

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020



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**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
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YEAR ENDED JUNE 30, 2020**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of California State University, Dominguez Hills, Philanthropic Foundation (Philanthropic Foundation), which comprises the statement of financial position as of June 30, 2020, 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 and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Philanthropic Foundation as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding a Correction of Errors

As described in Note 13 to the financial statements, the Philanthropic Foundation corrected errors in net assets with donor restrictions. Our opinion is not modified with respect to these matters.

Report on Summarized Comparative Information

We have previously audited the Philanthropic Foundation's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our October 2, 2020d September 20, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of net position, 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 schedule of net position, schedule of revenues, expenses, and changes in net position, and other information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the GASB schedule of net position, GASB schedule of revenues, expenses, and changes in net position, and other information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report October 2, 2020 on our consideration of the Philanthropic 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 Foundation'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 Foundation's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
October 2, 2020

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u> (As Restated)
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 8,408,618	\$ 8,415,674
Accounts Receivable	44,585	142,980
Total Current Assets	<u>8,453,203</u>	<u>8,558,654</u>
NONCURRENT ASSETS		
Gift Annuity Receivable	262,582	252,603
Endowment Investments	13,067,588	12,542,519
Capital Assets, Net	641,864	427,825
Total Noncurrent Assets	<u>13,972,034</u>	<u>13,222,947</u>
 Total Assets	 <u><u>\$ 22,425,237</u></u>	 <u><u>\$ 21,781,601</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	64,982	89,917
Accrued Expenses	9,659	-
Total Current Liabilities	<u>74,641</u>	<u>89,917</u>
NET ASSETS		
Without Donor Restrictions	320,398	302,198
With Donor Restrictions	22,030,198	21,389,486
Total Net Assets	<u>22,350,596</u>	<u>21,691,684</u>
 Total Liabilities and Net Assets	 <u><u>\$ 22,425,237</u></u>	 <u><u>\$ 21,781,601</u></u>

See accompanying Notes to Financial Statements.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Grants and Contracts, Noncapital:				
Contributions and Gifts	\$ -	\$ 2,549,610	\$ 2,549,610	\$ 4,787,179
Campus Programs	-	20,139	20,139	160,473
Change in fair value of gift annuity	-	9,979	9,979	20,007
Endowment Management Fee	163,344	-	163,344	154,832
Investment Income, Net	33,738	243,707	277,445	305,149
Net Assets Released from Restrictions	2,182,723	(2,182,723)	-	-
Total Revenue and Support	<u>2,379,805</u>	<u>640,712</u>	<u>3,020,517</u>	<u>5,427,640</u>
EXPENSES				
Program Expenses:				
Campus	1,236,132	-	1,236,132	4,208,539
Scholarships	882,596	-	882,596	795,168
Total Program Expenses	<u>2,118,728</u>	<u>-</u>	<u>2,118,728</u>	<u>5,003,707</u>
Support Services Expenses:				
General and Administrative	178,882	-	178,882	118,190
Fundraising	63,995	-	63,995	286,553
Total Support Services Expenses	<u>242,877</u>	<u>-</u>	<u>242,877</u>	<u>404,743</u>
Total Expenses	<u>2,361,605</u>	<u>-</u>	<u>2,361,605</u>	<u>5,408,450</u>
CHANGE IN NET ASSETS	18,200	640,712	658,912	19,190
Net Assets - Beginning of Year	<u>(162,640)</u>	<u>21,854,324</u>	<u>21,691,684</u>	<u>21,672,494</u>
Prior Period Adjustment (See Note 13)	<u>464,838</u>	<u>(464,838)</u>	<u>-</u>	<u>-</u>
Net Assets - Beginning of Year (Restated)	302,198	21,389,486	21,691,684	21,672,494
NET ASSETS - END OF YEAR	<u>\$ 320,398</u>	<u>\$ 22,030,198</u>	<u>\$ 22,350,596</u>	<u>\$ 21,691,684</u>

