 275,865</u>
Total changes recognized in NPBC and CUNA	<u>\$ 517,628</u>	<u>\$ 397,072</u>

Assumptions

Weighted average assumptions used in the accounting for the Union's postretirement benefit plan were as follows at June 30:

	2016	2015
Benefit obligations		
Discount rate	3.75%	4.60%
Rate of return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A
Medical trend		
Initial	4.50%	4.50%
Ultimate	4.50%	4.50%
Number of years to ultimate	N/A	N/A

Cash flows

The following benefit payments, subsequent to June 30, are expected to be paid as follows:

Years beginning July 1,	
2016	\$ 6,715
2017	9,504
2018	17,411
2019	24,743
2020	31,181
2021-2025	<u>343,748</u>
	<u>\$ 433,302</u>

The Union expects to contribute the pay-as-you-go cost of \$6,715 during the next fiscal year.

The following table includes the amounts in unrestricted net assets expected to be recognized as components of net periodic benefit cost over the 2016 -17 fiscal year:

Net actuarial loss	\$ 38,211
Net prior service credit	(34,874)

**University Student Union
California State University, Northridge**

**Notes to Financial Statements
June 30, 2016 and 2015**

Note 8 - Commitments

Operating leases

The Union leases office equipment under a noncancelable operating lease expiring in July 2019. For the years ended June 30, 2016 and 2015, total rent expense under the lease was \$23,322 and \$23,641, respectively.

The following is a schedule of the Union's minimum lease requirements under the non-cancelable lease:

Year ending June 30,	
2017	\$ 23,322
2018	23,322
2019	<u>23,322</u>
	<u>\$ 69,966</u>

Supplementary Information

**University Student Union
California State University, Northridge**

**Expenses by Natural Classification
Year Ended June 30, 2016**

	<u>2016</u>	<u>2015</u>
Salaries and wages	\$ 6,713,896	\$ 6,015,831
Staff benefits	<u>1,727,283</u>	<u>1,468,873</u>
	<u>8,441,179</u>	<u>7,484,704</u>
Other operating expenses		
Building repairs and maintenance	1,449,840	988,860
Cost of sales	23,536	24,448
Depreciation and amortization	160,079	261,521
Equipment rental	44,183	37,719
Expendable equipment purchases	127,033	176,900
Event costs	806,477	810,933
Insurance	123,883	103,871
Licenses and fees	52,418	46,409
Marketing	88,119	76,594
Advertising	20,918	21,777
Office and administrative supplies	265,008	230,761
Administrative contingency	242,024	1,104,168
Professional and contract services	653,219	455,817
Services, other agencies	64,838	63,606
Scholarships	57,820	54,754
Training services	77,989	61,265
Travel	228,144	164,110
Utilities	<u>782,768</u>	<u>782,699</u>
	<u>5,268,296</u>	<u>5,466,212</u>
Total expenses	<u><u>\$ 13,709,475</u></u>	<u><u>\$ 12,950,916</u></u>

**University Student Union
California State University, Northridge**

**Schedule of Net Position
Year Ended June 30, 2016**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 567,151
Short-term investments	3,264,023
Accounts receivable, net	49,694
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	73,897
Total current assets	<u>3,954,765</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	568,233
Other assets	-
Total noncurrent assets	<u>568,233</u>
Total assets	<u>4,522,998</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Others	-
Total deferred outflows of resources	<u>-</u>
Liabilities:	
Current liabilities:	
Accounts payable	418,694
Accrued salaries and benefits	423,552
Accrued compensated absences, current portion	235,001
Unearned revenue	304,732
Capitalized lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	6,715
Total current liabilities	<u>1,388,694</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Other postemployment benefits obligations	2,013,047
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	<u>2,013,047</u>
Total liabilities	<u>3,401,741</u>
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	<u>-</u>
Net Position:	
Net investment in capital assets	568,233
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	553,024
Total net position	<u>\$ 1,121,257</u>

**University Student Union
California State University, Northridge**

**Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2016**

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$__0__)	\$ 12,020,363
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$__0__)	2,086,002
Other operating revenues	<u>63,198</u>
Total operating revenues	<u>14,169,563</u>

