

**CALIFORNIA STATE UNIVERSITY,
DOMINGUEZ HILLS FOUNDATION**

**SINGLE AUDIT REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS FOUNDATION
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
California State University,
Dominguez Hills Foundation (the Foundation)
Carson, California

Report on the Financial Statements

We have audited the accompanying financial statements of California State University, Dominguez Hills Foundation (the Foundation) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITORS' REPORT - Continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Dominguez Hills Foundation as of June 30, 2017, and the changes in its 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

We previously audited the California State University, Dominguez Hills Foundation's 2016 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 12, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, 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 California State University, Dominguez Hills Foundation.

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

Other Information

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

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 accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2017 on our consideration of California State University, Dominguez Hills Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California State University, Dominguez Hills Foundation's internal control over financial reporting and compliance.

Vorwin, Hays + Co.

Calabasas, California
September 12, 2017

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

This section of California State University, Dominguez Hills Foundation (Foundation) annual financial report presents our discussion and analysis of the financial performance of the Foundation for the fiscal year ended June 30, 2017. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Introduction to the 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 the Foundation.

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 the Foundation.

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 the Foundation.

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

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

Analytical Overview

Summary

The Foundation's operations for the fiscal year ended June 30, 2017 increased as shown by an increase in net position of approximately \$995,277. This was primarily due to an increase in investment income generated from the Long-Term Investment Fund during the year as well as an expansion of auxiliary enterprise contracts, particularly those with academic consulting and engagement services in partnership with the California STEM Institute for Innovation and Improvement (CSI3).

The Foundation is a member of the Auxiliaries Voluntary Employees' Beneficiary Association (VEBA) trust and during the past fiscal year was able to make additional contributions toward funding the Foundation's postemployment benefits liability. As of June 30, 2017, the Foundation's assets within the VEBA trust had a fair market value of \$569,912. Netted against a total accrued Post Employment Medical Benefits actuarial liability of \$4,038,267, this resulted in the Foundation's accrued liability as of June 30, 2017 of \$3,468,355.

The following discussion highlights management's understanding of the key financial aspects of the Foundation's financial activities. Included are significant differences between current and prior year activities and factors impacting future reporting periods.

Comparative Analysis of Current and Prior Year Activities and Balances

The Foundation's summary of net position as of June 30, 2016 and 2015 are as follows:

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Current assets	\$ 13,362,596	\$ 8,446,111	\$ 4,916,485
Noncurrent assets	9,987,265	9,265,964	721,301
Capital assets, net	<u>371,101</u>	<u>551,693</u>	<u>(180,592)</u>
Total assets	<u>23,720,962</u>	<u>18,263,768</u>	<u>5,457,194</u>
Current liabilities	777,755	667,864	109,891
Noncurrent liabilities	3,637,488	3,761,182	(123,694)
Other noncurrent liabilities	<u>12,589,796</u>	<u>8,114,076</u>	<u>4,475,720</u>
Total liabilities	<u>17,005,039</u>	<u>12,543,122</u>	<u>4,461,917</u>
Net position:			
Invested in capital assets, net of related debt	191,078	360,442	(169,364)
Restricted	-	-	-
Unrestricted	<u>6,524,845</u>	<u>5,360,204</u>	<u>1,164,641</u>
Total net position	<u>\$ 6,715,923</u>	<u>\$ 5,720,646</u>	<u>\$ 995,277</u>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

Comparative Analysis of Current and Prior Year Activities and Balances - Continued

The Foundation's current assets increased by \$4,916,485 and noncurrent assets increased by \$721,301 compared to the prior year. The increase in current assets was related primary to depository accounts held for the California State University, Dominguez Hills Philanthropic Foundation, which received a substantial donation during the fiscal year, while the increase in noncurrent assets resulted from market value gains in the Foundation's Long Term Investment Fund. Capital assets (net) decreased by \$180,592 due to the sale of the Foundation's townhome.

Current liabilities increased by \$109,891 while noncurrent liabilities decreased by \$123,694 as of June 30, 2017. The increase in current liabilities was due to an increase in accounts payable accrued at the end of the fiscal year, while the noncurrent liabilities decrease was related to Other Post-Employment Benefits. Specifically, the Other Post-Employment Benefits accrued liability under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, decreased due to an increase in the market value of assets in the Auxiliary Multiple Employer Voluntary Employee Benefits Association (VEBA), which during the fiscal year significantly outpaced the actuarially accrued increase in the liability. This was due to both current year funding of the VEBA as well as current year market value gains of its investments.

The increase of \$4,475,720 in other noncurrent liabilities was the result of the increased funds held in the depository accounts held for the Dominguez Hills Corporation, the Associated Students, Inc., the Loker Student Union, and the California State University, Dominguez Hills Philanthropic Foundation. This large increase came primarily from two major gifts to the California State University, Dominguez Hills Philanthropic Foundation.

Restricted Resources

Net position of the Foundation includes funds that have legal restrictions placed on their use. Funds may be expendable for a specific purpose or they may be nonexpendable. Of the Foundation's net position of \$6,715,923 at June 30, 2017, \$6,524,845 is unrestricted but is designated for specific purposes and \$191,078 is the net investment in capital assets.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

Comparative Analysis of Current and Prior Year Activities and Balances - Continued

The Foundation's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2017 and 2016 is as follows:

Condensed Summary of Revenues, Expenses, and Changes in Net Position

	Year ended June 30,		
	2017	2016	\$ Change
Operating revenues:			
Grants and contracts	\$ 13,932,878	\$ 13,661,850	\$ 271,028
Sales and services of educational activities	8,639	4,216	4,423
Sales and services of auxiliary enterprises	5,196,599	4,840,134	356,465
Other operating revenues	829,727	721,776	107,951
Nonoperating revenues:			
Investment income (net of fees)	<u>1,252,095</u>	<u>(678,634)</u>	<u>1,930,729</u>
Total revenues	21,219,938	18,549,342	2,670,596
Operating Expenses:			
Instructional	9,481,703	5,880,994	3,600,709
Research	1,276,841	3,624,940	(2,348,099)
Academic support	666,377	1,048,361	(381,984)
Student services	2,323,203	1,953,883	369,320
Institutional support	382,870	1,331,778	(948,908)
Auxiliary enterprise expense	6,064,981	4,910,222	1,154,759
Depreciation	89,088	83,395	5,691
Nonoperating expenses:			
Interest on capital-related debt	<u>9,577</u>	<u>9,301</u>	<u>276</u>
Total expenses	20,294,640	18,842,874	1,451,766
Changes in net position before other additions	925,298	(293,532)	1,218,830
Interfund transfers, net	(1,260)	(5,756)	4,496
Gifts, noncapital	-	(16,168,400)	16,168,400
Gain (loss) on sale of capital assets	71,239	-	71,239
Reductions to permanent endowments	-	-	-
Additions to permanent endowments	-	-	-
Change in net position	<u>995,277</u>	<u>(16,467,688)</u>	<u>17,462,965</u>
Net position at beginning of year	<u>5,720,646</u>	<u>22,188,334</u>	<u>(16,467,688)</u>
Net position at end of year	<u>\$ 6,715,923</u>	<u>\$ 5,720,646</u>	<u>\$ 995,277</u>

Operating revenue from grants and contracts increased by \$271,028, sales and services of educational activities increased by \$4,423, sales and services of auxiliary enterprises increased \$356,465, and other operating revenues increased by \$107,951 respectively. Grants and contracts activity continues to be a focus of effort of the University and the Foundation and this increase is reflective of that commitment. The increase in operating revenue from auxiliary enterprises was due primarily to an expansion of auxiliary enterprise contracts, particularly those with academic consulting and engagement services in partnership with the California STEM Institute for Innovation and Improvement (CSI3).