See accompanying Notes to Financial Statements.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 658,912	\$ 19,190
Adjustment to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Realized and Unrealized (Gain) Loss on Investments	(188,549)	643,904
Depreciation	151,388	106,956
Contributions With Donor Restrictions	(301,163)	(2,050,341)
Donated Investments	-	(100,598)
(Increase) Decrease in Assets:		
Accounts Receivable	98,395	(127,328)
Gift Annuity Receivable	(9,979)	(20,007)
Increase (Decrease) in Liabilities:		
Accounts Payable	(24,935)	(108,800)
Accrued Expenses	9,659	(54,494)
Net Cash Provided (Used) by Operating Activities	393,728	(1,691,518)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Capital Assets	(365,427)	-
Proceeds from Sales of Maturities of Investments	7,130,445	11,282,812
Purchases of Investments	(7,466,965)	(13,975,099)
Net Cash Used by Investing Activities	(701,947)	(2,692,287)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions With Donor Restrictions	301,163	2,050,341
Net Cash Provided by Financing Activities	301,163	2,050,341
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,056)	(2,333,464)
 Cash and Cash Equivalents - Beginning of Year	8,415,674	10,749,138
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 8,408,618	\$ 8,415,674

See accompanying Notes to Financial Statements.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 ORGANIZATION

Nature of Organization

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Philanthropic Foundation have been prepared on the accrual basis of accounting to conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to nonprofit educational institutions. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Philanthropic Foundation and changes therein have been classified and are reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, other than endowment and similar funds, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

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 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.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivables

Receivables consist of purchase advances for campus program donations accounts, as well as miscellaneous outstanding donations that are considered accounts receivables. The 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.

Gift Annuity Receivable

The 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 Philanthropic Foundation.

Endowment Investments

The 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 net assets without donor restrictions, unless their use is temporarily or permanently restricted by donor-imposed stipulations.

Property and Equipment

Property and equipment are stated at cost or estimated historical cost if purchased or, at estimated fair value at date of donation if donated. Property and equipment with a value of less than \$5,000 are not capitalized. 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.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of property, plant, and equipment without donor restrictions concerning the use of such long-lived assets are reported as revenue of the net assets without donor restrictions. Contributions of cash or other assets to be used to acquire property, plant, and equipment are reported as revenue of the net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activity.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation Methodology

The functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation, square footage, full time equivalents within each department, and total direct expenses.

Income Taxes

The 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 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, 2020, the Philanthropic Foundation had no material unrecognized tax benefits, tax penalties or interest.

Endowment Investments

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 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.

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, the Philanthropic Foundation's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Philanthropic Foundation's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 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 Philanthropic Foundation's financial statements for the year ended June 30, 2019 from which the summarized information was derived.

Risks and Uncertainties

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to Foundation, COVID-19 may impact various parts of its 2020-21 operations and financial results, including, but not limited to, declines in enrollment, loss of auxiliary revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

Change in Accounting Principle

In August 2018, FASB issued ASU 2018-08 Not-For-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard distinguishes between contributions and exchange transactions and assists in determining which guidance to apply. The organization's financial statements reflect the full application of ASU 2018-08 to contributions made and received beginning in fiscal year 2020.

NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date:

Net assets with donor-restrictions exceeds the amount of liquid assets (cash, receivables, gift annuity receivable and investments) at June 30, 2020 by \$246,825.

Philanthropic Foundation has approximately \$7,800,527 in net assets donor-restricted for scholarships and campus programs, which represented 90% percent of 2020 total expenditures.

The endowment funds consist of donor-restricted endowments, income from which is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 ENDOWMENT INVESTMENTS

FASB Accounting Standards Codification (ASC) 820, which among other things requires enhanced disclosures about assets and liabilities that are measured and reported at fair value, establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring fair value. This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Quoted market prices are available in active market for identical assets or liabilities as of the reporting date.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3 – Pricing inputs are unobservable and shall be used to measure fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The Philanthropic Foundation estimates the fair value of investments in investment companies for which the investment does not have readily determinable fair value using net asset value (NAV) per share or its equivalent. Those estimated fair values may differ significantly from the value that would be used had a ready market for these securities existed.

The Philanthropic Foundation uses the following ways to determine the fair value of its investments:

Equities: Determined by the closing price on the last business day of the fiscal year.

Mutual Funds: Determined by the published NAV per unit at the end of the last trading day of the fiscal year.