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	12,266,010
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	1,283,385
Depreciation and amortization	<u>160,079</u>
Total operating expenses	<u>13,709,474</u>
Operating income (loss)	<u>460,089</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	14,071
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	<u>(468,268)</u>
Net nonoperating revenues (expenses)	<u>(454,197)</u>
Income (loss) before other revenues (expenses)	5,892

State appropriations, capital

Grants and gifts, capital

Additions (reductions) to permanent endowments

	<u>5,892</u>
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Net position:

Net position at beginning of year, as previously reported	1,115,365
Restatements	<u>-</u>
Net position at beginning of year, as restated	<u>1,115,365</u>
Net position at end of year	<u>\$ 1,121,257</u>

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2016**

1 Restricted cash and cash equivalents at June 30, 2016:

Portion of restricted cash and cash equivalents related to endowments	\$ -
All other restricted cash and cash equivalents	-
Total restricted cash and cash equivalents	<u>\$ -</u>

2.1 Composition of investments at June 30, 2016:

	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	978,501	-	978,501	-	-	-	978,501
Certificates of deposit	248,617	-	248,617	-	-	-	248,617
Mutual funds	-	-	-	-	-	-	-
Money Market funds	15,178	-	15,178	-	-	-	15,178
Repurchase agreements	18,771	-	18,771	-	-	-	18,771
Commercial paper	9,221	-	9,221	-	-	-	9,221
Asset backed securities	201,144	-	201,144	-	-	-	201,144
Mortgage backed securities	654	-	654	-	-	-	654
Municipal bonds	33,143	-	33,143	-	-	-	33,143
U.S. agency securities	1,040,865	-	1,040,865	-	-	-	1,040,865
U.S. treasury securities	717,929	-	717,929	-	-	-	717,929
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	<u>3,264,023</u>	<u>-</u>	<u>3,264,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,264,023</u>
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	<u>3,264,023</u>	<u>-</u>	<u>3,264,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,264,023</u>

2 Investments held by the University under contractual agreements at June 30, 2016:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2016:	3,264,023	-	3,264,023	-	-	-	3,264,023
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2 Restricted current investments at June 30, 2016 related to:

Amount
\$ -
Add description
Add description
Add description
Add description
Add description
Add description
Add description
<u>-</u>
Total restricted current investments at June 30, 2016
<u>\$ -</u>

2 Restricted noncurrent investments at June 30, 2016 related to:

Amount
\$ -
Endowment investment
Add description
Add description
Add description
Add description
Add description
Add description
Add description
<u>-</u>
Total restricted noncurrent investments at June 30, 2016
<u>\$ -</u>

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2016**

2.5 Fair value hierarchy in investments at June 30, 2016:

	Total	Fair Value Measurements Using			
		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)
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
Corporate bonds	978,501	-	978,501	-	-
Certificates of deposit	248,617	-	248,617	-	-
Mutual funds	-	-	-	-	-
Money Market funds	15,178	15,178	-	-	-
Repurchase agreements	18,771	-	18,771	-	-
Commercial paper	9,221	-	9,221	-	-
Asset backed securities	201,144	-	201,144	-	-
Mortgage backed securities	654	-	654	-	-
Municipal bonds	33,143	-	33,143	-	-
U.S. agency securities	1,040,865	-	1,040,865	-	-
U.S. treasury securities	717,929	717,929	-	-	-
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	<u>3,264,023</u>	<u>733,107</u>	<u>2,530,916</u>	<u>-</u>	<u>-</u>

See Independent Auditor's Report.