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

Comparative Analysis of Current and Prior Year Activities and Balances - Continued

As noted in the prior fiscal year's financial statements and audit report, upon the request of the President of California State University, Dominguez Hills, and with the approval of the Boards of Directors of the California State University, Dominguez Hills Foundation and the California State University, Dominguez Hills Philanthropic Foundation, and with the proper notification to the Attorney General's Registry of Charitable Trusts, the Foundation transferred the endowment and all donor-funded short- and long-term assets to the Philanthropic Foundation. This resulted in a significant decrease in the net assets of the Foundation in fiscal year 2015-16 and as such, this fiscal year is not comparable to the current fiscal year's net position change.

Capital Assets and Debt Administration

The Foundation had \$371,101 invested in capital assets, net of accumulated depreciation.

The Foundation has \$180,023 in outstanding debt (\$169,133 long term). This debt was incurred in 1999 to purchase the home that is leased to the University for use by the University President. Normal payments were made against the loan throughout the fiscal year, including \$11,228 in principal.

Factors Impacting Future Periods

GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions

The Foundation implemented GASB Statement No. 45 in fiscal year 2008 resulting in increases in expenses and long term liabilities. The Foundation is a member of the multi-employer Auxiliaries Voluntary Employees' Beneficiary Association (VEBA) trust and since the 2012-13 fiscal year has been able to make regular deposits toward funding the liability. The Foundation continues to work toward funding the liability. The Foundation recently implemented a new Post-Retirement Health Benefits Policy, which eliminated the benefit for employees hired after the policy's adoption. The Foundation anticipates that its Other Post-Employment Benefits liability will begin to decrease due to this policy, as it has seen during this fiscal year.

GASB Statement No. 75, which is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB), will be implemented beginning in the 2017-18 fiscal year. GASB Statement No. 75 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. It replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and establishes new accounting and financial reporting requirements for OPEB plans. The Foundation anticipates that the implementation of GASB Statement No. 75 will substantially change the accrued liability it has on its books for Other Post-Employment Benefits.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2017**

Comparative Analysis of Current and Prior Year Activities and Balances - Continued

Grants and Contracts

Graduate Studies and Research is leading the University's efforts to garner additional grants and contracts research at the institution. In addition, the University finished its Presidential Taskforce to examine ways in which the institution can better engage faculty in the development of new research activities at the institution and is actively implementing its recommendations. The University and Foundation have reorganized the Post Award Administration of grants and contracts. While the Foundation is still the official recipient of the funds, the Dean of Graduate Studies and Research, through the Director of Sponsored Research and Programs, now has responsibility for compliance with Uniform Guidance, OMB Circulars, and other federal, state, and local policies and procedures related to grants and contracts administration.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
STATEMENT OF NET POSITION
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,818,719	\$ 4,803,829
Short-term investments	1,057,823	1,051,438
Accounts receivable, net	1,424,876	2,575,489
Prepaid expense and other assets	<u>61,178</u>	<u>15,355</u>
 Total current assets	 <u>13,362,596</u>	 <u>8,446,111</u>
Non-current assets		
Other long-term investments	9,987,265	9,265,964
Capital assets, net	<u>371,101</u>	<u>551,693</u>
Total non-current assets	<u>10,358,366</u>	<u>9,817,657</u>
 Total assets	 <u>\$ 23,720,962</u>	 <u>\$ 18,263,768</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 343,841	152,398
Accrued salaries and benefits payable	100	69,341
Accrued compensated absences	213,218	221,466
Unearned revenue	190,081	200,000
Mortgage payable, current portion	10,890	10,344
Other liabilities	<u>19,625</u>	<u>14,315</u>
Total current liabilities	<u>777,755</u>	<u>667,864</u>
Noncurrent liabilities		
Postemployment benefits other than pensions	3,468,355	3,580,275
Mortgage payable, net of current portion	169,133	180,907
Depository accounts	12,087,240	7,915,325
Agency funds held	<u>502,556</u>	<u>198,751</u>
Total noncurrent liabilities	<u>16,227,284</u>	<u>11,875,258</u>
 Total liabilities	 <u>17,005,039</u>	 <u>12,543,122</u>
NET POSITION		
Invested in capital assets, net of related debt	191,078	360,442
Restricted for:		
Nonexpendable - endowments	-	-
Expendable:		
Scholarships and fellowships	-	-
Unrestricted	<u>6,524,845</u>	<u>5,360,204</u>
 Total net position	 <u>\$ 6,715,923</u>	 <u>\$ 5,720,646</u>

See accompanying auditors' reports and notes to financial statements.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	<u>2017</u>	<u>2016</u>
REVENUES		
Operating revenues:		
Grants and contracts, noncapital:		
Federal	\$ 12,735,555	\$ 12,106,053
State and local	630,521	1,173,384
Nongovernmental	566,802	382,413
Sales and services of educational activities	8,639	4,216
Sales and services of auxiliary enterprises	5,196,599	4,840,134
Other operating revenues	<u>829,727</u>	<u>721,776</u>
Total operating revenues	<u><u>19,967,843</u></u>	<u><u>19,227,976</u></u>
EXPENSES		
Operating expenses:		
Instruction	9,481,703	5,880,994
Research	1,276,841	3,624,940
Academic support	666,377	1,048,361
Student services	2,323,203	1,953,883
Institutional support	382,870	1,331,778
Auxiliary enterprise expenses	6,064,981	4,910,222
Depreciation	<u>89,088</u>	<u>83,395</u>
Total operating expenses	<u><u>20,285,063</u></u>	<u><u>18,833,573</u></u>
Operating income (loss)	<u><u>(317,220)</u></u>	<u><u>394,403</u></u>
Nonoperating revenues(expenses):		
Gifts, noncapital	-	(16,168,400)
Gain (loss) on sale of capital assets	71,239	-
Investment income (net of fees)	1,252,095	(678,634)
Interest on capital-related debt	(9,577)	(9,301)
Interfund transfers, net	<u>(1,260)</u>	<u>(5,756)</u>
Total nonoperating revenues(expenses)	<u><u>1,312,497</u></u>	<u><u>(16,862,091)</u></u>
CHANGE IN NET POSITION	995,277	(16,467,688)
NET POSITION - beginning of year	<u>5,720,646</u>	<u>22,188,334</u>
NET POSITION - end of year	<u><u>\$ 6,715,923</u></u>	<u><u>\$ 5,720,646</u></u>

