

**CALIFORNIA STATE UNIVERSITY,  
DOMINGUEZ HILLS FOUNDATION**

**SINGLE AUDIT REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**VASIN, HEYN & COMPANY**

*ABOVE THE BRIGHT LINE*

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AN ACCOUNTANCY CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

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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, 2018, and the related notes to the financial statements, which collectively comprise the organization's basic financial statements as listed in the table of contents.

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

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, 2018, 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 2017 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 12, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

#### *Other Information*

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

## 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 21, 2018 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 21, 2018

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

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, 2018. 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, 2018**

**Analytical Overview**

**Summary**

The Foundation's operations for the fiscal year ended June 30, 2018 increased as shown by an increase in net position of approximately \$3,097,003. This was primarily due to the \$2 million Long-Term liability reduction of the Other Post-Employment Benefits per GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as well as an increase in investment income generated by Long-Term Investment Fund, also an increase in StubHub Center income from the expanded use of the stadium.

The Foundation is a member of the Auxiliaries Voluntary Employees' Beneficiary Association (VEBA) trust, during the past fiscal year the Foundation did a Five-year Projection of Contributions based on the new accounting standard GASB Statement No. 75 through an independent consultant, and an additional \$324,108 contribution toward funding the Foundation's postemployment benefits liability was made in August 2018. As of June 30, 2018, the Foundation's assets within the VEBA trust had a fair market value of \$607,122. Netted against a total reduced Post Employment Medical Benefits actuarial liability of \$2,034,252, this resulted in the Foundation's accrued liability as of June 30, 2018 of \$1,427,130.

**Comparative Analysis of Current and Prior Year Activities and Balances**

The Foundation's summary of net position as of June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Current Assets	\$ 15,752,138	\$ 13,362,596	\$ 2,389,542
Noncurrent Assets	10,228,583	9,987,265	241,318
Noncurrent Capital Assets, Net	<u>459,806</u>	<u>371,101</u>	<u>88,705</u>
Total assets	<u><u>26,440,527</u></u>	<u><u>23,720,962</u></u>	<u><u>2,719,565</u></u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Current Liabilities	1,220,121	777,755	442,366
Noncurrent Liabilities	1,584,845	3,637,488	(2,052,643)
Other Noncurrent Liabilities	<u>13,804,005</u>	<u>12,589,796</u>	<u>1,214,209</u>
Total Liabilities	<u><u>16,608,971</u></u>	<u><u>17,005,039</u></u>	<u><u>(396,068)</u></u>
Deferred Inflows of Resources	<u><u>18,630</u></u>	<u><u>-</u></u>	<u><u>18,630</u></u>
Net Position:			
Invested in Capital Assets, Net of Related Debt	289,746	191,078	98,668
Unrestricted	<u>9,523,180</u>	<u>6,524,845</u>	<u>3,006,868</u>
Total Net Position	<u><u>\$ 9,812,926</u></u>	<u><u>\$ 6,715,923</u></u>	<u><u>\$ 3,097,003</u></u>

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

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

The Foundation's current assets increased by \$2,389,542 and noncurrent assets increased by \$330,023 compared to the prior year. The increase in current assets was related primarily to depository accounts held for the Associated Students, Inc., the Loker Student Union, and the California State University, Dominguez Hills Philanthropic Foundation. The increase in noncurrent assets resulted from market value gains in the Foundation's long term investment. The increase in capital assets (net) resulted from the new the kitchen equipment for the Dining Services.

Current liabilities increased by \$442,366 while noncurrent liabilities decreased by \$2,052,643. The increase in current liabilities was due to an increase in accrued payables 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 the new accounting standard GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, decreased due to higher a discount rate, a higher discount rate therefore results in a lower liability.

The increase of \$1,214,209 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.

**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 \$9,812,926 at June 30, 2018, \$9,523,180 is unrestricted but is designated for specific purposes and \$289,746 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, 2018**

**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, 2018 and 2017 is as follows:

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

	Year ended June 30,		
	2018	2017	\$ Change
Operating revenues:			
Grants and contracts	\$ 14,824,933	\$ 13,932,878	\$ 892,055
Sales and services of educational activities	-	8,639	(8,639)
Sales and services of auxiliary enterprises	5,072,285	5,196,599	(124,314)
Other operating revenues	1,879,941	829,727	1,050,214
Nonoperating revenues:			
Investment income (net of fees)	<u>800,190</u>	<u>1,252,095</u>	<u>(451,905)</u>
Total revenues	22,577,349	21,219,938	1,357,411
Operating Expenses:			
Instructional	8,322,573	8,910,076	(587,503)
Research	3,619,050	1,848,468	1,770,582
Academic support	755,601	666,377	89,224
Student services	2,124,390	2,323,203	(198,813)
Institutional support	171,949	382,870	(210,921)
Auxiliary enterprise expense	5,990,004	6,064,981	(74,977)
Depreciation	79,819	89,088	(9,269)
Nonoperating expenses:			
Interest on capital-related debt	<u>7,643</u>	<u>9,577</u>	<u>(1,934)</u>
Total expenses	21,071,029	20,294,640	776,389
Changes in net position before other additions	1,506,320	925,298	581,022
Interfund transfers	-	(1,260)	1,260
Gifts, noncapital	5,075	-	5,075
Gain (loss) on sale of capital assets	<u>-</u>	<u>71,239</u>	<u>(71,239)</u>
Change in net position	1,511,395	995,277	516,118
Net position at beginning of year	6,715,923	5,720,646	995,277
Restatement adjustment	<u>1,585,608</u>	<u>-</u>	<u>1,585,608</u>
Net position at end of year	<u>\$ 9,812,926</u>	<u>\$ 6,715,923</u>	<u>\$ 3,097,003</u>

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

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

Operating revenues from grants and contracts increased by \$892,055, sales and services of educational activities decreased by \$8,639, sales and services of auxiliary enterprises decreased by \$124,314, and other operating revenues increased by \$1,050,214 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 decrease in operating revenue from auxiliary enterprises was primarily due to elimination of internal revenues that the Foundation charges to its Self-operating Dining Services. The increase in other operating revenues was primarily due to an expansion of StubHub Center rental income, as well as merging the Infant Toddler Center with the Foundation.

Nonoperating revenue decreased by \$451,905, this was related primarily to the long-term investment market change. The investment market continued to grow in the current year; however the market returns dropped compared to the prior year.

Operating expenses increased by \$776,389, this resulted from an increase in grants and contracts spending, especially in research area.

The Net position increased by \$3,097,003 compared to the prior year. The increase was related primarily to the \$1.6 million liability reduction of the Other Post-Employment Benefits per GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as well as the \$1.5 million net position increase in the current year.