Hedge Funds: Determined by the NAV on the last business day of the fiscal year.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 ENDOWMENT INVESTMENTS (CONTINUED)

The following table presents investments measured at fair value on a recurring basis at June 30, 2020:

	Level 1	Level 2	Level 3	Total
Equities	\$ 12,901,022	\$ -	\$ -	\$ 12,901,022
Money Market Mutual Funds	163,913	-	-	163,913
Subtotal	<u>\$ 13,064,935</u>	<u>\$ -</u>	<u>\$ -</u>	13,064,935
Fund Valued at Net Asset Value				2,653
Total				<u>\$ 13,067,588</u>

Concentration of Investment Credit Risk

The 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	29.0 %	35.0 %
International Developed Equity	15.0	20.0
Emerging Markets	11.0	15.0
Total Equity	<u>55.0</u>	<u>70.0</u>
Global Fixed Income:		
Domestic Fixed Income	10.0	15.0
Global Fixed Income	10.0	15.0
Total Fixed Income	<u>20.0</u>	<u>30.0</u>
Alternative Investments:		
Hedge Funds	17.5	20.0
Private Equity	7.5	10.0
Total Alternative Investments	<u>25.0</u>	<u>30.0</u>
Total Portfolio (Target Allocation)	<u>100.0 %</u>	

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	\$ 309,925
Realized Gain (Loss), Net	973,888
Unrealized Gain (Loss) on Sales, Net	<u>(785,339)</u>
Total Investment Income	498,474
Management Fees	<u>(254,767) *</u>
Net Endowment Investment Income	<u>\$ 243,707</u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 ENDOWMENT INVESTMENTS (Continued)

* Management fees include \$91,424 in fees charged by investment managers and the endowment management fee of \$163,343 by the Philanthropic Foundation but not withdrawn from the portfolio as of June 30, 2020. The endowment management fee has not yet been withdrawn as it is based on calculated asset value from the fair market value of the portfolio as of June 30, 2020. The actual cash will be withdrawn from the portfolio in fiscal year 2021.

NOTE 5 CAPITAL ASSETS, NET

At June 30, 2020, capital assets consisted of the following:

	Balance - June 30, 2019	Additions	Deletions	Balance - June 30, 2020
Equipment	\$ 534,781	\$ 365,427	\$ -	\$ 900,208
Accumulated Depreciation	(106,956)	(151,388)	-	(258,344)
Capital Assets, Net	\$ 427,825	\$ 214,039	\$ -	\$ 641,864

Total depreciation expense for the year ended June 30, 2020 was \$151,388.

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30, 2020:

Subject to expenditure for specified purpose:	
Scholarships	\$ 2,255,352
Campus Programs	5,545,175
	7,800,527
Subject to the passage of time:	
Charitable gift annuity not restricted by donor, but which are unavailable for expenditure until due	262,582
Endowments:	
Subject to appropriation and expenditure when a specified event occurs:	1,239,396
Subject to endowment spending policy and appropriation	12,765,402
Underwater endowments	(37,709)
	12,727,693
Total endowments	13,967,089
	\$ 22,030,198

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During the year ended June 30, 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Scholarships	\$ 443,082
Campus Programs	1,300,127
Restricted-purpose spending-rate distributions and appropriations, scholarships	439,514
	\$ 2,182,723

NOTE 7 ENDOWMENT

California State University, Dominguez Hills Philanthropic Foundation's endowment consists of 114 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 the Philanthropic Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Philanthropic Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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

- (1) The duration and preservation of the fund
- (2) The purposes of the Philanthropic Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Philanthropic Foundation
- (7) The investment policies of the Philanthropic Foundation

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 ENDOWMENT (CONTINUED)

The Philanthropic Foundation's endowment net assets by class and by type of endowment, at June 30 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment	\$ -	\$ -	\$ -
Donor-Restricted Endowment			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	12,727,693	12,727,693
Accumulated investment gains	-	1,239,396	1,239,396
	<u>-</u>	<u>1,239,396</u>	<u>1,239,396</u>
 Total Endowment	 <u>\$ -</u>	 <u>\$ 13,967,089</u>	 <u>\$ 13,967,089</u>