See accompanying auditors' reports and notes to financial statements.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Federal grants and contracts	\$ 12,735,555	\$ 12,106,053
State and local grants and contracts	630,521	1,173,384
Nongovernmental grants and contracts	566,802	382,413
Payments to suppliers	(10,791,851)	(12,169,369)
Payments to employees	(7,912,843)	(6,329,075)
Sales and services of educational activities	8,639	4,216
Sales and services of auxiliary enterprises	5,196,599	4,840,134
Other receipts	<u>829,727</u>	<u>721,776</u>
Net Cash Provided (Used) by Operating Activities	<u>1,263,149</u>	<u>729,532</u>
Cash flows from noncapital financing activities:		
Monies received (disbursed) on behalf of others (net)	<u>4,475,720</u>	<u>6,569,806</u>
Net Provided (Used) by noncapital financing activities	<u>4,475,720</u>	<u>6,569,806</u>
Cash flows from capital and related financing activities:		
Principal paid on capital debt and lease	(11,228)	(9,865)
Interest paid on capital debt and lease	<u>9,577</u>	<u>(9,301)</u>
Net cash (Used) by capital and related financing activities	<u>(1,651)</u>	<u>(19,166)</u>
Cash flows from investing activities:		
Disposal gain (loss) on capital assets	293,640	-
Proceeds from sales and maturities of investments	4,584,056	(9,008,988)
Purchases of investments	<u>(4,600,024)</u>	<u>4,825,248</u>
Net Cash Provided (Used) by Investing Activities	<u>277,672</u>	<u>(4,183,740)</u>
Net increase (decrease) in cash and cash equivalents	6,014,890	3,096,432
Cash and cash equivalents at beginning of year	<u>4,803,829</u>	<u>1,707,397</u>
Cash and cash equivalents at end of year	<u>\$ 10,818,719</u>	<u>\$ 4,803,829</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities		
Operating income	\$ (317,220)	\$ 394,404
Adjustments to reconcile net operating income (loss) to net cash provided by (used by) operating activities:		
Depreciation	89,088	83,395
Change in assets and liabilities:		
Short-term investments	(6,385)	(3,486)
Accounts receivable, net	1,150,613	(230,896)
Prepaid expense and other assets	45,823	48,218
Gift Annuity receivable	-	318,077
Accounts payable	191,443	(476,686)
Accrued salaries and benefits payable	(69,241)	68,763
Accrued compensated absences	(8,248)	26,378
Unearned revenue	(9,919)	(25,000)
Other liabilities	5,310	(6,647)
Postemployment benefits other than pensions	(111,920)	334,262
Agency funds held	<u>303,805</u>	<u>198,751</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,263,149</u>	<u>\$ 729,533</u>

See accompanying auditors' reports and notes to financial statements.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

1. ORGANIZATION

Nature of Organization

The California State University Dominguez Hills Foundation (the Foundation) is a nonprofit California public benefit corporation which is an auxiliary organization of California State University, Dominguez Hills (the University). A wholly owned subsidiary, the Dominguez Hills Corporation (the Corporation), is a California for-profit corporation which administers certain research and educational grants and contracts. Together, these entities (collectively referred to as the Foundation) assist the University in various activities including developing and administering research and educational grants and contracts; conducting the bookstore, food service, and vending machine operations on the campus; developing land and commercial enterprises; administering various educationally related functions, special programs, and other activities. The Corporation is included in the reporting entity of the Foundation, and accordingly, its operations are blended with the operations of the Foundation in the accompanying basic financial statements.

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.

Basis of Accounting

The Foundation records revenue in part from assisting the University in various activities including developing and administering research and educational grants and contracts, conducting the bookstore, food service, and vending machine operations on the campus; developing land and commercial enterprises; administering various educationally related functions, special programs, and other activities. Accordingly, the Foundation has chosen to present its basic financial statements using the reporting model for special-purpose governments engaged only in business-type activities. This model allows all financial information for the Foundation to be reported in a single column in each of the basic financial statements. The effect of any internal activity between funds or groups of funds has been eliminated from these basic financial statements.

Classification of Current and Noncurrent Assets and Liabilities

The Foundation considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net position date. Liabilities that reasonably can be expected, as part of normal Foundation business operations, to be liquidated within 12 months of the statement of net position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Position

The Foundation's net position is classified into the following categories:

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation, amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted - nonexpendable: Net position subject to externally imposed conditions that the Foundation retains them in perpetuity. When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Unrestricted: All other categories of net position. In addition, unrestricted net position may be designated for use by management of the Foundation.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of deposits with Wells Fargo Bank, N.A. It is composed significantly of funds held in depository accounts for other auxiliary organizations of the California State University, Dominguez Hills campus. The Foundation provides accounting and management services for the California State University, Philanthropic Foundation, the Loker University Student Union, the Dominguez Hills Corporation, and limited services for the Associated Students, Inc., and as such it holds funds on their behalf as depository accounts.

Investments – Other

Funds in the Local Agency Investment Fund held for investments that are not debt securities are included in "investments-other." Investments with original maturities greater than three months and remaining maturities less than one year are classified as "short-term investment-Other". Investments with remaining maturities greater than one year are classified as "long-term investments-other."

Accounts Receivables

Receivables consists of contracts, related party receivables, and other miscellaneous receivables. The Foundation uses the allowance method of accounting for receivables determined to be potentially uncollectable. Management provides for probable uncollectable 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.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Other Assets

Other assets include inventories that are stated at the lower of cost or market determined on a first-in, first-out basis, and prepaid expenditures.

Investments

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

Capital Assets

Capital assets are stated at cost or estimated historical cost if purchased or, at estimated fair value at date of donation if donated. Capital assets with a value of less than \$5,000 are not capitalized. The Foundation is required to capitalize infrastructure assets that have been acquired, or that have received major improvements, in fiscal years ending after June 30, 1980. Title to all assets, whether purchased, constructed, or donated, is held by the Foundation. Depreciation is determined using the straight-line method over the estimated lives of the assets ranging from three to ten years. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful lives or the term of the lease. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Accrued Compensated Absences

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

Unearned Revenue

Unearned revenue consists primarily of unearned revenue related to federal grants and contracts and any commissions paid in advance for Commercial Operations.

Other Liabilities

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

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Classification of Revenues and Expenses

The Foundation considers operating revenues and expenses in the statement of revenues, expenses, and changes in net position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the Foundation's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 33. These nonoperating activities include the Foundation's net investment income (net of fees), gifts, and interest expense.

Grants and Contracts

The Foundation serves as administrator for various grants and contracts awarded by governmental and private institutions. Amounts administered by the Foundation are recorded as revenue and expense in the accompanying basic financial statements.

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 Uniform Guidance and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Foundation's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Foundation.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

The Foundation 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).

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

The Foundation's Forms 990, *Return of Organization Exempt from Income Tax*, for each of the three tax years ended June 30, 2016, 2015, and 2014, are subject to examination by the IRS, generally for 3 years after they were filed.

Estimates

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

Reclassifications

Certain amounts in the 2016 comparative totals have been reclassified to conform with the 2017 reporting format.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the California State University, Dominguez Hills Foundation financial statements for the year ended June 30, 2016 from which the summarized information was derived.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements

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

This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

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

The carrying amounts of cash and cash equivalents, accounts receivable and related party receivables approximate fair value because of the terms and relatively short maturity of these financial instruments.

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

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

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposits and investments held at June 30, 2017 are as follows:

Deposits:	
Demand deposits (Level 1 input)	\$ 10,815,469
Cash equivalents – Cash Reserve Trust Fund (Level 3 input)	<u>3,250</u>
	<u>10,818,719</u>
Investments Level 1 inputs:	
Alternative Investments	\$ 1,487,103
Money Market Funds	58,399
Equities	6,946,018
Corporate and government bonds	1,495,745
Investments Level 2 inputs:	
Local Agency Investment Fund	<u>1,057,823</u>
	<u>11,045,088</u>
Total deposits and investments	<u>\$ 21,863,807</u>
Reconciliation to statement of net position	
Current:	
Cash and cash equivalents	\$ 10,818,719
Investments	1,057,823
Noncurrent:	
Investments – Other long term	<u>9,987,265</u>
	<u>\$ 21,863,807</u>

At June 30, 2017, the Foundation did not have any investments measured using Level 3 inputs.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS – Continued

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

The Foundation measures fair value in accordance with GASB 72, Fair Value Measurement and Application. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires the Foundation to develop its own assumptions. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Assets reported at fair value at June 30, 2017 are Level 1 and Level 2 inputs.