**Capital Assets and Debt Administration**

The Foundation had \$459,806 invested in capital assets, net of accumulated depreciation.

The Foundation has \$170,060 in outstanding debt (\$157,715 long term). This debt was incurred in 1999 to purchase the home that is leased to the University for the use of the University President. Normal payments were made against the loan throughout the fiscal year, including \$10,890 in principal.

**Factors Impacting Future Periods**

The Foundation implemented GASB Statement No. 75 in the current year. GASB Statement No. 75 resulted 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 replaced 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 reduced its OPEB liability by \$2 million in the current year.

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

**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, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 12,984,684	\$ 10,818,719
Short-term investments	1,075,402	1,057,823
Accounts receivable, net	1,592,236	1,424,876
Prepaid expenses and other assets	<u>99,816</u>	<u>61,178</u>
Total current assets	<u>15,752,138</u>	<u>13,362,596</u>
Noncurrent assets		
Other long-term investments	10,228,583	9,987,265
Capital assets, net	<u>459,806</u>	<u>371,101</u>
Total noncurrent assets	<u>10,688,389</u>	<u>10,358,366</u>
Total assets	<u>\$ 26,440,527</u>	<u>\$ 23,720,962</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Total deferred inflows of resources	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 526,045	343,841
Accrued salaries and benefits payable	84,200	100
Accrued compensated absences	224,186	213,218
Unearned revenue	208,878	190,081
Mortgage payable, current portion	12,345	10,890
Other liabilities	<u>164,467</u>	<u>19,625</u>
Total current liabilities	<u>1,220,121</u>	<u>777,755</u>
Noncurrent liabilities		
Postemployment benefits other than pensions	1,427,130	3,468,355
Mortgage payable, net of current portion	157,715	169,133
Depository accounts	12,804,946	12,087,240
Agency funds held	<u>999,059</u>	<u>502,556</u>
Total noncurrent liabilities	<u>15,388,850</u>	<u>16,227,284</u>
Total liabilities	<u>16,608,971</u>	<u>17,005,039</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Net other postemployment benefit obligation	<u>18,630</u>	<u>-</u>
Total deferred inflows of resources	<u>18,630</u>	<u>-</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	289,746	191,078
Unrestricted	<u>9,523,180</u>	<u>6,524,845</u>
Total net position	<u>\$ 9,812,926</u>	<u>\$ 6,715,923</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, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
<b>Operating revenues:</b>		
Grants and contracts, noncapital:		
Federal	\$ 13,527,222	\$ 12,735,555
State and local	479,933	630,521
Nongovernmental	817,778	566,802
Sales and services of educational activities	-	8,639
Sales and services of auxiliary enterprises	5,072,285	5,196,599
Other operating revenues	<u>1,879,941</u>	<u>829,727</u>
Total operating revenues	<u>21,777,159</u>	<u>19,967,843</u>
<b>EXPENSES</b>		
<b>Operating expenses:</b>		
Instruction	8,322,573	8,910,076
Research	3,619,050	1,848,468
Academic support	755,601	666,377
Student services	2,124,390	2,323,203
Institutional support	171,949	382,870
Auxiliary enterprise expenses	5,990,004	6,064,981
Depreciation	<u>79,819</u>	<u>89,088</u>
Total operating expenses	<u>21,063,386</u>	<u>20,285,063</u>
Operating income (loss)	<u>713,773</u>	<u>(317,220)</u>
<b>Nonoperating revenues(expenses):</b>		
Gifts, noncapital	5,075	-
Gain (loss) on sale of capital assets	-	71,239
Investment income (net of fees)	800,190	1,252,095
Interest on capital-related debt	(7,643)	(9,577)
Interfund transfers, net	<u>0</u>	<u>(1,260)</u>
Total nonoperating revenues(expenses)	<u>797,622</u>	<u>1,312,497</u>
<b>CHANGE IN NET POSITION</b>	1,511,395	995,277
<b>NET POSITION - beginning of year</b>	6,715,923	5,720,646
<b>Restatement adjustment (Note 14)</b>	<u>1,585,608</u>	<u>-</u>
<b>NET POSITION - beginning of year as restated</b>	<u>8,301,531</u>	<u>5,720,646</u>
<b>NET POSITION - end of year</b>	<u>\$ 9,812,926</u>	<u>\$ 6,715,923</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, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Federal grants and contracts	\$ 13,527,222	\$ 12,735,555
State and local grants and contracts	479,933	630,521
Nongovernmental grants and contracts	817,778	566,802
Payments to suppliers	(11,258,560)	(10,791,851)
Payments to employees	(9,906,626)	(7,912,843)
Sales and services of educational activities	-	8,639
Sales and services of auxiliary enterprises	5,072,285	5,196,599
Other receipts	<u>1,879,941</u>	<u>829,727</u>
Net Cash Provided (Used) by Operating Activities	<u>611,973</u>	<u>1,263,149</u>
Cash flows from noncapital financing activities:		
Non-capital gifts	5,075	-
Monies received (disbursed) on behalf of others (net)	<u>1,214,209</u>	<u>4,475,720</u>
Net Provided (Used) by noncapital financing activities	<u>1,219,284</u>	<u>4,475,720</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(168,524)	-
Principal paid on capital debt and lease	(9,963)	(11,228)
Interest paid on capital debt and lease	<u>(7,643)</u>	<u>9,577</u>
Net cash (Used) by capital and related financing activities	<u>(186,130)</u>	<u>(1,651)</u>
Cash flows from investing activities:		
Disposal gain (loss) on capital assets	-	293,640
Proceeds from sales and maturities of investments	3,553,312	4,584,056
Purchases of investments	<u>(3,032,474)</u>	<u>(4,600,024)</u>
Net Cash Provided (Used) by Investing Activities	<u>520,838</u>	<u>277,672</u>
Net increase (decrease) in cash and cash equivalents	2,165,965	6,014,890
Cash and cash equivalents at beginning of year	<u>10,818,719</u>	<u>4,803,829</u>
Cash and cash equivalents at end of year	<u>\$ 12,984,684</u>	<u>\$ 10,818,719</u>
Reconciliation of net operating income (loss) to net cash provided by (used by) operating activities		
Operating income	\$ 713,773	\$ (317,220)
Adjustments to reconcile net operating income (loss) to net cash provided by (used by) operating activities:		
Depreciation	79,819	89,088
Deferred inflows of resources	18,630	-
Change in assets and liabilities:		
Short-term investments	(17,579)	(6,385)
Accounts receivable, net	(167,360)	1,150,613
Prepaid expenses and other assets	(38,638)	45,823
Accounts payable	182,204	191,443
Accrued salaries and benefits payable	84,100	(69,241)
Accrued compensated absences	10,968	(8,248)
Unearned revenue	18,797	(9,919)
Other liabilities	144,842	5,310
Postemployment benefits other than pensions	(417,583)	(111,920)
Agency funds held	<u>-</u>	<u>303,805</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 611,973</u>	<u>\$ 1,263,149</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, 2018**

**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, 2018**

**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.

*Deferred Outflows and Deferred Inflows*

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

*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."

