

**CALIFORNIA STATE UNIVERSITY,
DOMINGUEZ HILLS FOUNDATION
(A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY,
DOMINGUEZ HILLS)**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
(A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY,
DOMINGUEZ HILLS)
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YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
California State University, Dominguez Hills Foundation
Carson, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities and aggregate remaining fund information of California State University, Dominguez Hills Foundation, a component unit of California State University, Dominguez Hills, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise California State University, Dominguez Hills Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate remaining fund information of California State University, Dominguez Hills Foundation, as of June 30, 2022, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California State University, Dominguez Hills Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Dominguez Hills Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 California State University, Dominguez Hills Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in net OPEB liability and schedule of contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the California State University, Dominguez Hills Foundation's basic financial statements. The schedule of net position, the schedule of revenues, expenses, and changes in net position as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of the California State University, Dominguez Hills Foundation, referred to above, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2022/October 14, 2022, 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 solely 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 the effectiveness of the entity's 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 the entity's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
October 14, 2022

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021**

This section of the California State University, Dominguez Hills Foundation (the Foundation) annual financial report presents our discussion and analysis of the financial performance of the Foundation for the fiscal year ended June 30, 2022. 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) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. For reporting purposes, the Foundation is considered a special-purpose government engaged only in business-type and fiduciary 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, deferred outflows, liabilities, and deferred inflows. It is prepared 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.

Analytical Overview

Summary

The Foundation's net position decreased by \$881,188. This is primarily due to the increase in operating revenues and an increase in expenses related to research, academic support and auxiliaries.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021**

Comparative Analysis of Current and Prior Year Activities and Balances

The Foundation's summary of net position as of June 30, 2022 and 2021 are as follows:

| | <u>2022</u> | <u>2021</u> | <u>Change</u> |
|---------------------------------------|---------------------|---------------------|---------------------|
| ASSETS | | | |
| Current Assets | \$ 11,212,571 | \$ 4,765,091 | \$ 6,447,480 |
| Long-Term Assets | 5,337,801 | 6,063,924 | (726,123) |
| Capital Assets | <u>404,540</u> | <u>503,754</u> | <u>(99,214)</u> |
| Total Assets | <u>16,954,912</u> | <u>11,332,769</u> | <u>5,622,143</u> |
| DEFERRED OUTFLOWS OF RESOURCES | 331,350 | 432,548 | (101,198) |
| LIABILITIES | | | |
| Current Liabilities | 9,739,403 | 2,883,032 | 6,856,371 |
| Noncurrent Liabilities | <u>1,433,116</u> | <u>2,154,682</u> | <u>(721,566)</u> |
| Total Liabilities | <u>11,172,519</u> | <u>5,037,714</u> | <u>6,134,805</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>601,869</u> | <u>334,541</u> | <u>267,328</u> |
| NET POSITION | | | |
| Net Investments in Capital Assets | 404,540 | 503,754 | (99,214) |
| Unrestricted* | <u>5,107,334</u> | <u>5,889,308</u> | <u>(781,974)</u> |
| Total Net Position | <u>\$ 5,511,874</u> | <u>\$ 6,393,062</u> | <u>\$ (881,188)</u> |

Assets

Total assets increased by \$5,622,143, compared to prior year. This change can be attributed to the increase in one-time receipt of CARES Act funding received by California State University, accounts receivable related to Foundation and Grants and Contracts.

Liabilities

Total liabilities increased by \$6,134,805, compared to the prior year. This increase is primarily due to the increase in deferred income related to Grants and Contracts.

Net Position

Total net position decreased by \$881,188, compared to the prior year. This change is a result of an increase in operating revenue and increase expenses.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021**

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, 2022 and 2021 is as follows:

Operating Revenues

Total operating revenues increased by \$6,954,495, compared to prior year. The overall increase in total revenues is primarily attributable to sales and services of auxiliary enterprises and other operating revenues, which includes the one-time receipt CARES Act funding received by California State University.

Operating Expenses

Operating expenses showed an increase of \$3,639,372, compared to the prior year. The increase is primarily attributable to an increase in research, academic support and auxiliary enterprises expenses.

| | <u>2022</u> | <u>2021</u> | <u>Change</u> |
|---|---------------------|---------------------|---------------------|
| OPERATING REVENUES | | | |
| Grants and Contracts, Noncapital | \$ 12,768,044 | \$ 11,834,280 | \$ 933,764 |
| Sales and Services of Auxiliary Enterprises | 3,212,102 | 1,491,624 | 1,720,478 |
| Other Operating Revenues | <u>5,228,234</u> | <u>927,981</u> | <u>4,300,253</u> |
| Total Operating Revenue | 21,208,380 | 14,253,885 | 6,954,495 |
| NONOPERATING REVENUES | | | |
| Investment Income (Loss) - Net of Fees | <u>(706,497)</u> | <u>1,237,926</u> | <u>(1,944,423)</u> |
| Total Revenue | 20,501,883 | 15,491,811 | 5,010,072 |
| OPERATING EXPENSES | | | |
| Instruction | 3,380,997 | 3,624,954 | (243,957) |
| Research | 4,235,306 | 3,514,847 | 720,459 |
| Academic Support | 4,144,687 | 2,284,658 | 1,860,029 |
| Student Services | 1,878,114 | 1,790,060 | 88,054 |
| Institutional Support | 421,781 | 444,011 | (22,230) |
| Student Grants and Scholarships | 31,100 | - | 31,100 |
| Auxiliary Enterprise Expenses | 7,147,410 | 5,953,821 | 1,193,589 |
| Depreciation | <u>89,855</u> | <u>103,564</u> | <u>(13,709)</u> |
| Total Operating Expenses | 21,329,250 | 17,715,915 | 3,613,335 |
| NONOPERATING EXPENSES | | | |
| Gain (Loss) on Sale of Capital Assets | (9,359) | - | (9,359) |
| Interest on Capital-Related Debt | <u>(44,462)</u> | <u>(26,790)</u> | <u>(17,672)</u> |
| Total Expenses | <u>21,383,071</u> | <u>17,742,705</u> | <u>3,640,366</u> |
| CHANGE IN NET POSITION | (881,188) | (2,250,894) | 1,369,706 |
| Net Position - Beginning of Year | <u>6,393,062</u> | <u>8,643,956</u> | <u>(2,250,894)</u> |
| NET POSITION - END OF YEAR | <u>\$ 5,511,874</u> | <u>\$ 6,393,062</u> | <u>\$ (881,188)</u> |

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021**

Capital Assets and Debt Administration

Capital Assets

The Foundation has \$404,540 in capital assets, net of accumulated depreciation; a decrease of \$99,214 from prior year, primarily related to current year depreciation of \$89,855.

Debt

As of June 30, 2022, the Foundation had \$2,794,539 in debt with a decrease of \$95,563 resulting from a \$51,139 increase in compensated absences, \$58,405 decrease in Payroll Protection Program Loans and \$88,297 decrease in note payable. Note 6 provide additional information on long term liabilities. A comparison is summarized below:

| | <u>2022</u> | <u>2021</u> | <u>Change</u> |
|----------------------|---------------------|---------------------|--------------------|
| Compensated Absences | \$ 363,265 | \$ 312,126 | \$ 51,139 |
| PPP Loans | 1,019,571 | 1,077,976 | (58,405) |
| Notes Payable | 1,411,703 | 1,500,000 | (88,297) |
| | <u>\$ 2,794,539</u> | <u>\$ 2,890,102</u> | <u>\$ (95,563)</u> |

Factors Affecting Future Periods

The GASB has issued pronouncements prior to June 30, 2022, that have effective dates that impact future financial presentations; however, the impact of the implementation of each of the statements below to the Foundation's financial statements has not been assessed at this time.