The Foundation also maintains investments with the State of California Local Agency Investment Fund (LAIF) amounting to \$1,057,823 as of June 30, 2017. LAIF pools these funds with other governmental agencies and invests in various investment vehicles. These pooled funds approximate fair value. Regulatory oversight is provided by the State Pooled Money Investment Board and the Local Investment Advisory Board. LAIF is not subject to categorization as prescribed by GASB Statement No. 3 and No. 40 to indicate the level of custodial credit risk assumed by the Foundation at year end.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation does not have a deposit policy for custodial credit risk. Deposits in the financial institution, reported as components of cash had bank balances of \$10,815,469 for 2017. As of June 30, 2017 \$250,000 of these balances are insured under the Federal Deposit Insurance Corporation (FDIC). The remaining \$10,565,469 is at risk.

Investment Credit Risk

The Foundation's formal investment policy limits its investment choices to the following:

- Local Agency Investment Fund (LAIF)
- Cash equivalents having maturities of less than one year
- Global public equities, including domestic equities, international developed equity, and emerging markets
- Global fixed income, including domestic fixed income and global fixed income
- Alternative investments, including hedge funds and private equity

All Foundation investments, with the exception of LAIF and cash equivalents, are managed by Morgan Stanley/Graystone Consulting in accordance with the Foundation's approved investment policy statement.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS - Continued

Concentration of Investment Credit Risk

The Foundation's formal investment policy limits the assets to the following target and maximum allocations:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Maximum Allocation</u>
Global Public Equity:		
Domestic Equity	29%	35%
International Developed Equity	15%	20%
Emerging Markets	11%	15%
Total Equity	55%	70%
Global Fixed Income:		
Domestic Fixed Income	10%	15%
Global Fixed Income	10%	15%
Total Fixed Income	20%	30%
Alternative Investments:		
Hedge Funds	17.5%	20%
Private Equity:	7.5%	10%
Total Alternative Investments	25%	30%
Total Portfolio (Target Allocation)	100%	

The following is a breakdown of the investment income (net of fees), which has been allocated among the various revenue accounts on the statement of revenues, expenses and changes in net position:

<u>Investment Income (Net of Fees) for 2017</u>	<u>Unrestricted</u>
Interest and dividends	\$ 206,134
Realized gain(loss) on sales, net	97,094
Unrealized gain(loss), net	<u>948,867</u>
Total investment income	<u>\$ 1,252,095</u>

4. ACCOUNTS RECEIVABLE

Accounts Receivable at June 30, 2017 consisted of the following:

Grants receivables	\$ 622,199
Advances	17,312
Other	786,285
Allowance for bad debts	<u>(920)</u>
Total	<u>\$ 1,424,876</u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)

5. CAPITAL ASSETS

Capital assets consist of the following at June 30, 2017:

	Beginning of Year 7/1/16	Additions	Deletions	End of Year 6/30/17
Buildings	\$ 769,643	\$ -	\$ (350,000)	\$ 419,643
Accumulated Depreciation	<u>(343,632)</u>	<u>(21,766)</u>	<u>127,600</u>	<u>(237,798)</u>
	426,011	(21,766)	(222,400)	181,845
Equipment	177,920	7,395	-	185,315
Accumulated Depreciation	<u>(138,957)</u>	<u>(26,329)</u>	<u>-</u>	<u>(165,286)</u>
	38,963	(18,934)	-	20,029
Furniture and fixtures	6,339	-	-	6,339
Accumulated Depreciation	<u>(4,074)</u>	<u>(2,113)</u>	<u>-</u>	<u>(6,187)</u>
	2,265	(2,113)	-	152
Leasehold improvements	113,269	123,501	-	236,770
Accumulated Depreciation	<u>(28,815)</u>	<u>(38,880)</u>	<u>-</u>	<u>(67,695)</u>
	84,454	84,621	-	169,075
Capital Project Work in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 551,693</u>	<u>\$ 41,808</u>	<u>\$ (222,400)</u>	<u>\$ 371,101</u>

Depreciation expense for the year ended June 30, 2017 was \$89,088.

6. DEPOSITORY ACCOUNTS

Deposits held in custody for others which are comprised of cash and investments as of June 30, 2017 is follows:

Dominguez Hills Corporation	\$ 51,128
Loker University Student Union, Inc.	1,624,273
CSUDH Philanthropic Foundation	<u>10,411,839</u>
Total deposits held in custody for others	<u>\$ 12,087,240</u>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

7. MORTGAGE PAYABLE

During the year ended June 30, 2000, the Foundation purchased a house for \$397,955 which is used by the University President.

In connection with the purchase of the house, the Foundation entered into a loan agreement with City National Bank in the original amount of \$287,000. The agreement, which was modified in January 2011, provides for monthly interest and principal payments of \$1,600 and will mature as of the fiscal year ending June 30, 2030. The note bears interest at 4.75% and is secured by the deed of trust. Interest expense incurred for the mortgage loan for the year ended June 30, 2017 was \$9,577.

A summary of current year activity on the loan for the year ended June 30, 2017 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Mortgage payable	<u>\$ 191,251</u>	<u>\$ -</u>	<u>\$ 11,228</u>	<u>\$ 180,023</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
2018	\$ 10,890	\$ 8,316	\$ 19,206
2019	11,418	7,787	19,205
2020	11,973	7,233	19,206
2021	12,554	6,652	19,206
2022	13,163	6,042	19,205
Thereafter	<u>120,025</u>	<u>5,778</u>	<u>125,803</u>
Total	<u>\$ 180,023</u>	<u>\$ 41,808</u>	<u>\$ 221,831</u>

In connection with the purchase of the house, the Foundation entered into a Residential Lease Agreement with the University. The initial term of this lease was for ten years, commencing June 1, 2000, and ending May 31, 2010. The lease was subsequently extended through June 30, 2020. Under the terms of the agreement, the University will pay the Foundation a monthly rental amount comprised of principal and interest on the City National Bank mortgage, estimate for insurance and property taxes, homeowners' association dues, maintenance costs and reimbursement of the Foundation's \$74,990 down payment on the house.

The Foundation has recorded the cost of the house as well as the mortgage payable in the accompanying basic financial statements. Lease payments due to the Foundation from the University to pay debt service are recorded as revenue when received.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

8. ACCRUED COMPENSATED ABSENCES

Accrued compensated absences at year end are included in accrued expenses and other liabilities in the Statement of Net Position and consists of the following activity during the year ended June 30, 2017:

	Beginning Balance as of <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance as of <u>June 30, 2017</u>	<u>Current Portion</u>
Liabilities:					
Compensated absences	<u>\$ 221,466</u>	<u>\$ 217,996</u>	<u>\$ (226,244)</u>	<u>\$ 213,218</u>	<u>\$ 213,218</u>
Total Current liabilities, net	<u>\$ 221,466</u>	<u>\$ 217,996</u>	<u>\$ (226,244)</u>	<u>\$ 213,218</u>	<u>\$ 213,218</u>

9. OPERATING LEASE

The Foundation entered into a sublease with the Donald P. & Katherine B. Loker University Student Union (Union) on November 1, 2006 extended to June 30, 2017 for rental of the food service area located in the Union building. Payments of rental fees are made by the Foundation on a quarterly basis. In addition, the Foundation pays rental fees based on commissions of the University Bookstore. Total rental fees paid for the year ended June 30, 2017 amounted to \$117,090. Of this total, \$84,035 was for utilities and \$33,055 was for commissions.

10. PENSION PLANS

The Foundation maintains a pension plan for all eligible employees with Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA CREF).

(a) *Plan Description* - TIAA CREF is an agent which provides variable individual and group annuities for retirement and tax-deferred savings plans at nonprofit or publicly supported colleges, universities, and other educational and research organizations. The TIAA CREF pension plan is a defined contribution plan. The contributions are invested and then disbursed at the time of the employees' retirement in the form of lifetime income or other payment options.

(b) *Funding Policy* – The Foundation's pension plan includes two groups of employees: those hired prior to July 1, 2014 which are grandfathered under the original funding policy and those hired after July 1, 2014 which are subject to the current funding policy.

