

**CALIFORNIA STATE UNIVERSITY,
DOMINGUEZ HILLS
PHILANTHROPIC FOUNDATION**

**Financial Statements and Supplemental
Schedules for the Year Ended June 30, 2017
and Independent Auditors' Report**

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

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

We have audited the accompanying financial statements of California State University, Dominguez Hills Philanthropic Foundation, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

INDEPENDENT AUDITORS' REPORT - Continued

Opinion

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

Report on Summarized Comparative Information

We previously audited California State University, Dominguez Hills Philanthropic Foundation's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 8, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of California State University, Dominguez Hills Philanthropic Foundation.

Other Matter

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

Vorlein, Hays + Co.

Calabasas, California
September 12, 2017

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

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,411,839	\$ 6,573,882
Accounts receivable	10,300	1,513
Short-term investments - other	<u>75,000</u>	<u>-</u>
Total current assets	<u>10,497,139</u>	<u>6,575,395</u>
Non-current assets		
Gift annuity receivable	327,500	284,845
Endowment investments	9,942,739	9,008,988
Capital assets, net	<u>130,028</u>	<u>-</u>
Total non-current assets	<u>10,400,267</u>	<u>9,293,833</u>
 Total assets	 <u>\$ 20,897,406</u>	 <u>\$ 15,869,228</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 130,073	\$ 27,178
Other liabilities	<u>-</u>	<u>26</u>
 Total current liabilities	 130,073	 27,204
NET ASSETS		
Unrestricted	21,539	11,772
Temporarily restricted	10,507,835	5,686,403
Permanently restricted	<u>10,237,959</u>	<u>10,143,849</u>
 Total net assets	 <u>20,767,333</u>	 <u>15,842,024</u>
 Total liabilities and net assets	 <u>\$ 20,897,406</u>	 <u>\$ 15,869,228</u>

See accompanying auditors' report and notes to financial statements.

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

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUE AND SUPPORT					
Grants and contracts, noncapital:					
Transfer of assets from CSUDH Foundation	\$ -	\$ -	\$ -	\$ -	\$ 16,168,388
Contributions and gifts	-	5,429,226	31,210	5,460,436	1,992,929
Campus programs	-	155,553	-	155,553	101,250
Endowment management fee	124,284	-	-	124,284	135,135
Investment income, net	-	1,030,959	-	1,030,959	(1,023,789)
Net assets released from restrictions	1,731,407	(1,731,407)	-	-	-
Total Revenue and Support	<u>1,855,691</u>	<u>4,884,331</u>	<u>31,210</u>	<u>6,771,232</u>	<u>\$ 17,373,913</u>
EXPENSES					
Program expenses:					
Campus	785,237	-	-	785,237	586,231
Scholarships	946,170	-	-	946,170	822,295
Total program expenses	<u>1,731,407</u>	<u>-</u>	<u>-</u>	<u>1,731,407</u>	<u>1,408,526</u>
Support services expenses:					
General and administrative	114,516	-	-	114,516	123,363
Total support services expenses	<u>114,516</u>	<u>-</u>	<u>-</u>	<u>114,516</u>	<u>123,363</u>
Total Expenses	<u>1,845,923</u>	<u>-</u>	<u>-</u>	<u>1,845,923</u>	<u>1,531,889</u>
Interfund transfers:					
Transfers in	-	1,412,617	62,400	1,475,017	623,950
Transfers out	-	(1,475,517)	500	(1,475,017)	(623,950)
Total Interfund transfers	<u>-</u>	<u>(62,900)</u>	<u>62,900</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	9,768	4,821,431	94,110	4,925,309	15,842,024
NET ASSETS - beginning of year	<u>11,771</u>	<u>5,686,404</u>	<u>10,143,849</u>	<u>15,842,024</u>	<u>-</u>
NET ASSETS - end of year	<u>\$ 21,539</u>	<u>\$ 10,507,835</u>	<u>\$ 10,237,959</u>	<u>\$ 20,767,333</u>	<u>\$ 15,842,024</u>

See accompanying auditors' report and notes to financial statements.