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
YEAR ENDED JUNE 30, 2022**

ASSETS

CURRENT ASSETS

| | |
|-----------------------------------|--------------|
| Cash and Cash Equivalents | \$ 8,079,863 |
| Accounts Receivable, Net | 2,915,404 |
| Due from Related Parties | 114,344 |
| Prepaid Expenses and Other Assets | 102,960 |
| Total Current Assets | 11,212,571 |

NONCURRENT ASSETS

| | |
|-------------------------|-----------|
| Long-Term Investments | 5,244,847 |
| Other Assets | 92,954 |
| Capital Assets, Net | 404,540 |
| Total Noncurrent Assets | 5,742,341 |

| | |
|--------------|------------|
| Total Assets | 16,954,912 |
|--------------|------------|

DEFERRED OUTFLOWS OF RESOURCES

331,350

LIABILITIES

CURRENT LIABILITIES

| | |
|---------------------------------------|-----------|
| Accounts Payable | 995,231 |
| Accrued Salaries and Benefits Payable | 396,492 |
| Accrued Compensated Absences | 363,265 |
| Unearned Revenue | 3,398,848 |
| Debt | 1,173,657 |
| Due to Related Parties | 3,235,444 |
| Interest Payable | 14,224 |
| Other Liabilities | 162,242 |
| Total Current Liabilities | 9,739,403 |

NONCURRENT LIABILITIES

| | |
|---|-----------|
| Postemployment Benefits Other than Pensions | 175,499 |
| Debt | 1,257,617 |
| Total Noncurrent Liabilities | 1,433,116 |

| | |
|-------------------|------------|
| Total Liabilities | 11,172,519 |
|-------------------|------------|

DEFERRED INFLOWS OF RESOURCES

601,869

NET POSITION

| | |
|----------------------------|--------------|
| Invested in Capital Assets | 404,540 |
| Unrestricted | 5,107,334 |
| Total Net Position | \$ 5,511,874 |

See accompanying Notes to Financial Statements.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022**

OPERATING REVENUES

| | |
|---|-------------------|
| Grants and Contracts, Noncapital: | |
| Federal | \$ 11,106,589 |
| State and Local | 975,034 |
| Nongovernmental | 686,421 |
| Sales and Services of Auxiliary Enterprises | 3,212,102 |
| Other Operating Revenues | <u>5,228,234</u> |
| Total Operating Revenues | <u>21,208,380</u> |

OPERATING EXPENSES

| | |
|---------------------------------|-------------------|
| Instruction | 3,380,997 |
| Research | 4,235,306 |
| Academic Support | 4,144,687 |
| Student Services | 1,878,114 |
| Institutional Support | 421,781 |
| Student Grants and Scholarships | 31,100 |
| Auxiliary Enterprise Expenses | 7,147,410 |
| Depreciation | <u>89,855</u> |
| Total Operating Expenses | <u>21,329,250</u> |

OPERATING LOSS

(120,870)

NONOPERATING REVENUES (EXPENSES)

| | |
|--|------------------|
| Loss on Sale of Capital Assets | (9,359) |
| Investment Loss - Net of Fees | (706,497) |
| Interest Expense | <u>(44,462)</u> |
| Total Nonoperating Revenues (Expenses) | <u>(760,318)</u> |

CHANGE IN NET POSITION

(881,188)

Net Position - Beginning of Year

6,393,062

NET POSITION - END OF YEAR

\$ 5,511,874

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|---------------|
| Federal Grants and Contracts | \$ 13,808,372 |
| State and Local Grants and Contracts | 975,034 |
| Nongovernmental Grants and Contracts | 686,421 |
| Payments to Suppliers | (5,669,301) |
| Payments to Employees | (11,859,816) |
| Sales and Services of Auxiliary Enterprises | 3,212,102 |
| Other Receipts | 4,766,886 |
| Net Cash Provided by Operating Activities | 5,919,698 |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | |
|--|-----------|
| PPP Loan Payments | (58,405) |
| Interest Paid on Notes Payable | (44,462) |
| Payments on Notes Payable | (88,297) |
| Net Cash Used by Noncapital Financing Activities | (191,164) |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---|-----------|
| Disposal Loss on Capital Assets | (9,358) |
| Investment Income | 145,848 |
| Investment Expense | (26,037) |
| Purchase of Investments | (490,800) |
| Sale of Investments | 456,181 |
| Net Cash Provided by Investing Activities | 75,834 |

NET INCREASE IN CASH AND CASH EQUIVALENTS

5,804,368

Cash and Cash Equivalents - Beginning of Year

2,275,495

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 8,079,863

RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | |
|---|--------------|
| Operating Loss | \$ (120,870) |
| Adjustments to Reconcile Net Operating Loss to Net Cash Provided by Operating Activities: | |
| Depreciation | 89,855 |
| Deferred Outflows of Resources | 101,198 |
| Deferred Inflows of Resources | 267,328 |
| Change in Assets and Liabilities: | |
| Accounts Receivable, Net | (864,918) |
| Prepaid Expenses and Other Assets | 232,851 |
| Accounts Payable | 3,755,409 |
| Accrued Salaries and Benefits Payable | (247,000) |
| Interest Payable | 6,847 |
| Accrued Compensated Absences | 51,139 |
| Unearned Revenue | 3,109,539 |
| Other Liabilities | 105,800 |
| Postemployment Benefits Other Than Pensions | (567,480) |
| Net Cash Provided by Operating Activities | \$ 5,919,698 |

See accompanying Notes to Financial Statements.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
STATEMENT OF FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022**

ASSETS

| | |
|---------------------------|----------------|
| Cash and Cash Equivalents | \$ 330,503 |
| Total Assets | <u>330,503</u> |

LIABILITIES

| | |
|------------------------|----------------|
| Accounts Payable | 2,538 |
| Due to Related Parties | 120,365 |
| Accrued Liabilities | 4,651 |
| Total Liabilities | <u>127,554</u> |

NET POSITION

| | |
|---|-------------------|
| Restricted: | |
| Individuals, Organizations, and Other Governments | 202,949 |
| Total Net Position | <u>\$ 202,949</u> |

See accompanying Notes to Financial Statements.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022**

ADDITIONS

| | |
|-----------------|------------|
| Program Income | \$ 322,907 |
| Gifts | 1,975 |
| Other Income | 4,000 |
| Total Additions | 328,882 |

DEDUCTIONS

| | |
|-------------------------|---------|
| Distributions | 296,727 |
| Administrative Expenses | 29,362 |
| Total Deductions | 326,089 |

CHANGE IN FIDUCIARY NET POSITION

2,793

FIDUCIARY NET POSITION

| | |
|----------------------------------|------------|
| Net Position - Beginning of Year | 200,156 |
| Net Position - End of Year | \$ 202,949 |

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 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). The Foundation is included as a component unit in the financial statements of the University. The Foundation assists 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.

NOTE 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 (U.S. GAAP), 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 as 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.

Fiduciary Activities

The Foundation administers agency assets on behalf of campus organizations. The Foundation is acting as an agent for the transactions. Accordingly, the activity of such organizations is presented in a separate statement of fiduciary net position and a statement of changes in fiduciary net position.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

During the fiscal year 2022, the Foundation has changed accounting policies related to the financial statement presentation of the Foundation, by adopting the GASB Statement No. 87, *Leases*. The Foundation's leases were all short-term so there is no impact of adoption.

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.

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.

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.

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.

Deferred Outflows and Deferred Inflows

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

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits and a money market account 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, Dominguez Hills Corporation, and limited services for the Associated Students, Inc., and holds on their behalf depository accounts. These deposits, upon receipt, are normally expected to be held for three months or less.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-Term Investments

Investments with original maturities greater than three months and remaining maturities less than one year are classified as "short-term investment." Investments with remaining maturities greater than one year are classified as "long-term investments." The Foundation has not short-term investments.

Accounts Receivables

Receivables consists of contracts 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 prepaid items are expensed ratably over their respective terms of agreement.

Investments

Investments are reflected at fair value and net asset value. Gains and losses are included in the statement of revenues, expenses, and changes in net position as investment income or expense (net of fees).

Capital Assets

Capital assets are stated at cost or estimated historical cost if purchased or, at acquisition 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.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

Unearned revenue consists primarily of unearned revenue related to federal grants and contracts and any commissions paid in advance for commercial enterprise activities.