For those employees hired prior to July 1, 2014, participants were not required to contribute any of their annual covered salary. For this employee group, during the period from February 1, 2001 through June 30, 2017, the Foundation contributed 10% of the employees' annual covered payroll.

For those employees hired after July 1, 2014, participants were required to contribute either 2% or 5% of their annual salary in order to receive an employer contribution of 4% or 8%, respectively.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

10. PENSION PLANS - Continued

(c) *Annual Pension Cost* - For the year ended June 30, 2017 the Foundation's annual TIAA CREF pension cost totaled \$237,488.

(d) *Annual Contributions from Employees* - For the year ended June 30, 2017, employees contributed \$37,951 to the Pension Plan (not including tax deferred elective deferrals to the Foundation's non-ERISA plan).

11. POSTEMPLOYMENT HEALTHCARE BENEFITS

The Foundation provides lifetime postretirement medical coverage to employees who satisfy certain eligibility requirements. Retirees receive the same monthly allowance toward the cost of coverage as active employees.

In accordance with GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, the Foundation has recorded the cost and obligation of these benefits in the basic financial statements.

Annual OPEB Cost and Net OPEB Obligation

The Foundation's annual other post-employment 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 costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Foundation's annual OPEB cost for the year, the amount actually contributed, and changes in the OPEB obligation:

	2017
Actuarial Accrued Liability (AAL)	\$ 4,038,267
Actuarial Value of Assets at Beginning of Year	<u>(162,379)</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 3,875,888
Normal Cost	\$296,925
Amortization of UAAL	<u>222,480</u>
Annual Required Contribution (ARC)	\$519,405
Annual Required Contribution	\$ 519,405
Interest on Net OPEB Obligation	170,063
Adjustment to Annual Required Contribution	<u>(205,511)</u>
Annual OPEB Cost (Expense)	483,957
Projected Pay-As-You-Go Cost	(79,289)
Contributions and to Trust	<u>(50,000)</u>
Change in net OPEB obligation	354,668
Net OPEB obligation – beginning of year	<u>3,580,275</u>
Net OPEB obligation – end of year	<u>\$ 3,934,943</u>
Projected Pay-As-You-Go Cost	\$ 79,289

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

11. POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/13	\$ 491,645	9.15%	\$ 2,475,336
6/30/14	\$ 530,492	0.00%	\$ 2,932,776
6/30/15	\$ 424,835	11.77%	\$ 3,246,013
6/30/16	\$ 453,562	11.02%	\$ 3,580,275
6/30/17	\$ 483,957	60.74%	\$ 3,934,943

Funding Status and Funding Progress

Beginning in fiscal year ending June 2011, the Foundation participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees’ Beneficiary Association) and contributed \$45,000 in fiscal year ending June 2013. The Foundation contributed an additional \$50,000 for the 2015-16 fiscal year. In the 2016-17 fiscal year, the Foundation contributed an additional \$293,962. The Auxiliaries Multiple Employer VEBA is a separate 501 (c)(9) organization established in August 2010 to assist in funding post-retirement healthcare benefits for recognized auxiliaries of the California State University System. The plan does not issue separate financial statements. The total fair market value of assets in the Auxiliaries Multiple Employer VEBA as of June 30, 2017 was \$569,912.

As of June 30, 2017, according to the most recent actuarial valuation report, the actuarial accrued liability for benefits was \$4,038,267. This estimated liability is updated with an actuarial study every three years. Based on the total fair market value of assets in the Auxiliaries Multiple Employer VEBA as of June 30, 2017 of \$569,912, the unfunded accrued liability on the financial statements is \$3,468,355.

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 post-employment healthcare benefits funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets, if any, is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

11. POSTEMPLOYMENT HEALTHCARE BENEFITS – Continued

Actuarial Methods and Assumptions

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

In the July 1, 2014 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.75 percent investment rate of return (net of administrative expenses) which is the current expected long-term investment returns on plan assets. The UAAL is being amortized on a level dollar approach and closed basis over 30 years as allowed under GASB Statement No. 45. The remaining amortization period will end on June 30, 2037.

12. COMMITMENTS

The operation of the University Bookstore is contracted to an outside vendor whose contract expired in May 2014 and was subsequently renewed. Effective June 1, 2014 to May 31, 2024, the Foundation will receive fees equal to 16.1% of the first \$6,000,000 in bookstore sales and 17.1% of all revenues over \$6,000,000. The fees, which totaled \$549,805 for the year ended June 30, 2017, are included in sales and services of auxiliary enterprises.

In January 1995, the Foundation entered into an agreement with an external vendor to provide vending services for the University. The agreement was originally for one year commencing January 5, 1995 and automatically renews annually. In connection with the contract, the Foundation receives 25% of all vending revenues as commission. The revenues received on this contract, included in sales and services of auxiliary enterprises for the year ended June 30, 2017 amounted to \$31,757.

In February 1998, the Foundation entered into an agreement with Subway to provide food services to the University. The agreement was originally for one year commencing July 1, 1998. The tenant has the option of extending this lease for 18 consecutive periods of one year. The tenant has exercised their options through the year ending June 30, 2020. In connection with the contract, the Foundation shall receive 7% of gross sales per month. The contract commission revenues received on this contract, included in sales and services of auxiliary enterprises, for the year ended June 30, 2017 amounted to \$53,654.

The Foundation entered into a sponsorship agreement with Pepsi to give exclusive beverage availability and merchandising rights on the University campus for a five year period beginning January 2015. In connection with the contract, the sponsor agreed to pay the Foundation up front commissions each year, annual product donations, and sales based commission. Commission received on this contract, included in sales and services of auxiliary enterprises, for the year ended June 30, 2017 amounted to \$75,000.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

12. COMMITMENTS – Continued

In March 2013, the Foundation entered into an agreement with Panda Express to provide food services to the University. The agreement is for a period of five years. In connection with the contract, the Foundation shall receive 6% to 9% of revenues, depending on volume. The contract commission revenues received on this contract, included in sales and services of auxiliary enterprises, for the year ended June 30, 2017 amounted to \$49,000.

In April 2007, the Foundation entered into an agreement with Taco Bell/A&W to provide food services to the University. The agreement was originally for five years commencing April 23, 2007 and automatically renews for an additional five years. In connection with the contract, the Foundation shall receive 10.5% of gross sales per month. The contract commission revenues received on this contract, included in sales and services of auxiliary enterprises, for the year ended June 30, 2017 amounted \$37,501.

In December 2012, the Foundation entered into an agreement with Jamba Juice to provide food services to the University. In connection with the contract, the Foundation received 10.0% gross sales per month. The contract commission revenues received on this contract, included in sales and services of auxiliary enterprises, for the year ended June 30, 2017 amounted to \$31,811. The agreement is for five years with the option of extending this lease for an additional five years.

In August 2007, the Foundation entered into an agreement with Johnnie's Pizza to provide food services to the University. The agreement was originally for five years commencing August 28, 2007 and automatically renews for an additional five years. On March 19, 2013 the contract was reassigned to a new operator for an additional five-year term which expires on March 19, 2018 without an option to renew. In connection with the contract, the Foundation shall receive 12.5% of gross sales per month. The contract commission revenues received on this contract, included in sales and services of auxiliary enterprises, for the year ended June 30, 2017 amounted to \$29,592.

13. TRANSACTIONS WITH RELATED ENTITIES

The Foundation and the University provide various services on each other's behalf. Such services are appropriately billed. Amounts payable to the University at June 30, 2017 totaled \$130,315. Amounts receivable from the University totaled \$78,169 at June 30, 2017. Amounts receivable from other University auxiliaries totaled \$111,075 at June 30, 2017. There were no amounts payable to other University auxiliaries at June 30, 2017.