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

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ <u>4,925,309</u>	\$ <u>15,842,024</u>
Adjustment to reconcile change in net asset to net cash provided (used) by operating activities		
Unrealized (gain)loss on investments	(1,069,219)	690,796
Donated capital assets	(130,028)	-
(Increase) decrease in:		
Accounts receivable	(8,787)	(1,513)
Gift annuity receivable	(42,655)	(284,845)
(Increase) decrease in:		
Accounts payable	102,895	27,178
Other liabilities	<u>(26)</u>	<u>26</u>
Total adjustments	<u>(1,147,820)</u>	<u>431,642</u>
Net Cash Provided (Used) by Operating Activities	<u>3,777,489</u>	<u>16,273,666</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short-term investments - other	(75,000)	-
Proceeds from sales and maturities of investments	1,518,134	4,422,589
Purchases of investments	<u>(1,382,666)</u>	<u>(14,122,373)</u>
Net Cash Provided (Used) by Investing Activities	<u>60,468</u>	<u>(9,699,784)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,837,957	6,573,882
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>6,573,882</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,411,839</u>	<u>\$ 6,573,882</u>

See accompanying auditors' report and notes to financial statements.

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

1. ORGANIZATION

Nature of Organization

California State University, Dominguez Hills Philanthropic Foundation is a 501(c)3 non-profit corporation that exists to actively promote, pursue and steward private support for the advancement of California State University, Dominguez Hills. The California State University, Dominguez Hills Philanthropic Foundation is an auxiliary organization of California State University, Dominguez Hills.

As of June 30, 2017, the officers of the California State University, Dominguez Hills were:

- Mr. Michael Kelly, Chair of the Board of Directors
- Ms. Tracy Gray, Secretary-Treasurer of the Board of Directors
- Ms. Carrie Stewart, Executive Director
- Dr. Russel D. Statham, Chief Financial Officer

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Reporting

The California State University, Dominguez Hills Philanthropic Foundation prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America. The significant accounting and reporting policies used by The California State University, Dominguez Hills Philanthropic Foundation are described below to enhance the usefulness and understandability of the financial statements.

Financial Statement Presentation

The financial statements are presented based on Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. ASC Topic 958, Sections 210 and 225 requires classification of the California State University, Dominguez Hills Philanthropic Foundation's net assets, revenues as well as expenses based on the existence or absence of donor-imposed restrictions. The statement requires presentation of the amounts for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – in the statement of financial position and the amounts of change in each of those classes of net assets in the statement of activities.

Net Assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- *Unrestricted net assets.* Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- *Temporarily restricted net assets.* Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The California State University, Dominguez Hills Philanthropic Foundation's unspent contributions are classified in this class if the donor limited their use, as is the unspent appreciation of its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the California State University, Dominguez Hills Philanthropic Foundation, unless the donor provides more specific directions about the period of its use.

- *Permanently restricted net assets.* Permanently restricted net assets are resources whose use by the California State University, Dominguez Hills Philanthropic Foundation is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in unrestricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of deposits with the California State University, Dominguez Hills Foundation, a related party organization that provides accounting and management services for the California State University, Philanthropic Foundation. The California State University, Dominguez Hills Foundation holds these funds on behalf of the Philanthropic Foundation, and a substantive portion of its reported cash and cash equivalents is composed of the cash and cash equivalents it holds on behalf of the auxiliary organizations of the California State University, Dominguez Hills campus, including the Philanthropic Foundation.

Accounts Receivables

Receivables consist of purchase advances for campus program donations accounts, as well as miscellaneous outstanding donations that are considered accounts receivables. The California State University, Dominguez Hills Philanthropic Foundation uses the allowance method of accounting for receivables determined to be potentially uncollectable. In management's opinion, all receivables were collectible at year-end and therefore no allowance has been established.

Investments – Other

Certificates of deposit held for investment that are not debt securities are included in "investments-other." Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as "short-term investment-Other". Certificates of deposit with remaining maturities greater than one year are classified as "long-term investments-other."