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.

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 Internal Revenue Service 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.

Estimates

The preparation of basic financial statements in conformity with U.S. GAAP 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.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 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 U.S. 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 certain 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
JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Financing Activities

The Foundation is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Foundation carries commercial insurance. The Foundation has not had any significant reduction in insurance coverage, and there have been no claims in excess of coverage, in any of the past three years.

NOTE 3 CASH AND CASH EQUIVALENTS

Custodial credit risk for deposits is the risk that the Foundation will not be able to recover deposits that are in possession of an outside party. The California Government Code and Education Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the provision that a financial institution must secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The risk is mitigated in that the Foundation's deposits are maintained at financial institutions that are fully insured or collateralized as required by state law.

Cash and cash equivalents held at June 30 are as follows:

| | |
|----------------------|---------------------|
| Depository Accounts | \$ 1,988,589 |
| Money Market Account | 6,091,274 |
| Total | <u>\$ 8,079,863</u> |

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 \$2,200,000 for 2022, respectively. As of June 30, 2022, \$250,000, of these balances are insured under the Federal Deposit Insurance Corporation (FDIC).

NOTE 4 INVESTMENTS

Investments held at June 30 are as follows:

| | |
|----------------------------------|---------------------|
| Investment Level 1 Inputs: | |
| Equities | \$ 3,512,251 |
| Money Market Funds | 392,983 |
| Investment Level 2 Inputs: | |
| Corporate and Governmental Bonds | 461,347 |
| Investments at NAV: | |
| Alternative Investments | 878,266 |
| Total Investment Inputs | <u>\$ 5,244,847</u> |

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 INVESTMENTS (CONTINUED)

At June 30, 2022, the Foundation did not have any investments measured using Level 3 inputs.

The following table summarizes information regarding investment terms, unfunded commitments and redemption terms for investments value using NAV at June 30, 2022:

| Investment | Net Asset Value | Strategy | Unfunded Commitments | Redemption Terms | Redemption Restriction |
|---|-------------------|--|----------------------|---------------------------------|------------------------|
| Blackstone Real Estate | \$ 173,366 | Achieve capital appreciation principally through investing in investment in investment funds | None | Redeemable on a quarterly basis | 95 days notice |
| Ironwood Institutional Multi-Strategy Fund LLC | 383,685 | Achieve capital appreciation principally through investing in investment in investment funds | None | Redeemable on a quarterly basis | 95 days notice |
| Hedge Fund Guided Portfolio Solutions Class I 71H78 | 321,215 | Achieve capital appreciation principally through investing in investment in investment funds | None | Redeemable on a quarterly basis | 60-93 days notice |
| | <u>\$ 878,266</u> | | | | |

Custodial Credit Risk

Custodial credit risk for deposits is the risk that the Foundation will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code and Education Code do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the provision that a financial institution must secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The risk is mitigated in that the Foundation's deposits are maintained at financial institutions that are fully insured or collateralized as required by state law.

Investment Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Foundation's investment policy does not address specifically potential credit risk exposure or the extent to which that is limited.

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

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 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>Minimum Allocation</u> | <u>Maximum Allocation</u> |
|-------------------------------------|------------------------------|-------------------------------|-------------------------------|
| Equity | 55.0 % | 40.0 % | 65.0 % |
| Fixed Income | 25.0 | 20.0 | 45.0 |
| Cash | 2.0 | - | 10.0 |
| Alternatives | 18.0 | - | 25.0 |
| Total Portfolio (Target Allocation) | <u>100.0 %</u> | | |

The composition of the investment income (net of fees), on the statement of revenues, expenses, and changes in net position:

| | |
|--------------------------------|---------------------|
| Unrestricted: | |
| Interest and Dividends | \$ 145,848 |
| Investment Income (Expenses) | (26,037) |
| Unrealized Gain (Loss), Net | <u>(826,308)</u> |
| Total Investment Income (Loss) | <u>\$ (706,497)</u> |

NOTE 5 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022 consisted of the following:

| | |
|---------------------------------|---------------------|
| Grants Receivables | \$ 2,211,204 |
| Other | 1,122,657 |
| Allowance for Doubtful Accounts | <u>(418,457)</u> |
| Total | <u>\$ 2,915,404</u> |

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 CAPITAL ASSETS

Capital assets consist of the following at June 30, 2022:

| | Beginning of Year June 30, 2021 | Additions | Deletions | End of Year June 30, 2022 |
|----------------------------------|------------------------------------|-------------------|---------------------|------------------------------|
| Buildings | \$ - | \$ - | \$ - | \$ - |
| Accumulated Depreciation | - | - | - | - |
| Total | - | - | - | - |
| Equipment | 367,725 | - | - | 367,725 |
| Accumulated Depreciation | (291,604) | (37,603) | - | (329,207) |
| Total | 76,121 | (37,603) | - | 38,518 |
| Furniture and Fixtures | - | - | - | - |
| Accumulated Depreciation | - | - | - | - |
| Total | - | - | - | - |
| Leasehold Improvements | 152,850 | 355,742 | (10,462) | 498,130 |
| Accumulated Depreciation | (80,960) | (52,252) | 1,104 | (132,108) |
| Total | 71,890 | 303,490 | (9,358) | 366,022 |
| Capital Project Work in Progress | 355,742 | - | (355,742) | - |
| Total | <u>\$ 503,753</u> | <u>\$ 265,887</u> | <u>\$ (365,100)</u> | <u>\$ 404,540</u> |

Depreciation expense for the year ended June 30, 2022 was \$89,855.

NOTE 7 DEBT

In May 2020, the Foundation received a loan from Wells Fargo Bank NA in the amount of \$525,000 to fund payroll, and utilities through the Paycheck Protection Program (the PPP#1 Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Foundation fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date.

These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the Foundation is required to pay interest on the PPP Loan at a rate of 1.0% per annum and commencing in November 2020 principal and interest payments will be required through the maturity date in March 2022. As discussed below, the Foundation applied for forgiveness of the PPP Loan.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 DEBT (CONTINUED)

The Foundation engaged Windes Inc. to assist with filing the loan forgiveness application with Well Fargo Bank (WFB) on March 1, 2022, which is within twenty-four months of the due date of the PPP#1 loan. On April 21, 2022, the Foundation received the official email from WFB acknowledging receipt that the Foundation's PPP#1 loan forgiveness application had been received and was being processed. On April 29, 2022, the Foundation received a letter from WFB that the U.S. Small Business Administration (SBA) purchased the PPP loan and took over processing the loan forgiveness application.

In April 2021, the Foundation received a loan from Wells Fargo Bank NA in the amount of \$552,976 to fund payroll, and utilities through the Paycheck Protection Program (the PPP#2 Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over sixty months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Foundation fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the Foundation will be required to pay interest on the PPP Loan at a rate of 1.0% per annum and commencing in February 2022 principal and interest payments will be required through the maturity date in March 2027.

The Foundation engaged Windes Inc. to assist with filing the loan forgiveness application with Well Fargo Bank (WFB) on June 13, 2022, for the PPP#2 loan. WFB received an email acknowledging that on June 13, 2022, the Foundation's PPP loan forgiveness application had been received and was being processed.

Effective July 1, 2020, the Foundation executed a \$1,500,000 promissory note with the California State University Dominguez Hills Philanthropic Foundation. The note matures on November 30, 2030 and bears interest at 2.25% per annum. Initially monthly interest and principal payments of \$2,813 were due starting December 1, 2020 and increased to \$15,356 on December 1, 2021.

| | Beginning Balance as of June 30, 2021 | Additions | Reductions | Ending Balance as of June 30, 2022 | Due in One Year |
|------------------|---|-------------|---------------------|--|---------------------|
| Debt: | | | | | |
| PPP Loan 1 | \$ 525,000 | \$ - | \$ (58,405) | \$ 466,595 | \$ 466,595 |
| PPP Loan 2 | 552,976 | - | - | 552,976 | 552,976 |
| Notes Payable | 1,500,000 | - | (88,297) | 1,411,703 | 154,086 |
| Liabilities, Net | <u>\$ 2,577,976</u> | <u>\$ -</u> | <u>\$ (146,702)</u> | <u>\$ 2,431,274</u> | <u>\$ 1,173,657</u> |

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 DEBT (CONTINUED)

Future principal payments on debt as of June 30, 2022 are as follows:

| <u>Year Ended June 30,</u> | <u>Amount</u> |
|----------------------------|----------------------------|
| 2023 | \$ 1,173,657 |
| 2024 | 157,589 |
| 2025 | 161,171 |
| 2026 | 164,835 |
| 2027 | 168,582 |
| Thereafter | 605,440 |
| Total | <u><u>\$ 2,431,274</u></u> |

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.