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2016**

3 Composition of capital assets at June 30, 2016:

	Balance June 30, 2015	Prior period Adjustments	Reclassifications	Balance June 30, 2015 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2016
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:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	867,323	-	-	867,323	53,963	(195,795)	-	725,491
Personal property:								
Equipment	1,496,264	-	-	1,496,264	26,031	(310,274)	-	1,212,021
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	2,363,587	-	-	2,363,587	79,994	(506,069)	-	1,937,512
Total capital assets	2,363,587	-	-	2,363,587	79,994	(506,069)	-	1,937,512
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(372,351)	-	-	(372,351)	(49,056)	81,997	-	(339,410)
Personal property:								
Equipment	(1,228,145)	-	-	(1,228,145)	(111,023)	309,299	-	(1,029,869)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(1,600,496)	-	-	(1,600,496)	(160,079)	391,296	-	(1,369,279)
Total capital assets, net	\$ 763,091	-	-	763,091	(80,085)	(114,773)	-	568,233

See Independent Auditor's Report.

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2016**

3 Detail of depreciation and amortization expense for the year ended June 30, 2016:

Depreciation and amortization expense related to capital assets	\$ 160,079
Amortization expense related to other assets	-
Total depreciation and amortization	<u>\$ 160,079</u>

4 Long-term liabilities activity schedule:

	Balance June 30, 2015	Prior period adjustments	Reclassifications	Balance June 30, 2015 (restated)	Additions	Reductions	Balance June 30, 2016	Current portion	Long-term portion
Accrued compensated absences	\$ 208,027	-	-	208,027	273,773	(246,799)	235,001	235,001	-
Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-	-
Capitalized lease obligations:									
Gross balance	-	-	-	-	-	-	-	-	-
Unamortized premium / (discount) on capitalized 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	<u>\$ 208,027</u>	<u>-</u>	<u>-</u>	<u>208,027</u>	<u>273,773</u>	<u>(246,799)</u>	<u>235,001</u>	<u>235,001</u>	<u>-</u>

5 Future minimum lease payments - capitalized lease obligations:

	Capitalized lease obligations related to SRB			All other capitalized lease obligations			Total capitalized 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:									
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022 - 2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-
2057 - 2061	-	-	-	-	-	-	-	-	-
2062 - 2066	-	-	-	-	-	-	-	-	-
Total minimum lease payments	-	-	-	-	-	-	-	-	-
Less amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium (discount)									-
Total capitalized lease obligations									-
Less: current portion									-
Capitalized lease obligation, net of current portion									<u>\$ -</u>

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2016**

6 Long-term debt obligation 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:									
2017	\$ -	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022 - 2026	-	-	-	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-
2057 - 2061	-	-	-	-	-	-	-	-	-
2062 - 2066	-	-	-	-	-	-	-	-	-
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									\$ -

7 Calculation of net position

7.1 Calculation of net position - net investment in capital assets

Capital assets, net of accumulated depreciation	\$ 568,233
Capitalized lease obligations, current portion	-
Capitalized 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	-
Other adjustments: (please list)	
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Net position - net investment in capital asset	\$ 568,233

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	-
Add description	-
Net position - Restricted for nonexpendable - endowments per SNP	\$ -

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2016**

8 Transactions with related entities

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 205,576
Payments to University for other than salaries of University personnel	906,786
Payments received from University for services, space, and programs	542,365
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	-
Accounts (payable to) University (enter as negative number)	(162,934)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University	28,970
Other amounts receivable from University	-

9 Other postemployment benefits obligation (OPEB)

Annual required contribution (ARC)	\$ 517,628
Contributions during the year	(5,624)
	<hr/>
Increase (decrease) in net OPEB obligation (NOO)	512,004
Other adjustments	-
NOO - beginning of year	1,507,758
NOO - end of year	\$ <u><u>2,019,762</u></u>

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	-
Add description	-
	<hr/>
Total pollution remediation liabilities	\$ -
Less: current portion	-
	<hr/>
Pollution remediation liabilities, net of current portion	<u><u>-</u></u>

**University Student Union
California State University, Northridge**

**Other Information
Year Ended June 30, 2016**

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

	<u>Net Position Class</u>	<u>Amount Dr. (Cr.)</u>
Net position as of June 30, 2015, as previously reported		\$ 1,115,365
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, 2015, as restated		<u>\$ 1,115,365</u>

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

	<u>Debit</u>	<u>Credit</u>
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)	-	-



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