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Gift Annuity Receivable

California State University, Dominguez Hills Philanthropic Foundation holds a gift annuity receivable with the California State University Foundation. The California State University Foundation maintains the CSU Charitable Gift Annuity Program and the related receivable represented on the financial statements is for the present value of the amounts designated for the benefit of the California State University, Dominguez Hills Philanthropic Foundation.

Endowment Investments

California State University, Dominguez Hills Philanthropic Foundation accounts for investments in equity securities with readily determinable fair values, investments in debt securities, and investments in alternative investments at fair value, with gains and losses included in the statement of activities. Gains and losses on investments are reported in the statement of activities as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by donor-imposed stipulations.

Property and Equipment

California State University, Dominguez Hills Philanthropic Foundation received four (4) new Toyota Tundra trucks from the Toyota USA Foundation for use in its mobile fabrication labs. The trucks were booked on the Philanthropic Foundation's property, plant, and equipment schedule as of June 30, 2017. It is anticipated that the trucks will be donated to the University and transferred from the Philanthropic Foundation early in the next fiscal year.

Accounting for Contributions

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

Contributed Goods and Services

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

For the year ended June 30, 2017, California State University, Dominguez Hills Philanthropic Foundation received \$130,028 of in-kind capital assets.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Recognition

Revenues for services provided are recognized when earned by the California State University, Dominguez Hills Philanthropic Foundation. All gifts, bequests, and other public support are included in unrestricted net assets unless specifically restricted by the donor or the terms of the gift or grant instrument. Amounts received in excess of balances earned are recognized as liabilities.

Revenue received where the restriction is met in the same fiscal year is reported under unrestricted net assets.

Functional Expenses

For the year ended June 30, 2017, the California State University, Dominguez Hills Philanthropic Foundation's expenses were allocated between programs and management as follows:

Program Expenses	\$ 1,731,407
General and Administrative Expenses	<u>114,516</u>
Total Functional Expenses	<u>\$ 1,845,923</u>

Income Taxes

The California State University, Dominguez Hills Philanthropic Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

The California State University, Dominguez Hills Philanthropic Foundation has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the year ended June 30, 2017, the California State University, Dominguez Hills Philanthropic Foundation had no material unrecognized tax benefits, tax penalties or interest.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Endowment Investments

Endowment investments consist of investments purchased with the following resources:

- Donor-restricted permanent endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support California State University, Dominguez Hills Philanthropic Foundation's activities.
- Donor-restricted term endowments, which are contributions restricted by donors to investment for the term specified by the donor. During that term, the donor may either require investment income and appreciation to be reinvested in the fund, or may permit California State University, Dominguez Hills Philanthropic Foundation to spend those amounts in accordance with the donor's restrictions on use.
- Board-designated endowments, which are resources set aside by the Board of Directors for an indeterminate period to operate in a manner similar to a donor-restricted permanent endowment. Because a board-designated endowment results from an internal designation, it can be spent upon action of the Board of Directors.

Endowment investments also include investments purchased with unspent investment income and net gains on these resources.

Endowment investments are reported at fair value. The fair value for investments in equity securities traded on national securities exchanges is determined by the closing price on the last business day of the fiscal year; securities traded on the over-the-counter market are valued at the last reported bid price. The fair value of shares in exchange-traded funds is determined by the closing price on the last business day of the fiscal year. The fair value of open-end mutual fund units is determined by the published net asset value per unit at the end of the last trading day of the fiscal year.

The investment and spending policies for the Endowment Funds are discussed in Note 5.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, California State University, Dominguez Hills Philanthropic Foundation's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. California State University, Dominguez Hills Philanthropic Foundation's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Reclassifications

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Comparative Totals

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

Fair Value Measurements

The California State University, Dominguez Hills Philanthropic Foundation reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or 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. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1* - Quoted prices for identical assets or liabilities in active markets to which the California State University, Dominguez Hills Philanthropic Foundation has access on 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 and accounts receivable approximate fair value because of the terms and relatively short maturity of these financial instruments. The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, the California State University, Dominguez Hills Philanthropic Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

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

3. ENDOWMENT INVESTMENTS

California State University, Dominguez Hills Philanthropic Foundation measures fair value in accordance with FASB ASC 820-10. FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires California State University, Dominguez Hills Philanthropic Foundation to develop its own assumptions. California State University, Dominguez Hills Philanthropic Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, California State University, Dominguez Hills Philanthropic Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. All assets reported at fair value at June 30, 2017, are Level 1 inputs.