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

*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 uncollectible amounts through a provision for an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

*Prepaid Expenses*

Prepaid expenses and other costs are expensed ratably over their respective terms of agreement.

*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.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

*Other Liabilities*

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

*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, 2018**

**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, 2017, 2016, and 2015, 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 2017 comparative totals have been reclassified to conform with the 2018 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, 2017 from which the summarized information was derived.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**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, 2018  
(CONTINUED)**

**3. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The deposits and investments held at June 30, 2018 are as follows:

Deposits:	
Demand deposits (Level 1 input)	\$ 12,982,809
Cash equivalents – Cash Reserve Trust Fund (Level 3 input)	<u>1,875</u>
	<u>12,984,684</u>
Investments Level 1 inputs:	
Alternative Investments	\$ 813,064
Money Market Funds	35,107
Equities	7,440,932
Corporate and government bonds	1,939,480
Investments Level 2 inputs:	
Local Agency Investment Fund	<u>1,075,402</u>
	<u>11,303,985</u>
Total deposits and investments	<u>\$ 24,288,669</u>
Reconciliation to statement of net position	
Current:	
Cash and cash equivalents	\$ 12,984,684
Investments	1,075,402
Noncurrent:	
Investments – Other long term	<u>10,228,583</u>
	<u>\$ 24,288,669</u>

At June 30, 2018, 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, 2018**

**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, 2018 are Level 1 and Level 2 inputs.

The Foundation also maintains investments with the State of California Local Agency Investment Fund (LAIF) amounting to \$1,075,402 as of June 30, 2018. 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 \$12,984,684 for 2018. As of June 30, 2018 \$250,000 of these balances are insured under the Federal Deposit Insurance Corporation (FDIC). The remaining \$12,734,684 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, 2018**

**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 2018</u>	<u>Unrestricted</u>
Interest and dividends	\$ 298,686
Investment expenses	(50,136)
Realized gain(loss) on sales, net	373,367
Unrealized gain(loss), net	<u>178,273</u>
Total investment income	<u>\$ 800,190</u>

**4. ACCOUNTS RECEIVABLE**

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

Grants receivables	\$ 454,650
Advances	54,212
Other	1,124,521
Allowance for doubtful accounts	<u>(41,147)</u>
Total	<u>\$ 1,592,236</u>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(CONTINUED)**

**5. CAPITAL ASSETS**

Capital assets consist of the following at June 30, 2018:

	Beginning of Year 7/1/17	Additions	Deletions	End of Year 6/30/18
Buildings	\$ 419,643	\$ -	\$ -	\$ 419,643
Accumulated Depreciation	<u>(237,798)</u>	<u>(12,822)</u>	<u>-</u>	<u>(250,620)</u>
	181,845	(12,822)	-	169,023
Equipment	185,315	-	-	185,315
Accumulated Depreciation	<u>(165,286)</u>	<u>(20,029)</u>	<u>-</u>	<u>(185,315)</u>
	20,029	(20,029)	-	-
Furniture and fixtures	6,339	-	-	6,339
Accumulated Depreciation	<u>(6,187)</u>	<u>(152)</u>	<u>-</u>	<u>(6,339)</u>
	152	(152)	-	-
Leasehold improvements	236,770	115,897	-	352,667
Accumulated Depreciation	<u>(67,695)</u>	<u>(46,816)</u>	<u>-</u>	<u>(114,511)</u>
	169,075	69,081	-	238,156
Capital Project Work in Progress	<u>-</u>	<u>52,627</u>	<u>-</u>	<u>52,627</u>
Total	<u>\$ 371,101</u>	<u>\$ 88,705</u>	<u>\$ -</u>	<u>\$ 459,806</u>

Depreciation expense for the year ended June 30, 2018 was \$79,819.

**6. DEPOSITORY ACCOUNTS**

Deposits held in custody for others which are comprised of cash and investments as of June 30, 2018 is follows:

Dominguez Hills Corporation	\$ 51,128
Loker University Student Union, Inc.	2,080,412
CSUDH Philanthropic Foundation	<u>10,673,406</u>
Total deposits held in custody for others	<u>\$ 12,804,946</u>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(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, 2018 was \$7,643.

A summary of current year activity on the loan for the year ended June 30, 2018 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Mortgage payable	<u>\$ 180,023</u>	<u>\$ -</u>	<u>\$ (9,963)</u>	<u>\$ 170,060</u>	<u>\$ 12,345</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>
2019	\$ 12,345	\$ 8,460	\$ 20,805
2020	11,973	7,233	19,206
2021	12,554	6,652	19,206
2022	13,163	6,042	19,205
2023	13,802	5,403	19,205
Thereafter	<u>106,223</u>	<u>17,253</u>	<u>123,476</u>
Total	<u>\$ 170,060</u>	<u>\$ 51,043</u>	<u>\$ 221,103</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, 2018**  
**(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, 2018:

	Beginning Balance as of <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance as of <u>June 30, 2018</u>	<u>Current Portion</u>
Liabilities:					
Compensated absences	\$ <u>213,218</u>	\$ <u>220,158</u>	\$ <u>(209,190)</u>	\$ <u>224,186</u>	\$ <u>224,186</u>
Total Current liabilities, net	\$ <u>213,218</u>	\$ <u>220,158</u>	\$ <u>(209,190)</u>	\$ <u>224,186</u>	\$ <u>224,186</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, 2019 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, 2018 amounted to \$117,485. Of this total, \$87,212 was for utilities and \$30,273 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, 2014, 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, 2018**

**10. PENSION PLANS - Continued**

(c) *Annual Pension Cost* - For the year ended June 30, 2018 the Foundation's annual TIAA CREF pension cost totaled \$237,580.

(d) *Annual Contributions from Employees* - For the year ended June 30, 2018, employees contributed \$100,459 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.