Changes in endowment assets held in investments for the year ended June 30, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - July 1, 2019 (as restated)	\$ -	\$ 13,861,733	\$ 13,861,733
Investment Return:			
Investment Interest and Dividend Income	-	309,925	309,925
Net Loss (Realized and Unrealized)	-	188,549	188,549
Contributions	-	301,163	301,163
Less: Appropriations	-	(439,514)	(439,514)
Less: Endowment Management Fee	-	(163,343)	(163,343)
Less: Investment Management Fee	-	(91,424)	(91,424)
	<u>-</u>	<u>(91,424)</u>	<u>(91,424)</u>
 Endowment Net Assets - June 30, 2020	 <u>\$ -</u>	 <u>\$ 13,967,089</u>	 <u>\$ 13,967,089</u>

From time-to-time, the fair value of endowment funds associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Philanthropic Foundation to retain as a fund of perpetual duration, underwater endowments. As of June 30, 2020, funds with original gift values of \$1,296,310, fair values of \$1,258,600, and deficiencies of \$37,710 were reported in net assets with donor restrictions. These deficiencies, which the Philanthropic Foundation believes are temporary, resulted from unfavorable market fluctuations. The Board determined that continued appropriation during fiscal years ended June 30, 2020 and for certain programs was prudent.

As of June 30, 2020, the Philanthropic Foundation's endowment funds have a combined historic dollar value and accumulated investment gains of \$13,967,089 and related endowment investments with a fair value of \$13,067,588. The difference is due to amounts erroneously transferred out of the endowment during fiscal years 2000 through 2015. The Philanthropic Foundation plans to return these amounts to the investment portfolio in fiscal year 2021. This could be attributable to appropriations for expenditure in excess of investment income earned and borrowings to fund operations or other activity.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 RELATED PARTY TRANSACTIONS

The Philanthropic Foundation receives various services from the California State University, Dominguez Hills Foundation (Foundation) and California State University, Dominguez Hills (University). These services are appropriately billed to the California State University, Dominguez Hills Philanthropic Foundation and recovered via payments to these entities. The Philanthropic Foundation paid the University \$1,041,59 and the Foundation \$95,000 during fiscal year 2020. The amount due to the California State University, Dominguez Hills Foundation or California State University, Dominguez Hills at June 30, 2020 was \$54,433. The amount receivable from the University at June 30, 2020 was \$7,803.

The Philanthropic Foundation transferred \$0 to the California State University, Dominguez Hills during fiscal year 2020.

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.

NOTE 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.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
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NOTE 10 EMPLOYMENT AND BENEFITS

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.

NOTE 11 SUBSEQUENT EVENTS

The Philanthropic Foundation has evaluated events subsequent to June 30, 2020, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through REPORT DATE, 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.

NOTE 12 FUNCTIONAL EXPENSES

The table below presents expenses by both their nature and function for the fiscal year ended June 30, 2020.

	Program Activities	Management and General	Fundraising	Total
Salaries	\$ 376,905	\$ -	\$ -	\$ 376,905
Benefits	47,268	-	-	47,268
Professional services	178,768	24,517	-	203,285
Contributions to University	60,849	5,899	-	66,748
Scholarships	1,000,863	-	-	1,000,863
Conference, meetings and travel	77,946	2,297	-	80,243
Supplies	131,967	569	-	132,536
Depreciation	151,388	-	-	151,388
Advertising, public relations and special events	-	10,880	63,995	74,875
Other	92,774	134,720	-	227,494
Total expenses	<u>\$ 2,118,728</u>	<u>\$ 178,882</u>	<u>\$ 63,995</u>	<u>\$ 2,361,605</u>

NOTE 13 PRIOR PERIOD ADJUSTMENT

Net assets have been restated to correct for errors in the previous years. The Philanthropic Foundation overstated prior year undesignated net assets and understated net assets with donor restrictions. The June 30, 2019 balances presented in these financial statements, have been restated to reflect the corrected balances as shown in the following page:

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 14 PRIOR PERIOD ADJUSTMENT (CONTINUED)