Endowment investments consist of the following at June 30, 2017:

Asset Class	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)
Equities	\$ 2,088,277	\$ 2,088,277
Mutual Funds	6,317,998	6,317,998
Money Market	108,456	108,456
Alternative Investments	<u>1,428,008</u>	<u>1,428,008</u>
Total endowment investments	<u>\$ 9,942,739</u>	<u>\$ 9,942,739</u>

At June 30, 2017, California State University, Dominguez Hills Philanthropic Foundation did not have any investments measured using Level 2 or Level 3 inputs.

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

3. ENDOWMENT INVESTMENTS - Continued

Concentration of Investment Credit Risk

California State University, Dominguez Hills Philanthropic Foundation's Investment Policy Statement limits the assets to the following target and maximum allocations:

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

Investment Income and Expenditures

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

Interest and dividends	\$ 175,018
Realized gain(loss), net	(60,767)
Unrealized gain(loss) on sales, net	<u>1,069,219</u>
Total investment income	1,183,470
Management fees	<u>(152,511)*</u>
Net investment income	<u>\$ 1,030,959</u>

* Management fees include \$28,227 in fees charged by investment managers and withdrawn from the portfolio, as well as the endowment management fee of \$124,284 accrued by the Philanthropic Foundation but not withdrawn from the portfolio as of 6/30/17. The endowment management fee was not withdrawn from the market by the end of the fiscal year as it is based on calculated asset value from the fair market value of the portfolio as of 6/30/17. The actual cash will be withdrawn from the portfolio in FY 2017-18.

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

4. RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2017, consist of amounts restricted by donor-imposed stipulations as follows:

Purpose	Balance at 6/30/16	Income	Expenditures	Balance at 6/30/17
Scholarships	\$ 1,682,799	\$ 907,401	\$ 937,149	\$ 1,653,051
Campus Programs	3,096,425	4,969,098	782,312	7,283,211
Endowments	<u>907,179</u>	<u>2,304,368</u>	<u>1,639,974</u>	<u>1,571,573</u>
Total	<u>\$ 5,686,403</u>	<u>\$ 8,180,867</u>	<u>\$ 3,359,435</u>	<u>\$ 10,507,835</u>

Permanently restricted net assets at June 30, 2017, are resources invested in perpetuity, the income of which is available for the following purposes:

<u>Donor Source</u>	<u>Amount</u>
Corporate	\$ 1,830,036
Foundation	2,698,000
Individual	2,690,747
Organization	1,917,954
University	868,719
Other	<u>232,503</u>
Total Endowment Funds*	<u>\$ 10,237,959</u>

* The \$10,237,959 figure includes additions to the endowment of \$94,110 received and/or accrued during the fiscal year. The funds are received into the operating bank account and then subsequently wired to the investment portfolio. As of 6/30/17, \$82,162 had been wired into the portfolio. The remaining \$11,948 will be wired into the portfolio in the beginning of FY 2017-18. This was due to timing of receipts and year-end processing deadlines.

Earnings from the fund may be used by California State University, Dominguez Hills Philanthropic Foundation for the specific purposes articulated in the endowment agreements. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

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

5. ACCOUNTING FOR ENDOWMENT FUNDS

California State University, Dominguez Hills Philanthropic Foundation follow the provisions of ASC 958 Section 205-45, *Reporting Endowment Funds*. These provisions provide guidance on the net asset classification of donor-restricted endowment funds for a non-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and also required disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

Investment and Expenditure Policy

California State University, Dominguez Hills Philanthropic Foundation's Endowment Fund is made up of three components: 1) Donations received that are specifically designated by the donor to the Endowment Fund. These funds are permanently restricted and the corpus may not be invaded except in case of financial exigency. 2) Board-designated funds – these funds are designated by the Board from California State University, Dominguez Hills Philanthropic Foundation's operating reserves and are unrestricted assets, but considered part of the Endowment Fund. 3) Earnings from investment of both permanently restricted and unrestricted endowment funds. Earnings are considered temporarily restricted.