The Foundation charges a fee to the Loker University Student Union, Inc., the California State University, Dominguez Hills Philanthropic Foundation, and the Associated Students, Inc. for administrative services. Fees collected for these services were \$190,000 for the year ended June 30, 2017.

14. SUBSEQUENT EVENTS

The Foundation has evaluated events subsequent to June 30, 2017, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 12, 2017, 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.

**INFORMATION REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND THE UNIFORM GUIDANCE**



VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

To the Board of Directors of
California State University,
Dominguez Hills Foundation (the Foundation)
(A California Non-Profit Corporation)
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 California State University, Dominguez Hills Foundation (A California Non-Profit Corporation), which comprise the statement of net position as of June 30, 2017, and the related 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 12, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered California State University, Dominguez Hills Foundation's 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 California State University, Dominguez Hills Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the California State University, Dominguez Hills Foundation'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 California State University, Dominguez Hills Foundation's 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, Hays + Co.

Calabasas, California
September 12, 2017



VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

To the Board of Directors of
California State University,
Dominguez Hills Foundation (the Foundation)
(A California Non-Profit Corporation)
Carson, California

Report on Compliance for Each Major Federal Program

We have audited California State University, Dominguez Hills Foundation's (the Foundation) (A California Non-Profit Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of California State University, Dominguez Hills Foundation's major federal programs for the year ended June 30, 2017. California State University, Dominguez Hills Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of California State University, Dominguez Hills Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about California State University, Dominguez Hills Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of California State University, Dominguez Hills Foundation's compliance.

Opinion on Each Major Federal Program

In our opinion, California State University, Dominguez Hills Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of California State University, Dominguez Hills Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered California State University, Dominguez Hills Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of California State University, Dominguez Hills Foundation's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Voxin, Hryn + Co.

Calabasas, California
September 12, 2017

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017
(FEIN: 95-2543028)

Federal Grantor/Pass-Through Agent/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Number	Award Amount	Total Federal Expenditures	Payments to Subrecipients
Research and Development Cluster:					
National Science Foundation					
Direct Programs:					
Master Science Teacher Fellowship Program	47.076	DUE1035131	\$ -	\$ 170,939	\$ -
IREs: Fire, Carbon and Climate Change in Australia	47.079	OISE-1261015	-	84,827	-
Collaborative Research: Innovating and Experiencing Punishment	47.075	1455091	-	6,765	-
Collaborative Research: Innovating and Experiencing Punishment	47.075	1455091	-	3,447	-
Passed Through University of Texas at El Paso (UTEP)					
BPC-AE: Computing alliance of Hispanic-Serving Institutions (CAHSI)	47.070	26-1008-02-61	-	27,460	-
BPC-AE: Computing alliance of Hispanic-Serving Institutions (CAHSI)	47.041	226100867B	-	(92)	-
BPC-A: Computing alliance of Hispanic-Serving Institutions (CAHSI)	47.070	226100958B	68,068	29,527	-
Passed Through Watcom University					
Noyce Math & Science Scholars Phase II	47.076	DUE-1339961	-	148,580	-
Passed Through Sacramento State University					
CSU: LSAMP Louis Stokes 2015-2016	47.076	523773/HRD-1302873	-	7,533	-
LSAMP 2016-2017 NSF	47.076	523771	15,000	8,879	-
CSU:LSAMP 2016-2017 CO	47.076	523501	25,000	4,626	-
Total National Science Foundation				\$ 492,491	\$ -
U.S. Department of Health and Human Services					
National Institutes of Health					
Direct Programs:					
MARC U*STAR 2015-2016	93.859	5T34GM008683-15	\$ -	\$ 4,197	\$ -
MBRS 2015-2016	93.859	2R25/GM062252-12	-	19,764	-
MBRS 2016-2017	93.859	2R25/GM062252-13	428,260	286,937	-
MARC U*STAR 2016-2017	93.859	5T34GM008683-16	-	177,324	-
U-STAR: Top 10	93.859	5T34GM008683-17	203,165	10,130	-
YBMSM's Sexual Communications	93.242	N/A	-	(3,071)	-
Passed Through University of California					
Mental Health Research Grants	93.242	5R25MH067127-13	-	2,562	-
Passed Through RAND					
Treatment Advocacy Intervention for HIV-Positive African Americans	93.307	9920170046	19,848	-	-
Total U.S. Department of Health and Human Services				\$ 497,843	\$ -
U.S. Department of Education					
Direct Programs:					
Project Accelerate	84.031S	P031S160236	\$ 524,870	\$ 137,890	\$ -
STEM Scholars (H S I STEM)	84.031C	P31C160199	1,191,269	14,585	-
Passed Through Sungkyunkwan University (Ministry of Education of the Republic of Korea)					
Diversity, Agency, and Transnationality Among Korean Americans	Foreign	AKS-2016-SRK-1230005	31,967	11,936	-
Total U.S. Department of Education				\$ 164,411	\$ -
U.S. Department of Energy					
Direct Programs:					
Photo- and Electroproduction of Multiply-Strange Hyperons at CLAS	81.049	DE-SC0016547	\$ 75,000	\$ 24,179	\$ -
Total U.S. Department of Energy				\$ 24,179	\$ -
U.S. Nuclear Regulatory Commission					
Direct Programs:					
Probalistic Risk Assessment of Robots Used in Nuclear Safety Applications	77.007	NRC-HQ-7P-15-G-002	\$ 299,334	\$ 71,335	\$ -
Total U.S. Nuclear Regulatory Commission				\$ 71,335	\$ -
Total Research and Development Cluster				\$ 1,250,259	\$ -

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017
(FEIN: 95-2543028)