*Total OPEB Liability, Fiduciary Net Position and Net OPEB Liability*

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

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

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

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

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

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2018**

**11. POSTEMPLOYMENT HEALTHCARE BENEFITS - Continued**

*Information about the OPEB Plan*

The following is a table of plan participants:

Inactive Employees Receiving Benefits	12
Inactive Employees Entitled but Not Receiving Benefits	0
Covered Dependents of Retirees	7
Participating Active Employees	<u>44</u>
Total Number of Participants	<u>63</u>

*Actuarial Methods and Assumptions*

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

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

Actuarial Cost Method	Entry Age Normal
Discount Rate	7%
Inflation	2.0%
Salary Increases	3.25%
Net Investment Rate of Return	7%
Healthcare Cost Trend Rate	Varies from 5% to 7.58%
Mortality Rate	CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover	CalPERS Active Mortality for Miscellaneous Employees

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**11. POSTEMPLOYMENT HEALTHCARE BENEFITS - Continued**

*Changes in the OPEB Liability*

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

	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Rollback balance - June 30, 2016	\$ 1,947,648	\$ 101,482	\$ 1,846,166
Service cost	48,314	-	48,314
Interest on Total OPEB Liability	135,706	-	135,706
Employer contributions	-	(561,705)	(561,705)
Employee contributions	-	-	-
Actual investment income	-	(24,478)	(24,478)
Administrative expense	-	1,159	1,159
Benefit payments	(116,595)	116,595	
Other	<u>(18,032)</u>	<u>-</u>	<u>(18,032)</u>
Net change	<u>49,393</u>	<u>(468,429)</u>	<u>(419,036)</u>
Balance at June 30, 2017	<u>\$ 1,997,041</u>	<u>\$ (569,911)</u>	<u>\$ 1,427,130</u>

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

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

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

	<u>NOL</u>	<u>\$ Change</u>	<u>% Change</u>
Discount Rate:			
+1%	\$ 1,244,767	\$ (202,363)	(14%)
Base	\$ 1,427,130	-	-
-1%	\$ 1,673,593	\$ 246,463	17%
Trend Rate:			
+1%	\$ 1,501,392	\$ 74,262	5%
Base	\$ 1,427,130	-	-
-1%	\$ 1,371,607	\$ (55,523)	(4%)

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**11. POSTEMPLOYMENT HEALTHCARE BENEFITS - Continued**

*Long-Term Expected Rate of Return*

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

<u>Investment Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return<sup>1</sup></u>
Equity	43.60%	5.23%
Fixed Income	49.50%	1.18%
REITs	6.90%	5.06%

<sup>1</sup> JPMorgan arithmetic Long Term Capital Market assumptions and expected inflation of 2.26%.

*Discount Rate*

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

Above are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 25 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Discount Rate	7.0%	7.0%
Bond Buyer 20-Bond GO Index	2.85%	3.58%

*Recognition of Deferred Outflows and Deferred Inflows of Resources*

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

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

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

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**11. POSTEMPLOYMENT HEALTHCARE BENEFITS - Continued**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience in the measurement of the TOL	\$ -	\$ 16,951
Changes in assumptions	-	-
Net difference between projected and actual earnings of OPEB plan investments	-	1,679
Contribution to OPEB plan after measurement date	-	-
Total	<u>\$ -</u>	<u>\$ 18,630</u>

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

<u>Fiscal Year Ended June 30,</u>	<u>Deferred Outflows(Inflows) of Resources</u>
2019	\$ (1,501)
2020	(1,501)
2021	(1,501)
2022	(1,500)
2023	(1,081)
Thereafter	<u>(11,546)</u>
Total	<u>\$ (18,630)</u>

For the fiscal year ended June 30, 2018, the Foundation recognized OPEB expense of \$161,299.

Service Cost	\$ 48,314
Interest on the Total OPEB Liability	135,706
Changes on Benefit Terms	-
Recognized Differences between Expected and Actual Experience	(1,081)
Recognized Changes of Assumptions	-
Employee Contributions	-
Projected Earnings on OPEB Plan Investments	(22,379)
Recognized Differences Between Projected and Actual Earnings on Plan investments	(420)
Administrative Expense	1,159
Other Changes in Fiduciary Net Position	-
Aggregate OPEB Expense	<u>\$ 161,299</u>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**11. POSTEMPLOYMENT HEALTHCARE BENEFITS - Continued**

*Interest on the Total OPEB Liability*

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

	Amount For Period <u>a</u>	Portion of Period <u>b</u>	Interest Rate <u>c</u>	Interest on the Total OPEB Liability <u>a*b*c</u>
Beginning Total OPEB Liability	\$ 1,947,648	100%	7.0%	\$ 136,336
Service Cost	48,314	100%	7.0%	3,382
Benefit payments, including refunds of employee contribution	(116,595)	50%	7.0%	<u>(4,012)</u>
Total				<u>\$ 135,706</u>

*Earnings on Plan Fiduciary Net Position*

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

	Amount For Period <u>a</u>	Portion of Period <u>b</u>	Projected Rate of Return <u>c</u>	Projected Earnings <u>a*b*c</u>
Beginning Plan Fiduciary Net Position	\$ 101,482	100%	7.0%	\$ 7,104
Employer Contributions	561,705	50%	7.0%	19,327
Employee Contributions	-	50%	7.0%	-
Benefits payments, including refunds of employee contributions	(116,595)	50%	7.0%	(4,012)
Administrative Expense and Other	(1,159)	50%	7.0%	<u>(40)</u>
Total projected earnings				<u>\$ 22,379</u>

Comparison of Projected and Actual Earnings on Investments

Total Projected Earnings	\$ 22,379
Actual Net Investment Income	<u>24,478</u>
Net difference Between Projected and Actual Earnings on Investments	<u>\$ (2,099)</u>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**11. POSTEMPLOYMENT HEALTHCARE BENEFITS - Continued**

*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, 2018 was \$607,122.

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

	Fair Value Measurements Using				Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservab le Inputs (Level 3)	Net Asset Value (NAV)	
Cash	\$ -	\$ -	\$ -	\$ 712	\$ 712
Due From/To Broker	-	-	-	(712)	(712)
Mutual Funds:					
Domestic Equity	269,499	-	-	-	269,499
Fixed Income	236,894	-	-	-	236,894
International Equity	66,470	-	-	-	66,470
Real Estate	34,259	-	-	-	34,259
Total investments	<u>\$ 607,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607,122</u>

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

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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 \$467,153 for the year ended June 30, 2018, 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, 2018 amounted to \$63,037.

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, 2018 amounted to \$60,628.

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, 2018 amounted to \$70,000.

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, 2018 amounted to \$59,444.

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, 2018 amounted \$35,984.

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, 2018 amounted to \$17,093. The agreement is for five years with the option of extending this lease for an additional five years.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**12. COMMITMENTS - Continued**

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, 2018 amounted to \$28,863.