California State University, Dominguez Hills Philanthropic Foundation's endowment consists of 83 individual funds established either by donors (referred to as *donor-restricted endowment funds*) or by resources set aside by the Board of Directors to function as endowments (referred to as *board-designated endowment funds*). Donor-restricted endowment funds are further divided into those that provide a perpetual source of support for California State University, Dominguez Hills Philanthropic Foundation's activities (referred to as *permanent endowments*) and those that are restricted by donors to investment for a specified term (referred to as *term endowments*). As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of California State University, Dominguez Hills Philanthropic Foundation have interpreted State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted permanent endowment funds unless there are explicit donor stipulations to the contrary. As a result of this interpretation, California State University, Dominguez Hills Philanthropic Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to all donor-restricted permanent endowments, (b) the original value of any subsequent gifts to donor-restricted permanent endowments, and (c) the original value of accumulations to donor-restricted permanent endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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

5. ACCOUNTING FOR ENDOWMENT FUND - Continued

In accordance with SPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of California State University, Dominguez Hills Philanthropic Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of California State University, Dominguez Hills Philanthropic Foundation
- The investment policy of California State University, Dominguez Hills Philanthropic Foundation

The net asset composition of the endowment as of June 30, 2017, is as follows:

Type-of Endowment Fund	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Donor-restricted funds:			
Permanent endowment	\$ 1,571,573	\$ 10,237,959	\$ 11,809,532
Board-designated endowment	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,571,573</u>	<u>\$ 10,237,959</u>	<u>\$ 11,809,532</u>

The changes in endowment net assets for the year ended June 30, 2017, are as follows:

	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2016	\$ 907,179	\$ 10,143,849	\$ 11,051,028
Investment return:			
Investment interest and dividend income	175,018	-	175,018
Net gains (realized and unrealized)	965,798	-	965,798
Contributions	-	94,110	94,110
Less – Distributions	(323,911)	-	(323,911)
Less – Endowment Management Fee	(152,511)	-	(152,511)
Plus – Transfer from Endowment	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, June 30, 2017	<u>\$ 1,571,573</u>	<u>\$10,237,959</u>	<u>\$ 11,809,532</u>

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA is \$10,237,959 at June 30, 2017.

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

5. ACCOUNTING FOR ENDOWMENT FUND – Continued

The net assets reflected above do not reflect current market values of the assets. The current market values of the assets of the endowment are reported on the Statement of Financial Position under “Endowment Investments” in the non-current assets category. As of June 30, 2017, the fair market value of the assets in the portfolio was \$9,942,739.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires California State University, Dominguez Hills Philanthropic Foundation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in temporarily restricted net assets, when applicable. The overall endowment was underwater by \$295,220 at June 30, 2017.

6. EMPLOYMENT AND BENEFITS

California State University, Dominguez Hills Philanthropic Foundation has no employees and as such has no compensation or benefits payable. All administrative activities performed on behalf of the California State University, Philanthropic Foundation are undertaken by either a) employees of the California State University, Dominguez Hills Foundation under a Business Services Agreement or b) employees of California State University, Dominguez Hills under a Cost Recovery Agreement in accordance with Executive Order 1000 of the California State University.

7. RELATED PARTY TRANSACTIONS

California State University, Dominguez Hills Philanthropic Foundation receives various services from the California State University, Dominguez Hills Foundation and California State University, Dominguez Hills. These services are appropriately billed to the California State University, Dominguez Hills Philanthropic Foundation and recovered via payments to these entities. There were no amounts payable to the California State University, Dominguez Hills Foundation and the California State University, Dominguez Hills as of June 30, 2017.

California State University, Dominguez Hills Philanthropic Foundation did not have any receivables or payables due from or to any other auxiliary organization or related party.

As discussed in Note 1, California State University, Dominguez Hills Philanthropic Foundation operates under agreements with the Trustees. Accordingly, essentially all revenues, and realization of certain assets, are dependent upon the continuation of this agreement.