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Current Portion</u> |
|----------------------|------------------------------|-------------------|---------------------|---------------------------|----------------------------|
| Compensated Absences | <u>\$ 312,126</u> | <u>\$ 448,796</u> | <u>\$ (397,657)</u> | <u>\$ 363,265</u> | <u>\$ 363,265</u> |

NOTE 8 OPERATING LEASE

The Foundation entered into a sublease, which expired on June 30, 2022 and is in the process of being renewed, with the Donald P. & Katherine B. Loker University Student Union (Union) 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, 2022 amounted to \$156,981, of this total, \$101,992 was for utilities.

NOTE 9 PENSION PLANS

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

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.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION PLANS (CONTINUED)

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.

Annual Pension Cost – For the year ended June 30, 2022 the Foundation’s annual TIAA CREF pension cost totaled \$307,779.

Annual Contributions from Employees – For the year ended June 30, 2022 employees contributed \$232,351 to the Pension Plan (not including tax deferred elective deferrals to the Foundation’s non-ERISA plan).

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The Foundation sponsors a single-employer defined benefit postretirement health care plan to pay a portion of the retiree’s insurance premiums. The Foundation participates in the Auxiliaries Multiple Employer VEBA (Voluntary Employees Beneficiary Association). The auxiliaries Multiple Employer VEBA is a separate 501(c)9 organization established in August 2010 to assist in funding postretirement healthcare benefits for recognized auxiliaries of the California State University System. The Auxiliaries Multiple Employer VEBA issues separate audited financial statements. Copies of the annual report may be obtained from Keenan Associates, 2355 Crenshaw Blvd. Suite 200, Torrance, CA 90501.

The Foundation provides retiree medical benefits with the Auxiliary Organizations Risk Management Alliance Members - California State University Risk Management Authority (AORMA - CSURMA) to eligible employees hired on or after October 1, 2014 and before June 23, 2016 in accordance with the following age requirement and vesting schedule:

| <i>Age and Years of Service Requirement</i> | <i>Percentage of Employer Contribution</i> |
|---|--|
| 59 1/2+ and 20 years of service | 100 |
| 65+ and 15-19 years of service | 75 |
| 65+ and 10-14 years of service | 50 |

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Employees hired prior to October 1, 2014 shall be eligible for postretirement health benefits (medical) and are eligible to receive 100% of the employer contribution set by the board of directors, provided they meet the vesting period requirement of five years of employment and have attained the age of 59½ as of the date of their retirement. This benefit continues for the life of the retiree and then for the life of a surviving spouse, if any. Retirees may select any retiree medical plan offered by AOMRA - CSURMA, including spouse or family coverage, but must incur the cost of premiums exceeding the cap.

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

In accordance with the parameters of GASB 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.

Total OPEB Liability, Fiduciary Net Position, and Net OPEB Liability (Continued)

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.

U.S. GAAP 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, 2021 |
| Measurement Date | June 30, 2021 |
| Fiscal Year End | June 30, 2022 |

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Information about the OPEB Plan

The following is a table of plan participants:

| | |
|--|----|
| Inactive Employees Receiving Benefits | 14 |
| Inactive Employees Entitled but not Receiving Benefits | - |
| Covered Dependents of Retirees | 9 |
| Participating Active Employee | 19 |
| Total Number of Participants | 42 |

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, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 to determine the June 30, 2021 total OPEB liability, based on the following actuarial methods and assumptions:

| | |
|--------------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Discount Rate | 7.00 % |
| Inflation | 2.26 % |
| Salary Increases | 3.25 % |
| Net Investments Rate of Return | 7.00 % |
| Healthcare Cost Trend Rate | Varies from 4.0% to 6.75% |
| Mortality Rate | 2017 CalPERS Experience Study |
| Pre-Retirement Turnover | 2017 CalPERS Public Agency Miscellaneous Experience Study |

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 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, 2020. 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, 2020 | \$ 1,748,822 | \$ 1,005,843 | \$ 742,979 |
| Service Cost | 30,797 | - | 30,797 |
| Interest on Total OPEB Liability | 118,466 | - | 118,466 |
| Differences Between Expected and Actual Experience | 93,975 | - | 93,975 |
| Changes in Assumptions | (183,114) | - | (183,114) |
| Net Investment Income | - | 269,551 | 269,551 |
| Benefit Payments | (177,518) | (177,518) | (355,036) |
| Employer Contributions | - | 361,533 | 361,533 |
| Employee Contributions | - | - | - |
| Administrative Expense | - | (3,480) | (3,480) |
| Net Change | <u>(117,394)</u> | <u>450,086</u> | <u>332,692</u> |
| Balance at June 30, 2021 | <u>\$ 1,631,428</u> | <u>\$ 1,455,929</u> | <u>\$ 175,499</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:

| | <u>NOL/(A)</u> | <u>\$ Change</u> | <u>% Change</u> |
|----------------|----------------|------------------|-----------------|
| Discount Rate: | | | |
| +1% | \$ 14,265 | \$ (161,234) | (92)% |
| Base: | 175,499 | - | - |
| -1% | 368,574 | 193,075 | 110 |
| Trend Rate: | | | |
| +1% | \$ 255,013 | \$ 79,514 | 45 % |
| Base: | 175,499 | - | - |
| -1% | 98,418 | (77,081) | (44) |

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Long-Term Expected Rate of Return

As of June 30, 2021, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

| <u>Investment Class</u> | <u>Target Allocation</u> | <u>Strategy Expected Real Rate of Return¹</u> |
|-------------------------|------------------------------|--|
| Equity | 54.00 % | 5.66 % |
| REITs | 8.00 | 5.08 |
| Fixed Income | 38.00 | 1.12 |

¹JPMorgan arithmetic Long Term Capital Market assumptions and expected inflation of 2.01%.

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 10 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, 2021</u> | <u>June 30, 2020</u> |
|-----------------------------|----------------------|----------------------|
| Discount Rate | 7.00 % | 7.00 % |
| Bond Buyer 20-Bond GO Index | 2.16 | 2.21 |

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
JUNE 30, 2022

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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

As of fiscal year ended June 30, 2022 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 Experiences in the Measurement of the TOL | \$ 84,208 | \$ 284,285 |
| Changes in Assumptions | - | 185,018 |
| Net Difference Between Projected and Actual Earnings of OPEB Plan Investments | - | 132,566 |
| Contribution to OPEB Plan after Measurement Date | <u>247,142</u> | <u>-</u> |
| Total | <u>\$ 331,350</u> | <u>\$ 601,869</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>Year Ended June 30,</u> | <u>Deferred Outflows(Inflows) of Resources</u> |
|----------------------------|--|
| 2023 | \$ (69,411) |
| 2024 | (69,080) |
| 2025 | (71,244) |
| 2026 | (77,171) |
| 2027 | (38,585) |
| Thereafter | <u>(192,170)</u> |
| Total | <u>\$ (517,661)</u> |

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

For the measurement period ended June 30, 2021 the Foundation recognized OPEB expense of \$6,292.