Federal Grantor/Pass-Through Agent/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Number	Award Amount	Total Federal Expenditures	Payments to Subrecipients
U.S. Department of Education					
Direct Programs:					
TRIO Cluster:					
TRIO CSUDH Student Support Services Project	84.042A	P042A151297	\$ -	\$ 41,088	\$ -
TRIO CSUDH Student Support Services Project	84.042A	P042A151297	506,887	183,489	-
TRIO CSUDH Student Support Services Veterans Project	84.042A	P042A151472	-	170,045	-
TRIO CSUDH Student Support Services Veterans Project	84.042A	P042A151472	444,941	26,338	-
CSUDH McNair Scholars Program	84.217A	P217A120019-14	-	425	-
CSUDH McNair Scholars Program	84.217A	P217A120019-15	-	61,692	-
CSUDH McNair Scholars Program	84.217A	P217A120019-16	235,664	208,561	-
CSUDH Jordan High Talent Search	84.044A	P044A160678	239,801	131,614	-
Upward Bound Carson/Gardena	84.047	P047A121750-14	-	162	-
Upward Bound Carson/Gardena	84.047	P047A121750-15	-	128,250	-
TRIO CSUDH Upward Bound CVUHSD	84.047	P047A121750-16	257,399	227,013	-
Upward Bound LAUSD	84.047A	P047A121749	-	13,395	-
Upward Bound LAUSD	84.047A	P047A121749-15	-	29,683	-
TRIO CSUDH/LAUSD Upward Bound	84.047A	P047A121749-16	270,344	168,841	-
Upward Bound Math and Science	84.047M	P047M120453-15	-	83,288	-
TRIO CSUDH CVUHSD Math Science Upward Bound	84.047M	P047M120453-16	257,500	183,981	-
LAUSD Upward Bound	84.047A	P047A171330	270,344	-	-
Centinela Valley Upward Bound	84.047A	P047A171331	257,399	-	-
Total TRIO Cluster				\$ 1,657,865	\$ -
Other Programs:					
Encounter to Excellence	84.031	P031S090128-12	\$ -	\$ (4,268)	\$ -
Encounter to Excellence	84.031	P031S090128-13	-	(668)	-
Title V: Building a High Impact Transfer Academy	84.031S	P031S110042-15	-	571,627	159,420
IMPACT	84.120	P120A120041	-	23,894	-
Early Childhood Special Education	84.325K	H325K160102	-	220,384	-
Early Childhood Special Education	84.325K	H325K160102	249,583	37,785	-
Innovative School Leadership Initiative (ISLI) Yr. 1 & 2	84.363A	U363A130097-14	-	2,016	-
Innovative School Leadership Initiative (ISLI) Yr. 3	84.363A	U363A130097-15	-	909,110	-
Innovative School Leadership Initiative (ISLI) Yr. 3	84.363A	U363A130097-16	2,710,822	1,818,360	-
STAR: STEM Teacher in Advanced Residency	84.336S	U336S140042	2,951,802	2,586,992	196,659
Urban Teachers Residency	84.336	U336S090051-13	-	489,284	-
Transition to Teaching 11	84.350B	U350B110004-15	-	34,656	64,706
Transition To teaching 09	84.350	U350A090011-13	-	(44,136)	-
Charter Autonomous School Leadership Academy-CASLA	84.363	U363A100056-14	-	61,879	-
Childcare Access Means Parents in School (CCAMPIS)	84.335A	P335A140176-15	-	21,963	-
Childcare Access Means Parents in School (CCAMPIS)	84.335A	P335A140176-16	208,683	121,249	-
Special Education Resource Interventionist	84.325K	H325K140416-15	-	31,376	-
Special Education Resource Interventionist	84.325K	H325K140416-16	249,927	288,729	-
GearUp Year 5	84.334A	P334A110231-15	-	204,855	-
GearUp Year 6	84.334A	P334A110231-16	536,000	407,163	-
--Uniting to Prepare Low Incidence Teachers (UPLIFT)	84.325K	H325K130401	-	4,025	-
--Uniting to Prepare Low Incidence Teachers (UPLIFT)	84.325K	H325K130401-15	-	111,895	-
--Uniting to Prepare Low Incidence Teachers (UPLIFT)	84.325K	H325K130401-16	249,999	62,511	-
Graduate Writing Institute For Excellence	84.031M	P031M140041	-	16,579	-
Graduate Writing Institute For Excellence	84.031M	P031M140041-15	-	149,595	-
Graduate Writing Institute For Excellence (GWIE)	84.031M	P031M140041-16	522,470	516,636	-
Passed Through University of California					
CSMP NCLB12	84.367	NCLB12-CMP-Dominguez Hills	-	(1,377)	-
CSMP NCLB12	84.367	NCLB12-CISP-Dominguez Hills	-	5,752	-
California Mathematics Project at CSU Dominguez Hills	84.367	NCLB13-CMP-Dominguez Hills	34,500	28,768	-
14CSMP-CISP--Dominguez Hills International Studies Program	84.367	CSMP NCLB11A	-	424	-
California Subject Matters	84.367	14CSMP-CMP-DOMINGUEZ HILLS	24,000	25,678	-
14CSMP-CISP-Dominguez Hills	84.367	NCLB11-CISP-DH	-	(1,583)	-
Total Other Programs				\$ 8,701,153	\$ 420,785
Total U.S. Department of Education				\$ 10,359,018	\$ 420,785

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017
(FEIN: 95-2543028)

Federal Grantor/Pass-Through Agent/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Number	Award Amount	Total Federal Expenditures	Payments to Subrecipients
U.S. Department of the Interior					
Direct Programs:					
CSU Japanese American Digitization	15,933	P15AP00119	\$ -	\$ 207,644	\$ 82,380
Total U.S. Department of the Interior				\$ 207,644	\$ 82,380
National Endowment for the Humanities					
Direct Programs:					
NEH The Digitization Japanese	45,149	PW-234690-16	-	80,185	9,359
Humanistic Socially Engaged Collaborative Project	45,129	HFAQ16-07	5,000	2,840	-
Total National Endowment for the Humanities				\$ 83,025	\$ 9,359
Corporation for National and Community Service					
Passed Through the Council of Greater City Schools					
Jumpstart 2014-2015	94,006	950200	\$ -	\$ 502	\$ -
Jump Start for Young Children	94,006	950200	-	10,911	-
Jumpstart 2016-2017	94,006	950200	71,051	64,039	-
Jumpstart 2016-2017 Private Fund Associated with Prime	94,006	950200	16,608	4,621	-
Passed Through the JusticeCorps					
AmeriCorps Justice Corps	94,006	Letter 09/12/13	-	12,680	-
AmeriCorps Justice Corps	94,006	Letter 08/16/2016	7,100	1	-
Total Corporation for National and Community Service				\$ 92,754	\$ -
U.S. Department of Health and Human Services					
Passed Through Indiana University					
University Consortium for Children & Families	93,658	1187GSA007 #1	\$ (50,835)	\$ 250,728	\$ -
Passed Through University of California-Berkeley					
CalSWEC 2015-2016	93,658	Agreement #8871	-	64,945	-
CalSWEC Title IV-E FCP 2016-2017	93,658	Agreement # 16-IA-00775	727,820	474,042	-
Total U.S. Department of Health and Human Services				\$ 789,715	\$ -
Total Federal Awards Expended				\$ 12,782,415	\$ 512,524

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of California State University, Dominguez Hills Foundation under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of California State University, Dominguez Hills Foundation, it is not intended to and does not present the financial position, changes in net assets or cash flows of California State University, Dominguez Hills Foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. DE MINIMIS INDIRECT COST RATE

California State University, Dominguez Hills Foundation did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2017.

4. LOAN AND LOAN GUARANTEE

California State University, Dominguez Hills Foundation did not have any balances of loan and loan guarantee programs outstanding at June 30, 2017 for loans described in 2 CFR section 200.50(b).

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAPP:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?

_____ Yes X No

• Significant deficiency(ies) identified?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified?

_____ Yes X No

• Significant deficiency(ies) identified?

_____ Yes X None Reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

CFDA Number(s)

84.336

84.325

84.363

Name of Federal Program or Cluster

Teacher Quality Partnership Grants

Special Education - Personal Development to Improve Services and Results for Children with Disabilities

School Leader Recruitment and Support

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

CURRENT YEAR FINDINGS AND QUESTIONED COSTS:

2017 Findings:

There were no 2017 findings noted.

2017 Questioned Costs:

There were no 2017 questioned costs noted.

PRIOR YEARS FINDINGS AND QUESTIONED COSTS:

2016 Findings:

There were no 2016 findings noted.

2016 Questioned Costs:

There were no 2016 questioned costs noted.

2015 Findings:

There were no 2015 findings noted.

2015 Questioned Costs:

There were no 2015 questioned costs noted.