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

8. SUPPLEMENTARY INFORMATION

California State University, Dominguez Hills Philanthropic Foundation has prepared various required supplementary information and schedules in accordance with the requirements of The California State University. This information is provided for inclusion in the financial statements of The California State University. The information is converted into Governmental Accounting Standards Board (GASB) format from Financial Accounting Standards Board (FASB) format, for which the California State University, Dominguez Hills Philanthropic Foundation operates and prepares its own financial statements.

9. CONCENTRATION RISK

California State University, Dominguez Hills Philanthropic Foundation maintains its cash accounts with the California State University, Dominguez Hills Foundation, which utilizes Wells Fargo Bank, N.A. as its primary banking provider, in addition to the Local Agency Investment Fund (LAIF) administered by the State of California Office of the Controller. As such, the California State University, Dominguez Hills Philanthropic Foundation is exposed to credit risk for amounts exceeding amounts insured by the Federal Deposit Insurance Corporation. California State University, Philanthropic Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash and cash equivalents.

California State University, Dominguez Hills Philanthropic Foundation's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to California State University, Dominguez Hills Philanthropic Foundation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

10. SUBSEQUENT EVENTS

The California State University, Dominguez Hills Philanthropic Foundation has evaluated events subsequent to June 30, 2017, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 12, 2017, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
PHILANTHROPIC FOUNDATION
GASB SCHEDULE OF NET POSITION
JUNE 30, 2017**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 10,411,839
Short-term investments	75,000
Accounts receivable, net	10,300
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	—
Total current assets	10,497,139
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	327,500
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	9,942,739
Other long-term investments	—
Capital assets, net	130,028
Other assets	—
Total noncurrent assets	10,400,267
Total assets	20,897,406
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Others	—
Total deferred outflows of resources	—
Liabilities:	
Current liabilities:	
Accounts payable	130,073
Accrued salaries and benefits	—
Accrued compensated absences, current portion	—
Unearned revenue	—
Capitalized lease obligations, current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	—
Total current liabilities	130,073
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
Unearned revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Other postemployment benefits obligations	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	—
Total liabilities	130,073
Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
Total deferred inflows of resources	—
Net Position:	
Net investment in capital assets	130,028
Restricted for:	
Nonexpendable – endowments	10,237,959
Expendable:	
Scholarships and fellowships	10,377,807
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	21,539
Total net position	\$ 20,767,333

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

Revenues:

Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$_____)	\$	—
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)		—
Other operating revenues		279,837
		<u>279,837</u>
Total operating revenues		<u>279,837</u>

Expenses:

Operating expenses:		
Instruction		—
Research		—
Public service		—
Academic support		—
Student services		—
Institutional support		785,237
Operation and maintenance of plant		—
Student grants and scholarships		946,170
Auxiliary enterprise expenses		114,516
Depreciation and amortization		—
		<u>1,845,923</u>
Total operating expenses		<u>1,845,923</u>
Operating income (loss)		<u>(1,566,086)</u>

Nonoperating revenues (expenses):

State appropriations, noncapital		—
Federal financial aid grants, noncapital		—
State financial aid grants, noncapital		—
Local financial aid grants, noncapital		—
Nongovernmental and other financial aid grants, noncapital		—
Other federal nonoperating grants, noncapital		—
Gifts, noncapital		5,460,436
Investment income (loss), net		—
Endowment income (loss), net		1,030,959
Interest expense		—
Other nonoperating revenues (expenses)		—
		<u>6,491,395</u>
Net nonoperating revenues (expenses)		<u>6,491,395</u>
Income (loss) before other revenues (expenses)		4,925,309

State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
		<u>4,925,309</u>
Increase (decrease) in net position		4,925,309

Net position:

Net position at beginning of year, as previously reported		15,842,024
Restatements		—
		<u>15,842,024</u>
Net position at beginning of year, as restated		15,842,024
Net position at end of year	\$	<u>20,767,333</u>