**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, 2018 totaled \$193,631. Amounts receivable from the University totaled \$97,598 at June 30, 2018. Amounts receivable from other University auxiliaries totaled \$79,366 at June 30, 2018. There were no amounts payable to other University auxiliaries at June 30, 2018.

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 \$225,000 for the year ended June 30, 2018.

**14. RESTATEMENT**

Net position at the beginning of the year increased per GASB 75's actuarial report at June 30, 2017 of the Foundation's postemployment benefit obligation liability by \$1,585,608 in accordance with generally accepted accounting principles.

**15. SUBSEQUENT EVENTS**

The Foundation has evaluated events subsequent to June 30, 2018, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 21, 2018, the date the financial statements were available to be issued. As of September 21, 2018 the Foundation sold its President's House leased to the University, resulting in a reduction of capital assets and mortgage payable. No other 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

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

To the Board of Directors of  
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, 2018, 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 21, 2018.

***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, Hahn + Co.*

Calabasas, California  
September 21, 2018



# VASIN, HEYN & COMPANY

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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, 2018. 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, 2018.

### ***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.

*Vorwin, Hryn + Co.*

Calabasas, California  
September 21, 2018

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(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
<b>Research and Development Cluster:</b>					
<b>National Science Foundation</b>					
Direct Programs:					
RUI: Characterizing the Role of Regulatory Genes in Adaptive Evolution to Complex Environments Enhancing Research and Curriculum at CSUDH Through the Acquisition of Next-Generation Sequencing	47.074	1715066	\$ 252,246	\$ 86,989	\$ -
Master Science Teacher Fellowship Program	47.074	1727074	216,310	137,000	-
IREs: Fire, Carbon and Climate Change in Australia	47.076	1035131	-	159,212	-
Collaborative Research: Innovating and Experiencing Punishment	47.079	1261015	-	12,026	-
Noyce Math & Science Scholars Phase II	47.075	1455091	-	3,000	-
Passed Through the University of Texas at El Paso (UTEP)	47.076	1339961	-	119,737	-
BPC-A: Computing alliance of Hispanic-Serving Institutions (CAHSI)	47.070	226100958B	70,130	89,841	-
Passed Through University Enterprises, Inc.					
LSAMP 2016-2017 NSF	47.076	523771	-	6,000	-
LSAMP 2017-2018 NSF	47.076	523775	15,000	8,861	-
CSU:LSAMP 2016-2017 CO	47.076	523501	-	19,318	-
CSU:LSAMP 2017-2018 CO	47.076	523505	25,000	2,287	-
Passed Through UC Berkeley					
Transforming College Teaching: Statewide Implementation of the Faculty Learning Program	47.076	00009634	36,966	21,920	-
Passed Through the San Diego State University Research Foundation					
I-CORPS Site	47.041	SA0000587	1,000	-	-
<b>Total National Science Foundation</b>				<b>\$ 666,191</b>	<b>\$ -</b>
<b>U.S. Department of Health and Human Services</b>					
<b>National Institutes of Health</b>					
Direct Programs:					
CSUDH RISE 2018-2019	93.859	5R25GM062252	\$ 428,260	\$ 292,048	\$ -
U*STAR 2018-2019	93.859	5T34GM008683	206,431	204,327	-
Discovery of Natural Products from Botanical Sources	93.859	1SC2GM122721	146,000	84,981	-
Passed Through the University of California					
Mental Health Research Grants	93.242	RMH067127C	-	1,589	-
Passed Through CSU Long Beach Research Foundation					
CHER - Institute	93.859	S199217200CSUDH	12,481	2,371	-
Passed Through RAND					
Treatment Advocacy Intervention for HIV-Positive African Americans	93.307	9920170046	16,440	36,288	-
<b>Total U.S. Department of Health and Human Services</b>				<b>\$ 621,604</b>	<b>\$ -</b>
<b>U.S. Department of Education</b>					
Direct Programs:					
Project Accelerate	84.031S	P031S160236	\$ 524,646	\$ 467,884	\$ -
STEM Scholars (H S I STEM)	84.031C	P31C160199	1,193,458	653,342	112,435
Passed Through Sungkyunkwan University (Ministry of Education of the Republic of Korea)					
Diversity, Agency, and Transnationality Among Korean Americans	Foreign	AKS-2016-SRK-1230005	-	8,652	-
<b>Total U.S. Department of Education</b>				<b>\$ 1,129,878</b>	<b>\$ 112,435</b>
<b>U.S. Department of Energy</b>					
Direct Programs:					
Photo- and Electroproduction of Multiply-Strange Hyperons at CLAS	81.049	DE-SC0016547	\$ 80,000	\$ 45,160	\$ -
<b>Total U.S. Department of Energy</b>				<b>\$ 45,160</b>	<b>\$ -</b>
<b>U.S. Nuclear Regulatory Commission</b>					
Direct Programs:					
Probabilistic Risk Assessment of Robots Used in Nuclear Safety Applications	77.007	NRC-HQ-7P-15-G-002	\$ -	\$ 67,528	\$ -
<b>Total U.S. Nuclear Regulatory Commission</b>				<b>\$ 67,528</b>	<b>\$ -</b>
<b>Total Research and Development Cluster</b>				<b>\$ 2,530,361</b>	<b>\$ 112,435</b>
<b>U.S. Department of Agriculture</b>					
Passed Through CSU Chico Research Foundation					
CalFRESH Outreach Program - Year 1	10.561	SUB16-054	\$ 14,655	\$ 13,696	\$ -
CalFRESH Outreach Program - Year 2	10.561	SUB16-054	14,025	1,142	-
<b>Total U.S. Department of Agriculture</b>				<b>\$ 14,838</b>	<b>\$ -</b>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(FEIN: 95-2543028)**  
**(CONTINUED)**