| | |
|--|-----------|
| Service Cost | \$ 30,797 |
| Interest on the Total OPEB Liability | 118,466 |
| Changes on Benefit Terms | |
| Recognized Differences Between Expected and Actual Experience | (17,511) |
| Recognized Changes of Assumptions | (21,074) |
| Employee Contributions | - |
| Projected Earnings on OPEB Plan Investments | (76,621) |
| Recognized Differences Between Projected and Actual Earnings on Plan Investments | (31,245) |
| Administrative Expense | 3,480 |
| Other Changes in Fiduciary Net Position | |
| Aggregate OPEB Expense | \$ 6,292 |

Interest on the Total OPEB Liability

As of measurement period ended June 30, 2021 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 | \$ 1,748,822 | 100 % | 7.0 % | \$ 122,418 |
| Service Cost | 30,797 | 100 | 7.0 | 2,156 |
| Benefit Payments, Including Refunds of Employee Contributions | (177,518) | 50 | 7.0 | (6,108) |
| Total | | | | \$ 118,466 |

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Earnings on Plan Fiduciary Net Position

As of measurement period ended June 30, 2021, 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 | \$ 1,005,843 | 100 % | 7.0 % | \$ 70,409 |
| Employer Contributions | 361,533 | 50 | 7.0 | 12,440 |
| Employee Contributions | - | 50 | 7.0 | - |
| Benefits Payments, Including Refunds of Employee Contributions | (177,518) | 50 | 7.0 | (6,108) |
| Administrative Expense and Other | (3,480) | 50 | 7.0 | (120) |
| Total Projected Earnings | | | | <u>\$ 76,621</u> |

Comparison of projected and actual earnings on investments is as follows:

| | |
|--|---------------------|
| Total Projected Earnings | \$ 76,621 |
| Actual Net Investment Income | <u>269,551</u> |
| Net Difference Between Projected and Actual Earnings on Investments | <u>\$ (192,930)</u> |

Funding Status and Funding Progress

Beginning in fiscal year ended June 2011, the Foundation participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association) and contributed \$45,000 in fiscal year ended 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 postretirement healthcare benefits for recognized auxiliaries of the California State University System. The total fair market value of assets in the Auxiliaries Multiple Employer VEBA as of June 30, 2022 was \$1,261,726.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

The fair value composition of the Voluntary Employers Beneficiary Association consists of the following at June 30, 2022:

| | Fair Value Measurements Using | | | | Total |
|----------------------|--|---|--|--------------------------------|---------------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Net Asset Value (NAV) | |
| Mutual Funds: | | | | | - |
| Domestic Equity | \$ 505,880 | - | - | - | \$ 505,880 |
| Fixed Income | 493,946 | - | - | - | 493,946 |
| International Equity | 141,833 | - | - | - | 141,833 |
| Real Estate | 120,067 | - | - | - | 120,067 |
| Total Investments | <u>\$ 1,261,726</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,261,726</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 statement.

NOTE 11 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 \$379,131 for the year ended June 30, 2022, 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, 2022 amounted to \$5,216.

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 December 2017, an amendment was entered into that extended the agreement for a five-year period beyond the initial term, such that the new expiration date of the Agreement is December 31, 2022 and the full term of the Agreement is now the eight-year period from January 1, 2015 to December 31, 2022. 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, 2022 amounted to \$91,960.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 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, 2022 totaled \$3,259,417. Amounts receivable from the University totaled \$14,207 at June 30, 2022. Amounts receivable from other University auxiliaries totaled \$100,137 at June 30, 2022. Amounts payable to other University auxiliaries totaled \$96,391 at June 30, 2022.

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 \$210,000 for the years ended June 30, 2022.

NOTE 13 SUBSEQUENT EVENTS

The Foundation has evaluated events subsequent to June 30, 2022, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through October 14, 2022, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

On July 1, the University entered into a campus dining partnership with Aramark, a national food services hospitality service vendor. The 10-year partnership agreement makes Aramark the exclusive food service provider for the University. With this agreement, the University further solidifies its commitment to becoming the model urban university. Additional enhancements to the dining program will include an experiential learning platform that will support students on their entrepreneurial journeys, the introduction of fresh restaurant concepts and full makeovers for the convenience stores with self-checkout technology, rotating menus that highlight fresh, local ingredients. The agreement was fully executed on September 7, 2022.

On September 21, 2022, the Foundation Board approved to change the name of California State University, Dominguez Hills Foundation to CSUDH Toro Auxiliary Partners. The new auxiliary name will go into effect on or around December 1, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2022

| Measurement Period | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | | | |
| Service Cost | \$ 30,797 | \$ 29,330 | \$ 53,266 | \$ 50,730 | \$ 48,314 |
| Interest on the Total OPEB Liability | 118,466 | 120,098 | 141,737 | 138,988 | 135,706 |
| Change of Benefit Terms | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 93,975 | (28,240) | (312,654) | (7,683) | (18,032) |
| Changes in Assumptions | (183,114) | - | (27,064) | - | - |
| Benefit Payments, Including Refunds of Employee Contributions | (177,518) | (115,492) | (164,635) | (126,600) | (116,595) |
| Net Change in Total OPEB Liability | (117,394) | 5,696 | (309,350) | 55,435 | 49,393 |
| Total OPEB Liability - Beginning (a) | 1,748,822 | 1,743,126 | 2,052,476 | 1,997,041 | 1,947,648 |
| Total OPEB Liability - Ending (b) | <u>\$ 1,631,428</u> | <u>\$ 1,748,822</u> | <u>\$ 1,743,126</u> | <u>\$ 2,052,476</u> | <u>\$ 1,997,041</u> |
| Plan Fiduciary Net Position | | | | | |
| Contributions - Employer | \$ 361,533 | \$ 115,492 | \$ 488,743 | \$ 126,600 | \$ 561,705 |
| Contributions - Employee | - | - | - | - | - |
| Net Investment Income | 269,551 | 38,215 | 42,710 | 41,414 | 24,478 |
| Benefit Payments, Including Refunds of Employee Contributions | (177,518) | (115,492) | (164,635) | (126,600) | (116,595) |
| Administrative Expense | (3,480) | (3,159) | (3,153) | (4,203) | (1,159) |
| Other | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 450,086 | 35,056 | 363,665 | 37,211 | 468,429 |
| Plan Fiduciary Net Position - Beginning (c) | 1,005,843 | 970,787 | 607,122 | 569,911 | 101,482 |
| Plan Fiduciary Net Position - Ending (d) | <u>\$ 1,455,929</u> | <u>\$ 1,005,843</u> | <u>\$ 970,787</u> | <u>\$ 607,122</u> | <u>\$ 569,911</u> |
| Net OPEB Liability - Beginning (a) - (c) | <u>\$ 742,979</u> | <u>\$ 772,339</u> | <u>\$ 1,445,354</u> | <u>\$ 1,427,130</u> | <u>\$ 1,846,166</u> |
| Net OPEB Liability - Ending (b) - (d)** | <u>\$ 175,499</u> | <u>\$ 742,979</u> | <u>\$ 772,339</u> | <u>\$ 1,445,354</u> | <u>\$ 1,427,130</u> |
| Plan Fiduciary Net Position as Percentage of the Total OPEB Liability | 89 % | 58 % | 56 % | 30 % | 29 % |
| Covered-Employee Payroll | N/A | \$ 1,856,700 | \$ 2,429,811 | \$ 2,148,798 | \$ 3,006,483 |
| Net OPEB Liability as a Percentage of Covered-Employee Payroll | N/A | 40 % | 32 % | 67 % | 47 % |

Historical information is required only for measurement periods for which GSAB 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
YEAR ENDED JUNE 30, 2022

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarially Determined Contribution (ADC)** | \$ 91,509 | \$ 92,506 | \$ 164,907 | \$ 519,405 | \$ 519,405 |
| Contributions to the Trust | 184,015 | - | 324,108 | - | 445,110 |
| Pay-go Payments by Employer Unreimbursed by the Trust | 135,622 | 115,492 | 136,697 | 126,600 | 116,595 |
| Active Implicit Rate Subsidy Transferred to OPEB | 41,896 | - | 27,938 | - | - |
| Total OPEB Contributions* | <u>\$ 361,533</u> | <u>\$ 115,492</u> | <u>\$ 488,743</u> | <u>\$ 126,600</u> | <u>\$ 561,705</u> |
| Covered Employee Payroll | N/A | \$ 1,856,700 | \$ 2,429,811 | \$ 2,148,798 | \$ 3,006,483 |
| Contributions as a Percentage of Covered-Employee Payroll | N/A | 6 % | 20 % | 6 % | 19 % |

Notes to Schedule:

* ADC and Contributions are for the measurement period July 1, 2018 to June 30, 2022.