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

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

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

2.1 Composition of investments at June 30, 2017:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—	—	—
State of California Local Agen17 Investment Fund (LAIF)	—	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—	—
Certificates of deposit	75,000	—	75,000	—	—	—	75,000
Mutual funds	—	—	—	—	6,317,998	6,317,998	6,317,998
Money Market funds	—	—	—	—	108,456	108,456	108,456
Repurchase agreements	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—
Asset backed securities	—	—	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—	—	—
Municipal bonds	—	—	—	—	—	—	—
U.S. agen17 securities	—	—	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—	—	—
Equity securities	—	—	—	—	2,088,277	2,088,277	2,088,277
Exchange traded funds (ETFs)	—	—	—	—	—	—	—
Alternative investments:							
Private equity (including limited partnerships)	—	—	—	—	—	—	—
Hedge funds	—	—	—	—	—	—	—
Managed futures	—	—	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—	—	—
Commodities	—	—	—	—	—	—	—
Derivatives	—	—	—	—	—	—	—
Other alternative investment types	—	—	—	—	1,428,008	1,428,008	1,428,008
Other external investment pools (excluding SWIFT)							
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Other major investments:							
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Total investments	75,000	—	75,000	—	9,942,739	9,942,739	10,017,739
Less endowment investments (enter as negative number)	—	—	—	—	(9,942,739)	(9,942,739)	(9,942,739)
Total investments	75,000	—	75,000	—	—	—	75,000

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

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

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

— — — — — — — —

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

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

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

	Amount	
Endowment investment	\$ 9,942,739	OK
Add description	—	
Add description	—	
Add description	—	
Add description	—	
Add description	—	
Total restricted noncurrent investments at June 30, 2017	\$ 9,942,739	OK

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

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

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—
State of California Local Agen17 Investment Fund (LAIF)	—	—	—	—	—
Corporate bonds	—	—	—	—	—
Certificates of deposit	75,000	—	75,000	—	—
Mutual funds	6,317,998	6,317,998	—	—	—
Money Market funds	108,456	108,456	—	—	—
Repurchase agreements	—	—	—	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—
Municipal bonds	—	—	—	—	—
U.S. agen17 securities	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—
Equity securities	2,088,277	2,088,277	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	—	—	—	—	—
Hedge funds	—	—	—	—	—
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—
Commodities	—	—	—	—	—
Derivatives	1,428,008	1,428,008	—	—	—
Other alternative investment types	—	—	—	—	—
Other external investment pools (excluding SWIFT)					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Other major investments:					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Total investments	10,017,739	9,942,739	75,000	—	—

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

3.1 Composition of capital assets at June 30, 2017:

	Balance June 30, 2016	Prior period Adjustments	Reclassifications	Balance June 30, 2016 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2017
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	—	—	—	—	—	—	—	—
Intangible assets:								
Rights and easements	—	—	—	—	—	—	—	—
Patents, co16rights and trademarks	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	—	—	—	—	—	—	—	—
Depreciable/amortizable capital assets:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	—	—	—	—	130,028	—	—	130,028
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, co16right and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	—	—	—	—	130,028	—	—	130,028
Total capital assets	—	—	—	—	130,028	—	—	130,028
Less accumulated depreciation/amortization:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	—	—	—	—	—	—	—	—
Personal property:								
Equipment	—	—	—	—	—	—	—	—
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, co16right and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	—	—	—	—	—	—	—	—
Total capital assets, net	\$ —	—	—	—	130,028	—	—	130,028
			OK				OK	OK

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

Depreciation and amortization expense related to capital assets	\$ —	
Amortization expense related to other assets	—	
Total depreciation and amortization	\$ —	OK

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4 Long-term liabilities activity schedule:

	Balance June 30, 2016	Prior period adjustments	Reclassifications	Balance June 30, 2016 (restated)	Additions	Reductions	Balance June 30, 2017	Current portion	Long-term portion
Accrued compensated absences	\$ —	—	—	—	—	—	—	—	—
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	—	—	—	—	—	—	—	—	—
Others: (list by type)									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ —	—	—	—	—	—	—	—	—

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5 Future minimum lease payments - capitalized lease obligations:

	Capitalized lease obligations related to SRB			All other capitalized lease obligations			Total capitalized lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023 - 2027	—	—	—	—	—	—	—	—	—
2028 - 2032	—	—	—	—	—	—	—	—	—
2033 - 2037	—	—	—	—	—	—	—	—	—
2038 - 2042	—	—	—	—	—	—	—	—	—
2043 - 2047	—	—	—	—	—	—	—	—	—
2048 - 2052	—	—	—	—	—	—	—	—	—
2053 - 2057	—	—	—	—	—	—	—	—	—
2058 - 2062	—	—	—	—	—	—	—	—	—
2063 - 2067	—	—	—	—	—	—	—	—	—
Total minimum lease payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest							OK		—
Present value of future minimum lease payments									—
Unamortized net premium (discount)									—
Total capitalized lease obligations									—
Less: current portion									—
Capitalized lease obligation, net of current portion									\$ —

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6 Long-term debt obligation schedule

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023 - 2027	—	—	—	—	—	—	—	—	—
2028 - 2032	—	—	—	—	—	—	—	—	—
2033 - 2037	—	—	—	—	—	—	—	—	—
2038 - 2042	—	—	—	—	—	—	—	—	—
2043 - 2047	—	—	—	—	—	—	—	—	—
2048 - 2052	—	—	—	—	—	—	—	—	—
2053 - 2057	—	—	—	—	—	—	—	—	—
2058 - 2062	—	—	—	—	—	—	—	—	—
2063 - 2067	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest	OK			OK			OK		—
Present value of future minimum payments									—
Unamortized net premium (discount)									—
Total long-term debt obligations									—
Less: current portion									—
Long-term debt obligations, net of current portion									\$ —

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7 Calculation of net position

7.1 Calculation of net position - net investment in capital assets

Capital assets, net of accumulated depreciation	\$	130,028
Capitalized lease obligations, current portion		—
Capitalized lease obligations, net of current portion		—
Long-term debt obligations, current portion		—
Long-term debt obligations, net of current portion		—
Portion of outstanding debt that is unspent at year-end		—
Other adjustments: (please list)		
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Net position - net investment in capital asset	\$	130,028

OK

7.2 Calculation of net position - restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	\$	—
Endowment investments		9,942,739
Other adjustments: (please list)		
Underwater Endowments		295,220
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Net position - Restricted for nonexpendable - endowments per SNP	\$	10,237,959

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8 Transactions with related entities

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ —
Payments to University for other than salaries of University personnel	955,599
Payments received from University for services, space, and programs	2,582
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	—
Accounts (payable to) University (enter as negative number)	(40,500)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	—
Other amounts receivable from University	—

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9 Other postemployment benefits obligation (OPEB)

Annual required contribution (ARC)	\$	—
Contributions during the year		—
		<hr style="border: 1px solid black;"/>
Increase (decrease) in net OPEB obligation (NOO)		—
Other adjustments		—
NOO - beginning of year		—
NOO - end of year	\$	<hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/>

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10 Pollution remediation liabilities under GASB Statement No. 49:

Description	Amount
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
	—
Total pollution remediation liabilities	\$ —
Less: current portion	—
	—
Pollution remediation liabilities, net of current portion	—

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

	Net Position Class	Amount Dr. (Cr.)	
Net position as of June 30, 2016, as previously reported		\$ 15,842,024	OK
Prior period adjustments:			
1 (list description of each adjustment)		—	
2 (list description of each adjustment)		—	
3 (list description of each adjustment)		—	
4 (list description of each adjustment)		—	
5 (list description of each adjustment)		—	
6 (list description of each adjustment)		—	
7 (list description of each adjustment)		—	
8 (list description of each adjustment)		—	
9 (list description of each adjustment)		—	
10 (list description of each adjustment)		—	
Net position as of June 30, 2013, as restated		\$ 15,842,024	OK

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

	Debit	Credit
Net position class: _____ 1 (breakdown of adjusting journal entry)	\$ —	—
Net position class: _____ 2 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 3 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 4 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 5 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 6 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 7 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 8 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 9 (breakdown of adjusting journal entry)	—	—
Net position class: _____ 10 (breakdown of adjusting journal entry)	—	—