Federal Grantor/Pass-Through Agent/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Number	Award Amount	Total Federal Expenditures	Payments to Subrecipients
<b>U.S. Department of Education</b>					
Direct Programs:					
TRIO Cluster:					
TRIO CSUDH Student Support Services Project	84.042A	P042A151297	\$ 6,337	\$ 340,444	\$ -
TRIO CSUDH Student Support Services Veterans Project	84.042A	P042A151472	5,563	263,939	-
CSUDH McNair Scholars Program	84.217A	P217A120014	234,520	181,526	-
CSUDH McNair Scholars Program	84.217A	P217A120019-16	-	71,400	-
CSUDH Jordan High Talent Search	84.044A	P044A160678	245,796	214,325	-
Jefferson Upward Bound	84.047A	P047A171328	263,937	133,552	-
TRIO CSUDH Upward Bound CVUHSD	84.047A	P047A121750	-	61,368	-
Upward Bound LAUSD	84.047A	P047A121749-16	-	68,503	-
Upward Bound LAUSD	84.047A	P047A171330	6,759	138,688	-
Upward Bound Math and Science 17-18	84.047A	P047M170583	263,938	147,997	-
TRIO CSUDH CVUHSD Math Science Upward Bound	84.047M	P047M120453-16	-	85,023	-
Centinel Valley Upward Bound	84.047A	P047A171331	6,435	133,641	-
<b>Total TRIO Cluster</b>				<b>\$ 1,840,406</b>	<b>\$ -</b>
Other Programs:					
Title V: Building a High Impact Transfer Academy	84.031S	P031S110042	-	412,956	44,118
Early Childhood Special Education	84.325K	H325K160102	-	172,427	-
Innovative School Leadership Initiative (ISLI) Yr. 4	84.363A	U363A130097	2,015,914	2,259,914	-
STAR: STEM Teacher in Advanced Residency	84.336S	U336S140042	2,690,765	2,273,634	129,449
Urban Teachers Residency	84.336	U336S090051	-	1,006,955	-
Transition to Teaching 11	84.350B	U350B110004	-	(4,975)	-
Childcare Access Means Parents in School (CCAMPIS)	84.335A	P335A140176	208,683	80,759	-
Childcare Access Means Parents in School (CCAMPIS)	84.335A	P335A1810173	255,205	-	-
Special Education Resource Interventionist	84.325K	H325K140416	249,927	219,854	-
GearUp	84.334A	P334A110231	400,000	432,096	31,340
2017 CSUDH GearUp	84.334A	P334A1710129	582,162	203,726	-
--Uniting to Prepare Low Incidence Teachers (UPLIFT)	84.325K	H325K130401	127,208	168,717	-
Graduate Writing Institute For Excellence (GWIE)	84.031M	P031M140041	522,470	660,306	-
Passed Through the University of California					
California Mathematics Project at CSU Dominguez Hills	84.367	NCLB13-CMP-Dominguez Hills	-	5,731	-
California Mathematics Project at CSU Dominguez Hills	84.367	NCLB14-CMP-Dominguez Hills	30,952	30,952	-
<b>Total Other Programs</b>				<b>\$ 7,923,052</b>	<b>\$ 204,907</b>
<b>Total U.S. Department of Education</b>				<b>\$ 9,763,458</b>	<b>\$ 204,907</b>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(FEIN: 95-2543028)**  
**(CONTINUED)**

Federal Grantor/Pass-Through Agent/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Number	Award Amount	Total Federal Expenditures	Payments to Subrecipients
<b>National Archives and Record Management</b>					
Direct Programs:					
CSU Japanese American Digitization	89.003	RM-100282-18	\$ 238,520	\$ 5,955	\$ -
<b>Total National Archives and Record Management</b>				<b>\$ 5,955</b>	<b>\$ -</b>
<b>U.S. Department of the Interior</b>					
Direct Programs:					
CSU Japanese American Digitization	15.933	P15AP00119	\$ -	\$ 54,487	\$ 21,099
<b>Total U.S. Department of the Interior</b>				<b>\$ 54,487</b>	<b>\$ 21,099</b>
<b>National Endowment for the Humanities</b>					
Direct Programs:					
NEH The Digitization Japanese	45.149	PW-234690-16	-	135,396	39,563
Humanistic Socially Engaged Collaborative Project	45.129	HFAQ16-07	-	1,792	-
<b>Total National Endowment for the Humanities</b>				<b>\$ 137,188</b>	<b>\$ 39,563</b>
<b>Corporation for National and Community Service</b>					
Passed Through Jumpstart for Young Children, Inc.					
Jumpstart 2016-2017	94.006	950200	\$ -	\$ 11,027	\$ -
Jump Start for Young Children	94.006	950200	69,185	69,020	-
Jumpstart 2016-2017 Private Fund Associated with Prime	94.006	950200	18,648	-	-
Passed Through the JusticeCorps					
AmeriCorps Justice Corps	94.006	Letter 09/12/13 & 08/16/16	-	10,594	-
<b>Total Corporation for National and Community Service</b>				<b>\$ 90,641</b>	<b>\$ -</b>
<b>U.S. Department of Health and Human Services</b>					
Passed Through the University of California-Berkeley					
CalSWEC 2015-2016	93.658	Agreement #8871	\$ -	\$ (4,032)	\$ -
CalSWEC Title IV-E FCP 2016-2017	93.658	Agreement # 16-IA-00775	-	12,014	-
CalSWEC Title IV-E FCP 2017-2018	93.658	Agreement #9242	727,820	589,022	-
Passed Through UCLA/UCCF					
University Consortium for Children & Families	93.658	1187GSA007	-	39,312	-
University Consortium for Children & Families	93.658	1187GSA007	324,514	293,750	-
<b>Total U.S. Department of Health and Human Services</b>				<b>\$ 930,066</b>	<b>\$ -</b>
<b>Total Federal Awards Expended</b>				<b>\$ 13,526,994</b>	<b>\$ 378,004</b>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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, 2018. 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, 2018.

**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, 2018 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, 2018**

**Section I - Summary of Auditors' Results**

*Financial Statements*

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

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)

84.031M

84.031S

93.658

Various

Name of Federal Program or Cluster

Graduate Writing Institute For Excellence (GWIE)

Title V: Building a High Impact Transfer Academy

Foster Care Title IV-E

TRIO Cluster

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, 2018**

**CURRENT YEAR FINDINGS AND QUESTIONED COSTS:**

**2018 Findings:**

There were no 2018 findings noted.

**2018 Questioned Costs:**

There were no 2018 questioned costs noted.

**PRIOR YEARS FINDINGS AND QUESTIONED COSTS:**

**2017 Findings:**

There were no 2017 findings noted.

**2017 Questioned Costs:**

There were no 2017 questioned costs noted.

**2016 Findings:**

There were no 2016 findings noted.