REQUIRED SUPPLEMENTARY INFORMATION

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2017**

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (Unit Cost Method) (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funding Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2008	\$ -	\$ 4,074,912	\$ 4,074,912	0.00%	\$1,881,000	216.64%
7/1/2011	-	3,391,687	3,391,687	0.00%	2,032,250	166.89%
7/1/2014	52,496	3,290,328	3,237,832	1.60%	2,635,148	122.87%

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO SCHEDULE OF
POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2017

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

OTHER SUPPLEMENTARY INFORMATION

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
STATEMENT OF NET POSITION
JUNE 30, 2017

Assets:	
Current assets:	
Cash and cash equivalents	\$ 10,818,719
Short-term investments	1,057,823
Accounts receivable, net	1,424,876
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	61,178
Total current assets	<u>13,362,596</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	9,987,265
Capital assets, net	371,101
Other assets	—
Total noncurrent assets	<u>10,358,366</u>
Total assets	<u>23,720,962</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	343,841
Accrued salaries and benefits	100
Accrued compensated absences, current portion	213,218
Unearned revenue	190,081
Capitalized lease obligations, current portion	—
Long-term debt obligations, current portion	10,890
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	19,625
Other liabilities	—
Total current liabilities	<u>777,755</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	169,133
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	12,087,240
Other postemployment benefits obligations	3,468,355
Net pension liability	—
Other liabilities	502,556
Total noncurrent liabilities	<u>16,227,284</u>
Total liabilities	<u>17,005,039</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	191,078
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	6,524,845
Total net position	<u>\$ 6,715,923</u>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

Revenues:

Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$ _____)	\$	—
Grants and contracts, noncapital:		
Federal		12,735,555
State		630,521
Local		—
Nongovernmental		566,802
Sales and services of educational activities		8,639
Sales and services of auxiliary enterprises (net of scholarship allowances of \$ _____)		5,196,599
Other operating revenues		829,727
Total operating revenues		<u>19,967,843</u>

Expenses:

Operating expenses:		
Instruction		9,481,703
Research		1,276,841
Public service		666,377
Academic support		—
Student services		2,323,203
Institutional support		382,870
Operation and maintenance of plant		—
Student grants and scholarships		—
Auxiliary enterprise expenses		6,064,981
Depreciation and amortization		89,088
Total operating expenses		<u>20,285,063</u>
Operating income (loss)		<u>(317,220)</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		1,252,095
Endowment income (loss), net		—
Interest expense		(9,577)
Other nonoperating revenues (expenses)		69,979
Net nonoperating revenues (expenses)		<u>1,312,497</u>
Income (loss) before other revenues (expenses)		995,277

State appropriations, capital

Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		<u>995,277</u>

Net position:

Net position at beginning of year, as previously reported		5,720,646
Restatements		—
Net position at beginning of year, as restated		<u>5,720,646</u>
Net position at end of year	\$	<u>6,715,923</u>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

1 Noncurrent restricted cash and cash equivalents at June 30, 2017:	
Portion of restricted cash and cash equivalents related to endowments	\$ —
All other restricted cash and cash equivalents	—
	<hr/>
Total restricted cash and cash equivalents	\$ —
	<hr/>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

2.2 Investments held by the University under contractual agreements at June 30, 2017:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2017 :

— — — — —

2.3 Restricted current investments at June 30, 2017 related to:

	Amount
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2017	\$ —

2.4 Restricted noncurrent investments at June 30, 2017 related to:

	Amount
Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2017	\$ —

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)

2.5 Fair value hierarchy in investments at June 30, 2017:

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	1,057,823	—	1,057,823	—	—
Corporate bonds	1,495,745	1,495,745	—	—	—
Certificates of deposit	—	—	—	—	—
Mutual funds	—	—	—	—	—
Money Market funds	58,399	58,399	—	—	—
Repurchase agreements	—	—	—	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—
Municipal bonds	—	—	—	—	—
U.S. agency securities	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—
Equity securities	6,946,018	6,946,018	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	1,487,103	1,487,103	—	—	—
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	11,045,088	9,987,265	1,057,823	—	—

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)

3.1 Composition of capital assets at June 30, 2017:

	Balance June 30, 2016	Prior period Adjustments	Reclassifications	Balance June 30, 2016 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2017
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	—	—	—	—	—	—	—	—
Intangible assets:								
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	—	—	—	—	—	—	—	—
Depreciable/amortizable capital assets:								
Buildings and building improvements	769,643	—	—	769,643	—	(350,000)	—	419,643
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	113,269	—	—	113,269	123,501	—	—	236,770
Personal property:								
Equipment	184,259	—	—	184,259	7,395	—	—	191,654
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	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	1,067,171	—	—	1,067,171	130,896	(350,000)	—	848,067
Total capital assets	1,067,171	—	—	1,067,171	130,896	(350,000)	—	848,067
Less accumulated depreciation/amortization:								
Buildings and building improvements	(343,632)	—	—	(343,632)	(21,766)	127,600	—	(237,798)
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	(28,815)	—	—	(28,815)	(38,880)	—	—	(67,695)
Personal property:								
Equipment	(143,031)	—	—	(143,031)	(28,442)	—	—	(171,473)
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	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(515,478)	—	—	(515,478)	(89,088)	127,600	—	(476,966)
Total capital assets, net	\$ 551,693	—	—	\$ 551,693	41,808	(222,400)	—	371,101

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2017:

Depreciation and amortization expense related to capital assets	\$ 89,088
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 89,088

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)

4 Long-term liabilities activity schedule:

	Balance June 30, 2016	Prior period adjustments	Reclassifications	Balance June 30, 2016 (restated)	Additions	Reductions	Balance June 30, 2017	Current portion	Long-term portion
Accrued compensated absences	\$ 221,466	—	—	221,466	217,996	(226,244)	213,218	213,218	—
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)									
Long Term Mortgage	191,251	—	—	191,251	—	(11,228)	180,023	10,890	169,133
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	191,251	—	—	191,251	—	(11,228)	180,023	10,890	169,133
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	191,251	—	—	191,251	—	(11,228)	180,023	10,890	169,133
Total long-term liabilities	\$ 412,717	—	—	412,717	217,996	(237,472)	393,241	224,108	169,133

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)

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:									
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023 - 2027	—	—	—	—	—	—	—	—	—
2028 - 2032	—	—	—	—	—	—	—	—	—
2033 - 2037	—	—	—	—	—	—	—	—	—
2038 - 2042	—	—	—	—	—	—	—	—	—
2043 - 2047	—	—	—	—	—	—	—	—	—
2048 - 2052	—	—	—	—	—	—	—	—	—
2053 - 2057	—	—	—	—	—	—	—	—	—
2058 - 2062	—	—	—	—	—	—	—	—	—
2063 - 2067	—	—	—	—	—	—	—	—	—
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									\$ —

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)

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:									
2018	\$ —	—	—	10,890	8,316	19,206	10,890	8,316	19,206
2019	—	—	—	11,418	7,787	19,205	11,418	7,787	19,205
2020	—	—	—	11,973	7,233	19,206	11,973	7,233	19,206
2021	—	—	—	12,554	6,652	19,206	12,554	6,652	19,206
2022	—	—	—	13,163	6,042	19,205	13,163	6,042	19,205
Thereafter	—	—	—	120,025	5,778	125,803	120,025	5,778	125,803
Total minimum payments	—	—	—	180,023	41,808	221,831	180,023	41,808	221,831
Less amounts representing interest									(41,808)
Present value of future minimum payments									180,023
Unamortized net premium (discount)									—
Total long-term debt obligations									180,023
Less: current portion									(10,890)
Long-term debt obligations, net of current portion									\$ 169,133

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

8 Transactions with related entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 731,571
Payments to University for other than salaries of University personnel	796,481
Payments received from University for services, space, and programs	1,282,725
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)	(130,315)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	78,169
Other amounts receivable from University	—

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

9 Other postemployment benefits obligation (OPEB)

Annual required contribution (ARC)	\$ 519,405
Contributions during the year	<u>(293,962)</u>
Increase (decrease) in net OPEB obligation (NOO)	225,443
Other adjustments	(337,363)
NOO - beginning of year	<u>3,580,275</u>
NOO - end of year	<u>\$ 3,468,355</u>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

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	—
	<hr/>
Total pollution remediation liabilities	\$ —
Less: current portion	<hr/> —
Pollution remediation liabilities, net of current portion	<hr/> — <hr/>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)**

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

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 2016, as previously reported	\$	5,720,646
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, 2016, as restated	\$	5,720,646

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)	—	—