<u>Statement of Financial Position</u>	<u>As Previously Reported</u>	<u>Adjustments and Reclassification</u>	<u>As Restated</u>
Net Assets Without Donor Restrictions	\$ (162,640)	\$ 464,838	\$ 302,198
Net Assets With Donor Restrictions	21,854,324	(464,838)	21,389,486

OTHER SUPPLEMENTARY INFORMATION

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
GASB SCHEDULE OF NET POSITION
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

Assets:	
Current assets:	
Cash and cash equivalents	\$ -
Short-term investments	-
Accounts receivable, net	44,585
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
Total current assets	<u>44,585</u>
Noncurrent assets:	
Restricted cash and cash equivalents	8,408,618
Accounts receivable, net	262,582
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	13,067,588
Other long-term investments	-
Capital assets, net	641,864
Other assets	-
Total noncurrent assets	<u>22,380,652</u>
Total assets	<u>22,425,237</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
Total deferred outflows of resources	<u>-</u>
Liabilities:	
Current liabilities:	
Accounts payable	64,982
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	9,659
Total current liabilities	<u>74,641</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	<u>-</u>
Total liabilities	<u>74,641</u>
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	<u>-</u>
Net position:	
Net investment in capital assets	641,864
Restricted for:	
Nonexpendable – endowments	12,765,402
Expendable:	
Scholarships and fellowships	7,800,527
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	860,114
Unrestricted	320,398
Total net position	<u>22,388,305</u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
OTHER INFORMATION
YEAR ENDED JUNE 30, 2020
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Revenues:	
Operating revenues:	
Student tuition and fees, gross	\$ -
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	193,462
Total operating revenues	193,462
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	1,084,744
Operation and maintenance of plant	63,995
Student grants and scholarships	882,596
Auxiliary enterprise expenses	178,882
Depreciation and amortization	151,388
Total operating expenses	2,361,605
Operating income (loss)	(2,168,143)
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	2,549,610
Investment income (loss), net	-
Endowment income (loss), net	277,445
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	-
Net nonoperating revenues (expenses)	2,827,055
Income (loss) before other revenues (expenses)	658,912
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	658,912
Net position:	
Net position at beginning of year, as previously reported	21,691,684
Restatements	-
Net position at beginning of year, as restated	21,691,684
Net position at end of year	22,350,596

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
OTHER INFORMATION
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$ 899,501
All other restricted cash and cash equivalents	\$ 7,509,117
Noncurrent restricted cash and cash equivalents	<u>8,408,618</u>
Current cash and cash equivalents	
Total	<u><u>\$ 8,408,618</u></u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
OTHER INFORMATION
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2.1 Composition of investments:

Investment Type	Current	Noncurrent	Fair Value
Money market funds	\$ -	163,913	163,913
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	-	-
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	-	-	-
Exchange traded funds	-	-	-
Equity securities	-	12,901,022	12,901,022
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	2,653	2,653
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	-	13,067,588	13,067,588
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ -	13,067,588	13,067,588

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
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YEAR ENDED JUNE 30, 2020
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2.2 Fair value hierarchy in investments:

Investment Type	Fair Value	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)
Money market funds	\$ 163,913	163,913	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	-	-	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	12,901,022	12,901,022	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	2,653	-	-	-	2,653
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	13,067,588	13,064,935	-	-	2,653

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
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2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g - CSU Consolidated Investment Pool (formerly SWIFT):	\$ -	\$ -	-

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3.1 Composition of capital assets:

	Balance June 30, 2019	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2019 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2020
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	\$ -	-	-	-	\$ -
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	534,781	-	-	-	534,781	365,427	-	-	900,208
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	534,781	-	-	-	534,781	365,427	-	-	900,208
Total capital assets	\$ 534,781	-	-	-	\$ 534,781	365,427	-	-	\$ 900,208
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(106,956)	-	-	-	(106,956)	(151,388)	-	-	(258,344)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(106,956)	-	-	-	(106,956)	(151,388)	-	-	(258,344)
Total capital assets, net	\$ 427,825	-	-	-	\$ 427,825	214,039	-	-	\$ 641,864

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
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3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$	151,388
Amortization expense related to other assets		-
Total depreciation and amortization	\$	151,388

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
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YEAR ENDED JUNE 30, 2020
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4 Long-term liabilities:

	Balance June 30, 2019	Prior Period Adjustments/Reclassifications	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
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5 Capital lease obligations schedule:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	-	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium/(discount)									-
Total capital lease obligations									-
Less: current portion									-
Capital lease obligations, net of current portion									<u>\$ -</u>

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:									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	-	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									<u>-</u>

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7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	17,601
Payments to University for other than salaries of University personnel	1,086,559
Payments received from University for services, space, and programs	12,914
Gifts-in-kind to the University from discretely presented component units	138,293
Gifts (cash or assets) to the University from discretely presented component units	-
Accounts (payable to) University (enter as negative number)	(7,803)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	54,433
Other amounts receivable from University (enter as positive number)	-

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
OTHER INFORMATION
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

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 for understatement in prior period error in net assets with donor restrictions- Restricted nonexpendable Endowments	464,838
		<u>464,838</u>
Restatement #2	Restatement for understatement in prior period error in net assets without donor restrictions- Unrestricted	(464,838)
		<u>(464,838)</u>
		<u>-</u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
OTHER INFORMATION
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

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	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	1,084,744	-	1,084,744
Operation and maintenance of plant	-	-	-	-	-	63,995	-	63,995
Student grants and scholarships	-	-	-	-	882,596	-	-	882,596
Auxiliary enterprise expenses	-	-	-	-	-	178,882	-	178,882
Depreciation and amortization	-	-	-	-	-	-	151,388	151,388
Total operating expenses	\$ -	-	-	-	882,596	1,327,621	151,388	2,361,605

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	-
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	\$ -

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	-
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	-
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	\$ -



**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 of
California State University,
Dominguez Hills Philanthropic 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 California State University, Dominguez Hills Philanthropic Foundation (Philanthropic Foundation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated REPORT DATE.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Philanthropic Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Philanthropic Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University Philanthropic 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Philanthropic Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Philanthropic Foundation's Response to Finding

The Philanthropic Foundation's responses to the finding identified in our audit are described in the accompanying schedule of findings. The Philanthropic Foundation's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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
REPORT DATE

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2020**

Section I – 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? | None noted | | |
| 3. Noncompliance material to financial statements noted? | <u> </u> yes | <u> x </u> no | |

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

Finding 2020-001: Donor-Restricted Net Asset Accounting

Condition:

There was a \$464,838 overstatement in the Philanthropic Foundation's net assets with donor restrictions at June 30, 2019 as a result earnings allocation and appropriation calculations errors in prior years. Further, \$723,660 of contributions received in prior years were incorrectly classified as the net assets with donor-restriction that are perpetual in nature (i.e. endowment) as opposed to net assets with donor restrictions subject to expenditure for specific purpose and \$511,090 of contributions received in prior years were incorrectly classified as the net assets with donor-restriction subject to expenditure for specific purpose as opposed to net assets with donor restrictions that are perpetual in nature (i.e. endowment).

Criteria:

The board of directors of the Philanthropic Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

Cause:

The Philanthropic Foundation has not allocated the endowment pool's investment income to individual endowment funds and therefore is unable to ascertain which, if any, of the individual donor-restricted endowment funds are underwater.

Effect:

Noncompliance with donor restrictions could have consequences for the Philanthropic Foundation, including return of funds to donors. Management has not received notifications from donors to return funds or regarding any noncompliance.

Repeat finding:

No

Recommendation:

We recommend that the Philanthropic Foundation continue to reconcile its endowment net assets to the investment portfolio. That reconciliation, along with the net asset rollforward, should be reviewed by executive leadership at least annually.

View of responsible officials and corrective action plan:

We concur with this finding and have taken the following actions:

- All endowment balances have been reconciled to the investment portfolio as of June 30, 2020. This reconciliation will be completed regularly between the endowment funds and the investment pool to ensure they are in balance at all times.

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS, PHILANTHROPIC FOUNDATION
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2020**

- In the Spring of 2020, a new endowment accounting system was implemented providing tools to efficiently and accurately allocate the endowment pool's investment earnings to the individual endowment funds.
- An annual review of the reconciliation will henceforth be completed by executive leadership, including the net assets to the investment portfolio.