** 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.

*** 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 payroll related ratios.

SUPPLEMENTARY INFORMATION



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

Board of Directors
California State University,
Dominguez Hills Foundation
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 the business-type and the aggregate remaining fund information of California State University, Dominguez Hills Foundation (the Foundation), a component unit of California State University, Dominguez Hills, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated October 14, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. As described in the accompanying schedule of findings and questioned cost as item 2022-001, we identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-002, that we consider to be a significant deficiency.

Report on 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 financial statements. 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*.

Foundation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Foundation's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Foundation's response was not subjected to the auditing procedures applied in the other audit of the financial statements and, accordingly, we express no opinion on it.

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.



CliftonLarsonAllen LLP

Glendora, California
October 14, 2022

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2022**

Summary of Auditors' Results

Financial Statements

- | | | |
|--|-------------------|------------------|
| 1. Type of auditors' report issued: | Unmodified | |
| 2. Internal control over financial reporting: | | |
| • Material weakness(es) identified? | <u> X </u> yes | <u> </u> no |
| • Significant deficiency(ies) identified? | <u> X </u> yes | <u> </u> no |
| 3. Noncompliance material to financial statements noted? | <u> </u> yes | <u> X </u> no |

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2022**

Financial Statement Findings

Finding 2022-001: Understatement of Liabilities and Expenses

Condition:

During testing we identified \$392,181 of expenses incurred during the fiscal year, that were paid subsequent to year-end, not recorded as an expense or properly accrued for as of June 30, 2022. The error was corrected with a post-close entry.

Criteria:

U.S. GAAP requires that expenses are recorded on an accrual basis.

Cause:

The existing policies and procedures did not ensure proper recognition of expenses.

Effect:

Liabilities and expenses were understated for the fiscal year.

Repeat Finding:

This was not a finding in the prior year

Recommendation:

We recommend the Foundation's existing policies and procedures are reinforced and updated to reflect all the processes regarding the proper reconciliation of expenses.

Management Response:

Management is reviewing CSUDH Foundation's existing policies and related internal accounting controls to ensure all processes regarding the proper recognition of expenses are timely recorded to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2022**

Financial Statement Findings (Continued)

Finding 2022-002: Management of Grants and Contracts Revenue and Receivables

Condition:

The following conditions were noted during our testing of grants revenue and accounts receivable:

- Payments received in advance of meeting the grantors' were erroneously recorded as adjustments to grants and contracts receivable. The error resulted in an adjustment to increase in accounts receivable and unearned revenue in the amount of \$809,494.
- The accounts receivable sub-ledger provided to the auditors did not reconcile to the general ledger. The sub-ledger was subsequently reconciled and provided to the auditors on September 16, 2022. The completion of that reconciliation process resulted in two adjusting journal entries.

Criteria:

Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Cause:

The existing policies and procedures did not ensure proper recognition, reconciliation and elimination of grant revenue and accounts receivable transactions.

Effect:

Delays in submission of invoices to granting agencies could lead to potential disallowance of the costs incurred by the Foundation and can adversely impact the cash flow required to perform the obligations under the agreements entered into with the granting agencies.

Repeat Finding:

Yes, see prior year finding 2021-001

Recommendation:

We recommend the Foundation's existing policies and procedures are reinforced and updated to reflect all the processes regarding the proper reconciliation and reimbursement claims.

Management Response:

Management is reviewing CSUDH Foundation's existing policies and related internal accounting controls to ensure all processes regarding the proper reconciliation and reimbursement of claims are timely recorded to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2022**

PRIOR YEARS FINDINGS AND QUESTIONED COSTS

California State University Dominguez Hills Foundation respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2022.

Audit Period: July 1, 2021 – June 30, 2022

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

Finding 2021-001: Management of Grants and Contracts Revenue and Receivables

Condition:

The following conditions were noted during our testing of grants revenue and accounts receivable:

- Payments received in advance of meeting the grantors' requirements by incurring costs in accordance with the grantors' program was recorded as adjustments to accounts receivable. The error resulted in an increase in accounts receivable and unearned revenue in the amount of \$208,099.
- A prior year audit adjustment was erroneously reversed during the current year. This resulted in a reduction in current year's beginning net position and a decrease in accounts receivable in the amount of \$129,713.
- Facilities and administrative cost reimbursements for various grants were in multiple funds resulting in a duplication of revenue recorded during the year. This resulted in an adjustment of revenue and related expenses in the amount of \$978,659.
- As of the September 22, 2021, there are approximately \$318,500 unbilled revenues. Of this amount approximately \$113,100 were not billed during the entire fiscal year 2021 and \$99,514 accounts receivable from the prior year.
- The initial accounts receivable sub-ledger provided included discrepancies in the amounts reported as receivable per sponsor. The errors noted were corrected on the sub-ledger provided on September 21, 2021. This resulted in the delay of testing material accounts receivable and related revenue balances.

Status: Corrective action was taken regarding the facilities and administrative cost reimbursements finding, and the prior year adjustment reversal was not applicable during the current audit period. The other components of this finding were repeat findings in the current year. See finding 2022-02.

**OTHER INFORMATION AS REQUIRED BY THE
CALIFORNIA STATE UNIVERSITY CHANCELLOR'S OFFICE**

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF NET POSITION
JUNE 30, 2022

Schedule of Net Position
6/30/2022
(for inclusion in the California State University)

| | |
|--|-------------------|
| Assets: | |
| Current assets: | |
| Cash and cash equivalents | \$ 8,079,863 |
| Short-term investments | - |
| Accounts receivable, net | 2,915,404 |
| Capital lease receivable, current portion | - |
| Notes receivable, current portion | - |
| Pledges receivable, net | - |
| Prepaid expenses and other current assets | 217,304 |
| Total current assets | 11,212,571 |
| 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 | 5,244,847 |
| Capital assets, net | 404,540 |
| Other assets | 92,954 |
| Total noncurrent assets | 5,742,341 |
| Total assets | 16,954,912 |
| Deferred outflows of resources: | |
| Unamortized loss on debt refunding | - |
| Net pension liability | - |
| Net OPEB liability | 331,350 |
| Others | - |
| Total deferred outflows of resources | 331,350 |
| Liabilities: | |
| Current liabilities: | |
| Accounts payable | 995,231 |
| Accrued salaries and benefits | 396,492 |
| Accrued compensated absences, current portion | 363,265 |
| Unearned revenues | 3,398,848 |
| Capital lease obligations, current portion | - |
| Long-term debt obligations, current portion | 1,173,657 |
| Claims liability for losses and loss adjustment expenses, current portion | - |
| Depository accounts | - |
| Other liabilities | 3,411,910 |
| Total current liabilities | 9,739,403 |
| 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 | 1,257,617 |
| Claims liability for losses and loss adjustment expenses, net of current portion | - |
| Depository accounts | - |
| Net other postemployment benefits liability | 175,499 |
| Net pension liability | - |
| Other liabilities | - |
| Total noncurrent liabilities | 1,433,116 |
| Total liabilities | 11,172,519 |
| Deferred inflows of resources: | |
| Service concession arrangements | - |
| Net pension liability | - |
| Net OPEB liability | 601,869 |
| Unamortized gain on debt refunding | - |
| Nonexchange transactions | - |
| Others | - |
| Total deferred inflows of resources | 601,869 |
| Net position: | |
| Net investment in capital assets | 404,540 |
| Restricted for: | |
| Nonexpendable – endowments | - |
| Expendable: | |
| Scholarships and fellowships | - |
| Research | - |
| Loans | - |
| Capital projects | - |
| Debt service | - |
| Others | - |
| Unrestricted | 5,107,334 |
| Total net position | 5,511,874 |