**2016 Questioned Costs:**

There were no 2016 questioned costs noted.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<i>Measurement Period</i>	<u>2017</u>
<b>Total OPEB Liability</b>		
Service Cost	\$	48,314
Interest on the total OPEB liability		135,706
Change of benefit terms		-
Differences between expected and actual experience		(18,032)
Changes in assumptions		-
Benefit payments, including refunds of employee contributions		(116,595)
<b>Net change in total OPEB Liability</b>		<u>49,393</u>
<b>Total OPEB Liability - beginning (a)</b>		<u>1,947,648</u>
<b>Total OPEB Liability - ending (b)</b>	\$	<u><u>1,997,041</u></u>
 <b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$	561,705
Contributions - employee3		-
Net investment income		24,478
Benefit payments, including refunds of employee contributions		(116,595)
Administrative expense		(1,159)
Other		-
<b>Net change in Plan Fiduciary Net Position</b>		<u>468,429</u>
<b>Plan Fiduciary Net Position - beginning ( c )</b>		<u>101,482</u>
<b>Plan Fiduciary Net Position - ending (d)</b>	\$	<u><u>569,911</u></u>
<b>Total OPEB Liability - beginning (a) - ( c )</b>		<u>1,846,166</u>
<b>Total OPEB Liability - ending (b) - (d)</b>	\$	<u><u>1,427,130</u></u>
<b>Net OPEB Liability - ending (a) - (b) **</b>	\$	<u><u>569,911</u></u>
 <b>Plan fiduciary net position as a percentage of the total OPEB Liability</b>		29%
<b>Covered-employee payroll</b>	\$	3,006,483
 <b>Net OPEB liability as a percentage of covered-employee payroll</b>		47%

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

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
SCHEDULE OF CONTRIBUTIONS\*  
FOR THE YEAR ENDED JUNE 30, 2018**

		<b>2018</b>
<b>Plan Year 2016-2017</b>		
Actuarially Determined Contribution (ADC) **	\$	519,405
Covered-employee payroll***		3,006,483
Contributions as a percentage of covered-employee payroll		19%
Contributions to the Trust		445,110
Pay-go Payments by Employer Unreimbursed by the Trust		116,595
Total OPEB Contributions*		-
<b>Contribution deficiency (excess)</b>	<b>\$</b>	<b>561,705</b>
<b>Covered-employee payroll</b>	<b>\$</b>	<b>3,006,483</b>
<b>Contributions as a percentage of covered-employee payroll</b>		<b>0%</b>

**Notes to Schedule:**

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

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

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

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Straight-line amortization. Certain gain and losses can be deferred over a period of five years
Asset Valuation Method	Market value
Discount Rate	7.00%
Net Investment Return	7.00%
Inflation	2.00%
Salary Increases	3.25%
Healthcare Cost Trend Rate	Varies between 5.0% to 7.58%
Retirement Age	2% @ 55 for employees hired before January 1, 2013 and 2% @ 62 for employees hired after January 1, 2013. Probability of retirement are based on CalPERS Experience Study.
Mortality Rate	CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover	CalPERS Active Mortality for Miscellaneous Employees

**Historical information is required only for measurement periods for which GASB 75 is applicable.**

**Future years' information will be displayed up to 10 years as information becomes available.**

**OTHER SUPPLEMENTARY INFORMATION**

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 12,984,684
Short-term investments	1,075,402
Accounts receivable, net	1,592,236
Capital lease receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	99,816
Total current assets	<u>15,752,138</u>
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Capital lease receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	10,228,583
Capital assets, net	459,806
Other assets	—
Total noncurrent assets	<u>10,688,389</u>
Total assets	<u>26,440,527</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Others	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	526,045
Accrued salaries and benefits	84,200
Accrued compensated absences, current portion	224,186
Unearned revenues	208,878
Capital lease obligations, current portion	—
Long-term debt obligations, current portion	12,345
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	164,467
Total current liabilities	<u>1,220,121</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Capital lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	157,715
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	12,804,946
Net other postemployment benefits liability	1,427,130
Net pension liability	—
Other liabilities	999,059
Total noncurrent liabilities	<u>15,388,850</u>
Total liabilities	<u>16,608,971</u>
Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Net OPEB liability	18,630
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
Total deferred inflows of resources	<u>18,630</u>
Net Position:	
Net investment in capital assets	289,746
Restricted for:	—
Nonexpendable – endowments	—
Expendable:	—
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	9,523,180
Total net position	<u>\$ 9,812,926</u>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

Revenues:

Operating revenues:	
Student tuition and fees, gross	\$ —
Scholarship allowances (enter as negative)	—
Grants and contracts, noncapital:	
Federal	13,527,222
State	479,933
Local	817,778
Nongovernmental	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises, gross	5,072,285
Scholarship allowances (enter as negative)	—
Other operating revenues	1,879,941
Total operating revenues	<u>21,777,159</u>

Expenses:

Operating expenses:	
Instruction	8,322,573
Research	3,619,050
Public service	—
Academic support	755,601
Student services	2,124,390
Institutional support	171,949
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	5,990,004
Depreciation and amortization	79,819
Total operating expenses	<u>21,063,386</u>
Operating income (loss)	<u>713,773</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	5,075
Investment income (loss), net	800,190
Endowment income (loss), net	—
Interest expense	(7,643)
Other nonoperating revenues (expenses) - excl. interagency transfers	—
Other nonoperating revenues (expenses) - interagency transfers	—
Net nonoperating revenues (expenses)	<u>797,622</u>
Income (loss) before other revenues (expenses)	1,511,395

State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	1,511,395

Net position:

Net position at beginning of year, as previously reported	6,715,923
Restatements	1,585,608
Net position at beginning of year, as restated	<u>8,301,531</u>
Net position at end of year	<u>\$ 9,812,926</u>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2018**

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

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(CONTINUED)**

**2.1 Composition of investments at June 30, 2018:**

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	1,075,402	—	1,075,402	—	—	—	1,075,402
Corporate bonds	—	—	—	1,939,480	—	1,939,480	1,939,480
Certificates of deposit	—	—	—	—	—	—	—
Mutual funds	—	—	—	—	—	—	—
Money Market funds	—	—	—	35,107	—	35,107	35,107
Repurchase agreements	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—
Asset backed securities	—	—	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—	—	—
Municipal bonds	—	—	—	—	—	—	—
U.S. agency securities	—	—	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—	—	—
Equity securities	—	—	—	7,440,932	—	7,440,932	7,440,932
Exchange traded funds (ETFs)	—	—	—	—	—	—	—
Alternative investments:							
Private equity (including limited partnerships)	—	—	—	813,064	—	813,064	813,064
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	—	—	—	—	—	—	—
Other major investments:							
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
<b>Total investments</b>	<b>1,075,402</b>	<b>—</b>	<b>1,075,402</b>	<b>10,228,583</b>	<b>—</b>	<b>10,228,583</b>	<b>11,303,985</b>
Less endowment investments (enter as negative number)	—	—	—	—	—	—	—
<b>Total investments</b>	<b>1,075,402</b>	<b>—</b>	<b>1,075,402</b>	<b>10,228,583</b>	<b>—</b>	<b>10,228,583</b>	<b>11,303,985</b>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2018  
(CONTINUED)**