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2022**

| | |
|--|-------------------|
| Revenues: | |
| Operating revenues: | |
| Student tuition and fees, gross | - |
| Scholarship allowances (enter as negative) | - |
| Grants and contracts, noncapital: | |
| Federal | 11,106,589 |
| State | 975,034 |
| Local | - |
| Nongovernmental | 686,421 |
| Sales and services of educational activities | - |
| Sales and services of auxiliary enterprises, gross | 3,212,102 |
| Scholarship allowances (enter as negative) | - |
| Other operating revenues | 5,228,234 |
| | <hr/> |
| Total operating revenues | 21,208,380 |
| Expenses: | |
| Operating expenses: | |
| Instruction | 3,380,997 |
| Research | 4,235,306 |
| Public service | - |
| Academic support | 4,144,687 |
| Student services | 1,878,114 |
| Institutional support | 421,781 |
| Operation and maintenance of plant | - |
| Student grants and scholarships | 31,100 |
| Auxiliary enterprise expenses | 7,147,410 |
| Depreciation and amortization | 89,855 |
| | <hr/> |
| Total operating expenses | 21,329,250 |
| | <hr/> |
| Operating income (loss) | (120,870) |
| Nonoperating revenues (expenses): | |
| State appropriations, noncapital | - |
| Federal financial aid grants, noncapital | - |
| State financial aid grants, noncapital | - |
| Local financial aid grants, noncapital | - |
| Nongovernmental and other financial aid grants, noncapital | - |
| Other federal nonoperating grants, noncapital | - |
| Gifts, noncapital | - |
| Investment income (loss), net | (706,497) |
| Endowment income (loss), net | - |
| Interest expense | (44,462) |
| Other nonoperating revenues (expenses) - excl. interagency transfers | (9,359) |
| | <hr/> |
| Net nonoperating revenues (expenses) | (760,318) |
| | <hr/> |
| Income (loss) before other revenues (expenses) | (881,188) |
| | <hr/> |
| State appropriations, capital | - |
| Grants and gifts, capital | - |
| Additions (reductions) to permanent endowments | - |
| | <hr/> |
| Increase (decrease) in net position | (881,188) |
| Net position: | |
| Net position at beginning of year, as previously reported | 6,393,062 |
| Restatements | - |
| | <hr/> |
| Net position at beginning of year, as restated | 6,393,062 |
| | <hr/> |
| Net position at end of year | 5,511,874 |
| | <hr/> <hr/> |

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION (CONTINUED)
JUNE 30, 2022

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

Noncurrent restricted cash and cash equivalents

Current cash and cash equivalents

Total

| | |
|--|---------------------|
| | - |
| | 8,079,863 |
| | <u>\$ 8,079,863</u> |

2.1 Composition of investments:

| Investment Type | Current | Noncurrent | Fair Value |
|--|-------------|------------------|------------------|
| Money market funds | \$ - | \$ 392,983 | \$ 392,983 |
| Repurchase agreements | - | - | - |
| Certificates of deposit | - | - | - |
| U.S. agency securities | - | - | - |
| U.S. treasury securities | - | - | - |
| Municipal bonds | - | - | - |
| Corporate bonds | - | 461,347 | 461,347 |
| Asset backed securities | - | - | - |
| Mortgage backed securities | - | - | - |
| Commercial paper | - | - | - |
| Mutual funds | - | - | - |
| Exchange traded funds | - | - | - |
| Equity securities | - | 3,512,251 | 3,512,251 |
| Alternative investments: | | | |
| Private equity (including limited partnerships) | - | 878,266 | 878,266 |
| Hedge funds | - | - | - |
| Managed futures | - | - | - |
| Real estate investments (including REITs) | - | - | - |
| Commodities | - | - | - |
| Derivatives | - | - | - |
| Other alternative investment | - | - | - |
| Other external investment pools | - | - | - |
| CSU Consolidated Investment Pool (formerly SWIFT) | - | - | - |
| State of California Local Agency Investment Fund (LAIF) | - | - | - |
| State of California Surplus Money Investment Fund (SMIF) | - | - | - |
| Other investments: | - | - | - |
| | - | - | - |
| | - | - | - |
| | - | - | - |
| | - | - | - |
| | - | - | - |
| Total Other investments | - | - | - |
| Total investments | - | 5,244,847 | 5,244,847 |
| Less endowment investments (enter as negative number) | - | - | - |
| Total investments, net of endowments | \$ - | 5,244,847 | 5,244,847 |

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION (CONTINUED)
JUNE 30, 2022**

| Composition of lease assets: | Balance | Additions | Remeasurements | Reductions | Balance |
|---|-------------|---------------|----------------|------------|-------------|
| Non-depreciable/Non-amortizable lease assets: | | | | | |
| Land and land improvements | | | | \$ | - |
| Total non-depreciable/non-amortizable lease assets | - | - | - | - | - |
| Depreciable/Amortizable lease assets: | | | | | |
| Land and land improvements | | | | | - |
| Buildings and building improvements | | | | | - |
| Improvements, other than buildings | | | | | - |
| Infrastructure | | | | | - |
| Personal property: | | | | | |
| Equipment | | | | | - |
| Total depreciable/amortizable lease assets | - | - | - | - | - |
| Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number) | | | | | |
| Land and land improvements | | | | | - |
| Buildings and building improvements | | | | | - |
| Improvements, other than buildings | | | | | - |
| Infrastructure | | | | | - |
| Personal property: | | | | | |
| Equipment | | | | | - |
| Total accumulated depreciation/amortization | - | - | - | - | - |
| Total lease assets, net | \$ - | - | - | - | \$ - |
| 3.2 Detail of depreciation and amortization expense: | | | | | |
| Depreciation and amortization expense related to capital assets | | 89,855 | | | |
| Amortization expense related to other assets | | | | | |
| Total depreciation and amortization | \$ | 89,855 | | | |

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION (CONTINUED)
JUNE 30, 2022**

4 Long-term liabilities:

| | Balance June 30, 2021 | Prior Period Adjustments/Reclassifications | Balance June 30, 2021 (Restated) | Additions | Reductions | Balance June 30, 2022 | Current Portion | Noncurrent Portion |
|--|--------------------------|---|-------------------------------------|----------------|------------------|--------------------------|------------------|---------------------|
| 1. Accrued compensated absences | \$ 312,126 | - | \$ 312,126 | 448,796 | (397,657) | \$ 363,265 | \$ 363,265 | \$ - |
| 2. Claims liability for losses and loss adjustment expenses | - | - | - | - | - | - | - | - |
| 3. Capital lease obligations: | | | | | | | | |
| Gross balance | - | - | - | - | - | - | - | - |
| Unamortized net premium/(discount) | - | - | - | - | - | - | - | - |
| Total capital lease obligations | \$ - | - | - | - | - | - | - | - |
| 4. Long-term debt obligations: | | | | | | | | |
| 4.1 Auxiliary revenue bonds (non-SRB related) | - | - | - | - | - | - | - | - |
| 4.2 Commercial paper | - | - | - | - | - | - | - | - |
| 4.3 Notes payable (SRB related) | - | - | - | - | - | - | - | - |
| 4.4 Others: | | | | | | | | |
| PPP Loans | 1,077,976 | - | 1,077,976 | - | (58,405) | 1,019,571 | 1,019,571 | - |
| Notes Payable Other | 1,500,000 | - | 1,500,000 | - | (88,297) | 1,411,703 | 154,086 | 1,257,617 |
| | - | - | - | - | - | - | - | - |
| Total others | 2,577,976 | - | 2,577,976 | - | (146,702) | 2,431,274 | 1,173,657 | 1,257,617 |
| Sub-total long-term debt | \$ 2,577,976 | - | 2,577,976 | - | (146,702) | \$ 2,431,274 | 1,173,657 | 1,257,617 |
| 4.5 Unamortized net bond premium/(discount) | - | - | - | - | - | - | - | - |
| Total long-term debt obligations | 2,577,976 | - | 2,577,976 | - | (146,702) | 2,431,274 | 1,173,657 | 1,257,617 |
| Total long-term liabilities | \$ 2,890,102 | - | 2,890,102 | 448,796 | (544,359) | \$ 2,794,539 | 1,536,922 | \$ 1,257,617 |