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

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

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

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

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

	<b>Amount</b>
Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
<b>Total restricted noncurrent investments at June 30, 2018</b>	<b>\$ —</b>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
**OTHER INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(CONTINUED)**

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

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	1,075,402	—	1,075,402	—	—
Corporate bonds	1,939,480	1,939,480	—	—	—
Certificates of deposit	—	—	—	—	—
Mutual funds	—	—	—	—	—
Money Market funds	35,107	35,107	—	—	—
Repurchase agreements	—	—	—	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—
Municipal bonds	—	—	—	—	—
U.S. agency securities	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—
Equity securities	7,440,932	7,440,932	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	813,064	813,064	—	—	—
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	—	—	—	—	—
<b>Total investments</b>	<b>11,303,985</b>	<b>10,228,583</b>	<b>1,075,402</b>	<b>—</b>	<b>—</b>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**  
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**3.1 Composition of capital assets at June 30, 2018:**

	Balance June 30, 2017	Prior period Adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2018
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	—	—	—	—	52,627	—	—	52,627
Intangible assets:								
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	—	—	—	—	52,627	—	—	52,627
Depreciable/amortizable capital assets:								
Buildings and building improvements	419,643	—	—	419,643	—	—	—	419,643
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	236,770	—	—	236,770	115,897	—	—	352,667
Personal property:								
Equipment	191,654	—	—	191,654	—	—	—	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	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	848,067	—	—	848,067	115,897	—	—	963,964
Total capital assets	848,067	—	—	848,067	168,524	—	—	1,016,591
Less accumulated depreciation/amortization:								
Buildings and building improvements	(237,798)	—	—	(237,798)	(12,822)	—	—	(250,620)
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	(67,695)	—	—	(67,695)	(46,816)	—	—	(114,511)
Personal property:								
Equipment	(171,473)	—	—	(171,473)	(20,181)	—	—	(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	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(476,966)	—	—	(476,966)	(79,819)	—	—	(556,785)
Total capital assets, net	\$ 371,101	—	—	371,101	88,705	—	—	459,806

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

Depreciation and amortization expense related to capital assets	\$ 79,819
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 79,819

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**4 Long-term liabilities activity schedule:**

	Balance June 30, 2017	Prior period adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Balance June 30, 2018	Current portion	Long-term portion
Accrued compensated absences	\$ 213,218	—	—	213,218	220,158	(209,190)	224,186	224,186	—
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capital lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capital lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	—	—	—	—	—	—	—	—	—
Others: (list by type)									
Long Term Mortgage	180,023	—	—	180,023	—	(9,963)	170,060	12,345	157,715
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	180,023	—	—	180,023	—	(9,963)	170,060	12,345	157,715
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	180,023	—	—	180,023	—	(9,963)	170,060	12,345	157,715
Total long-term liabilities	\$ 393,241	—	—	393,241	220,158	(219,153)	394,246	236,531	157,715

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5 Future minimum lease payments - Capital lease obligations:

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

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6 Long-term debt obligations schedule

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	\$ —	—	—	12,345	8,460	20,805	12,345	8,460	20,805
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
2023	—	—	—	13,802	5,403	19,205	13,802	5,403	19,205
2024 - 2028	—	—	—	106,223	17,253	123,476	106,223	17,253	123,476
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	170,060	51,043	221,103	170,060	51,043	221,103
Less amounts representing interest									(51,043)
Present value of future minimum payments									170,060
Unamortized net premium (discount)									—
Total long-term debt obligations									170,060
Less: current portion									(12,345)
<b>Long-term debt obligations, net of current portion</b>									<b>\$ 157,715</b>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
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**7 Calculation of net position**

**7.1 Calculation of net position - Net investment in capital assets**

Capital assets, net of accumulated depreciation	\$	459,806
Capital lease obligations, current portion		—

Capital lease obligations, net of current portion		—
Long-term debt obligations, current portion		(12,345)
Long-term debt obligations, net of current portion		(157,715)
Portion of outstanding debt that is unspent at year-end (enter as positive number)		—
Other adjustments: (please list)		
Add description		—
<b>Net position - Net investment in capital assets</b>	<b>\$</b>	<b><u>289,746</u></b>

**7.2 Calculation of net position - Restricted for nonexpendable - endowments**

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

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
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**8 Transactions with related entities**

	<b>Amount</b>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ <u>1,381,193</u>
Payments to University for other than salaries of University personnel	1,473,151
Payments received from University for services, space, and programs	1,395,550
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)	(733,579)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University (enter as positive number)	90,603
Other amounts receivable from University	—

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**9 Other postemployment benefits (OPEB) liability**

Intentionally left blank - not required/applicable eff FY17/18

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
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**10 Pollution remediation liabilities under GASB Statement No. 49:**

<u>Description</u>	<u>Amount</u>
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/>

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
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**11 The nature and amount of the prior period adjustment(s) recorded to beginning net position**

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 2017, as previously reported		\$ 6,715,923
Prior period adjustments:		
1 GASB 75 Restatement		1,585,608
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net position as of June 30, 2017, as restated		\$ 8,301,531

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

	Debit	Credit
Net position class: Unrestricted		
1 GASB 75 Restatement		
Post Retirement Liabilities	\$ 1,622,189	
Unrestricted Net Position		1,622,189
Net position class: Unrestricted		
2 Unrestricted Net Position		
Agency Funds Held	36,581	36,581
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)	—	—

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION  
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**12 Natural Classifications of Operating Expenses**

	<b>Salaries</b>	<b>Benefits</b>	<b>Scholarships and fellowships</b>	<b>Supplies and other services</b>	<b>Depreciation and amortization</b>	<b>Total operating expenses</b>
Instruction	2,547,188	456,393	—	5,318,992	—	8,322,573
Research	1,634,726	311,264	—	1,673,060	—	3,619,050
Public service	—	—	—	—	—	—
Academic support	263,155	48,994	—	443,452	—	755,601
Student services	1,043,291	283,482	—	797,617	—	2,124,390
Institutional support	112,234	24,171	—	35,544	—	171,949
Operation and maintenance of plant	—	—	—	—	—	—
Student grants and scholarships	—	—	—	—	—	—
Auxiliary enterprise expenses	2,206,001	6,705	31,100	3,746,198	—	5,990,004
Depreciation and amortization	—	—	—	—	79,819	79,819
Total	<u>7,806,595</u>	<u>1,131,009</u>	<u>31,100</u>	<u>12,014,863</u>	<u>79,819</u>	<u>21,063,386</u>