5 Lease Liabilities schedule:

| | Lease Liabilities related to SRB | | | All other lease liabilities | | | Total lease liabilities | | |
|---|----------------------------------|---------------|------------------------|-----------------------------|---------------|------------------------|-------------------------|---------------|------------------------|
| | 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: | | | | | | | | | |
| 2023 | - | - | - | - | - | - | - | - | - |
| 2024 | - | - | - | - | - | - | - | - | - |
| 2025 | - | - | - | - | - | - | - | - | - |
| 2026 | - | - | - | - | - | - | - | - | - |
| 2027 | - | - | - | - | - | - | - | - | - |
| 2028 - 2032 | - | - | - | - | - | - | - | - | - |
| 2033 - 2037 | - | - | - | - | - | - | - | - | - |
| 2038 - 2042 | - | - | - | - | - | - | - | - | - |
| 2043 - 2047 | - | - | - | - | - | - | - | - | - |
| 2048 - 2052 | - | - | - | - | - | - | - | - | - |
| Thereafter | - | - | - | - | - | - | - | - | - |
| Total minimum lease payments | \$ - | - | - | - | - | - | - | - | - |
| Less: amounts representing interest | | | | | | | | | |
| Present value of future minimum lease payments | | | | | | | | | |
| Total lease liabilities | | | | | | | | | |
| Less: current portion | | | | | | | | | |
| Lease liabilities, net of current portion | | | | | | | | | |

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION (CONTINUED)
JUNE 30, 2022**

6 Long-term debt obligations schedule:

| | Auxiliary revenue bonds (non-SRB related) | | | All other long-term debt obligations | | | Total long-term debt obligations | | |
|---|---|----------|------------------------|--------------------------------------|-----------|------------------------|----------------------------------|-----------|------------------------|
| | Principal | Interest | Principal and Interest | Principal | Interest | Principal and Interest | Principal | Interest | Principal and Interest |
| Year ending June 30: | | | | | | | | | |
| 2023 | - | - | - | 1,173,657 | 14,224 | 1,187,881 | 1,173,657 | 14,224 | 1,187,881 |
| 2024 | - | - | - | 157,589 | - | 157,589 | 157,589 | - | 157,589 |
| 2025 | - | - | - | 161,171 | - | 161,171 | 161,171 | - | 161,171 |
| 2026 | - | - | - | 164,835 | - | 164,835 | 164,835 | - | 164,835 |
| 2027 | - | - | - | 168,582 | - | 168,582 | 168,582 | - | 168,582 |
| 2028 - 2032 | - | - | - | 605,440 | - | 605,440 | 605,440 | - | 605,440 |
| 2033 - 2037 | - | - | - | - | - | - | - | - | - |
| 2038 - 2042 | - | - | - | - | - | - | - | - | - |
| 2043 - 2047 | - | - | - | - | - | - | - | - | - |
| 2048 - 2052 | - | - | - | - | - | - | - | - | - |
| Thereafter | - | - | - | - | - | - | - | - | - |
| Total minimum payments | | | | | | | | | |
| \$ | - \$ | - \$ | - \$ | 2,431,274 \$ | 14,224 \$ | 2,445,498 \$ | 2,431,274 \$ | 14,224 \$ | 2,445,498 \$ |
| Less: amounts representing interest | | | | | | | | | (14,224) |
| Present value of future minimum payments | | | | | | | | | 2,431,274 |
| Unamortized net premium/(discount) | | | | | | | | | - |
| Total long-term debt obligations | | | | | | | | | 2,431,274 |
| Less: current portion | | | | | | | | | (1,173,657) |
| Long-term debt obligations, net of current portion | | | | | | | | | 1,257,617 |

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION (CONTINUED)
JUNE 30, 2022**

7 Transactions with related entities:

| | |
|--|-------------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs | 410,150 |
| Payments to University for other than salaries of University personnel | 830,606 |
| Payments received from University for services, space, and programs | 5,633,983 |
| Gifts-in-kind to the University from discretely presented component units | - |
| Gifts (cash or assets) to the University from discretely presented component units | 10,800 |
| Accounts (payable to) University (enter as negative number) | (3,259,417) |
| Other amounts (payable to) University (enter as negative number) | - |
| Accounts receivable from University (enter as positive number) | 14,207 |
| Other amounts receivable from University (enter as positive number) | - |

8 Restatements

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement:

| | | Debit/(Credit) |
|----------------|--|-----------------------|
| Restatement #1 | | |
| | | - |
| Restatement #2 | | |
| | | - |

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION
OTHER INFORMATION (CONTINUED)
JUNE 30, 2022

9 Natural classifications of operating expenses:

| | Salaries | Benefits - Other | Benefits - Pension | Benefits - OPEB | Scholarships and fellowships | Supplies and other services | Depreciation and amortization | Total operating expenses |
|------------------------------------|----------------------|------------------|--------------------|-----------------|------------------------------|-----------------------------|-------------------------------|--------------------------|
| Instruction | 2,376,707 | 366,613 | 43,546 | - | - | 594,131 | - | 3,380,997 |
| Research | 1,858,885 | 313,958 | 55,731 | - | - | 2,006,732 | - | 4,235,306 |
| Public service | - | - | - | - | - | - | - | - |
| Academic support | 2,035,070 | 298,308 | 41,583 | - | - | 1,769,726 | - | 4,144,687 |
| Student services | 1,091,007 | 255,437 | 47,065 | - | - | 484,605 | - | 1,878,114 |
| Institutional support | 227,953 | 56,853 | 1,619 | - | - | 135,356 | - | 421,781 |
| Operation and maintenance of plant | - | - | - | - | - | - | - | - |
| Student grants and scholarships | - | - | - | - | 31,100 | - | - | 31,100 |
| Auxiliary enterprise expenses | 2,915,985 | 421,549 | 117,505 | 119,525 | - | 3,572,846 | - | 7,147,410 |
| Depreciation and amortization | - | - | - | - | - | - | 89,855 | 89,855 |
| Total operating expenses | \$ 10,505,607 | 1,712,718 | 307,049 | 119,525 | 31,100 | 8,563,396 | 89,855 | 21,329,250 |

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

| | |
|---|---------|
| Deferred outflows - unamortized loss on refunding(s) | - |
| Deferred outflows - net pension liability | - |
| Deferred outflows - net OPEB liability | 331,350 |
| Deferred outflows - others: | |
| Sales/intra-entity transfers of future revenues | |
| Gain/loss on sale leaseback | |
| Loan origination fees and costs | |
| Change in fair value of hedging derivative instrument | |
| Irrevocable split-interest agreements | |

| | |
|---|-------------------|
| Total deferred outflows - others | - |
| Total deferred outflows of resources | \$ 331,350 |

2. Deferred Inflows of Resources

| | |
|--|---------|
| Deferred inflows - service concession arrangements | - |
| Deferred inflows - net pension liability | - |
| Deferred inflows - net OPEB liability | 601,869 |
| Deferred inflows - unamortized gain on debt refunding(s) | |
| Deferred inflows - nonexchange transactions | |
| Deferred inflows - others: | |
| Sales/intra-entity transfers of future revenues | |
| Gain/loss on sale leaseback | |
| Loan origination fees and costs | |
| Change in fair value of hedging derivative instrument | |
| Irrevocable split-interest agreements | |

| | |
|--|-------------------|
| Total deferred inflows - others | - |
| Total deferred inflows of resources | \$ 601,869 |

11 Other nonoperating revenues (expenses)

| | |
|---|-------------------|
| Other nonoperating revenues | - |
| Other nonoperating (expenses) | (9,359) |
| Total other nonoperating revenues (expenses) | \$ (9,359) |



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