

**California State University, Dominguez Hills
Toro Auxiliary Partners**

**Basic Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2023

CohnReznick 
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**California State University, Dominguez Hills
Toro Auxiliary Partners**

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Independent Auditor's Report

To the Board of Directors
California State University, Dominguez Hills Toro Auxiliary Partners
(A California State University Auxiliary Organization)

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of California State University, Dominguez Hills Toro Auxiliary Partners, a component unit of California State University, Dominguez Hills, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the California State University, Dominguez Hills Toro Auxiliary Partners' basic financial statements as listed in the index.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of California State University, Dominguez Hills Toro Auxiliary Partners as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the California State University, Dominguez Hills Toro Auxiliary Partners' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Dominguez Hills Toro Auxiliary Partners' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 8, Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios on page 36, and the Schedule of Other Postemployment Benefits Contributions on page 37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise California State University, Dominguez Hills Toro Auxiliary Partners' basic financial statements. The accompanying supplementary information on pages 39 to 51 is presented for purposes of additional analysis as required by an Administrative Directive dated June 24, 2003, *Financial Reporting Requirements for Auxiliary Organizations*, from the California State University Office of the Chancellor, and is not a required part of the basic financial statements.

The accompanying supplementary information on pages 39 to 51 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information on pages 39 to 51 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024 on our consideration of the California State University, Dominguez Hills Toro Auxiliary Partners' 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 California State University, Dominguez Hills Toro Auxiliary Partners' 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 California State University, Dominguez Hills Toro Auxiliary Partners' internal control over financial reporting and compliance.



Los Angeles, California
December 19, 2024

California State University, Dominguez Hills Toro Auxiliary Partners

Management's Discussion and Analysis

June 30, 2023
(Unaudited)

Introduction

The California State University, Dominguez Hills Toro Auxiliary Partners ("TAP") is a nonprofit organization formed to support the mission of California State University, Dominguez Hills (the "University"). To fulfill this mission, TAP pursues a wide range of opportunities in the areas of developing and administering research and educational grants and contracts; conducting the bookstore, food service, and vending machine operations on the campus; developing land and commercial enterprises; administering various educationally related functions, special programs, and other activities.

This section of TAP's annual financial report presents management's discussion and analysis of the financial performance of TAP during the fiscal year ended June 30, 2023. This discussion has been prepared by management along with the financial statements and related note disclosures and should be read in conjunction with, and is qualified in its entirety by, the financial statements and related notes. The financial statements, related notes and this discussion are the responsibility of management.

Overview of the Financial Statements

The annual report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. For reporting purposes, TAP is considered a special-purpose government engaged only in business-type and fiduciary activities, which best represent the activities of TAP.

The financial statements include the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows. These statements are supported by the notes to the financial statements and this section. All sections must be considered together to obtain a complete understanding of the financial picture of TAP.

Statement of Net Position – The statement of net position includes all assets, deferred outflows, liabilities, and deferred inflows. It is prepared on an accrual basis as of the statement date. It also identifies major categories of restrictions on the net position of TAP.

Statement of Revenues, Expenses and Changes in Net Position – The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year on an accrual basis.

Statement of Cash Flows – The statement of cash flows presents the inflows and outflows of cash for the year and is summarized by operating, noncapital financing, capital and related financing, and investing activities. The statement is prepared using the direct method of cash flows and, therefore, presents gross rather than net amounts for the year's activities.

California State University, Dominguez Hills Toro Auxiliary Partners

Management's Discussion and Analysis (Continued) June 30, 2023 (Unaudited)

Analytical overview

Summary

TAP's net position increased by approximately \$4.2M. This is primarily due to the increase in grants and contracts revenue as well as a one-time receipt of Coronavirus Aid, Relief, and Economic Security Act ("CARES ACT") funding received by the California State University, and special non-recurring revenue from two PPP loans being forgiven along with related employee retention credits.

Statement of Net Position

TAP's summary of net position as of June 30, 2023, and 2022 are as follows:

	FY2022-23	FY2021-22	Change
Assets:			
Current assets	\$ 16,280,126	\$ 11,212,571	\$ 5,067,555
Long-term assets	5,773,459	5,337,801	435,658
Capital assets, net	388,170	404,540	(16,370)
Total assets	22,441,755	16,954,912	5,486,843
Deferred outflows of resources:	482,466	331,350	151,116
Liabilities:			
Current liabilities	11,273,469	9,739,403	1,534,066
Long-term liabilities	1,527,379	1,433,116	94,263
Total liabilities	12,800,848	11,172,519	1,628,329
Deferred inflows of resources:	420,951	601,869	(180,918)
Net position:			
Net investment in capital assets	388,170	404,540	(16,370)
Unrestricted	9,314,252	5,107,334	4,206,918
Total net position	\$ 9,702,422	\$ 5,511,874	\$ 4,190,548

Assets

Total assets increased by \$5.5M compared to prior year. This change is attributable to an increase in TAP's investment portfolio as well as accounts receivable related to grants and contracts, and other receivables related to the Employee Retention Credits, Follett bookstore, and the PPP loan forgiveness program.

Liabilities

Total liabilities increased by \$1.6M compared to the prior year. This net increase is primarily due to increases in accounts payable, which is offset by forgiveness of both PPP loans, a one-time receipt of CARES Act funding received by California State University related to TAP, receipt of the Aramark deferred restricted reimbursable grant, and deferred income related to grants and contracts.

California State University, Dominguez Hills Toro Auxiliary Partners

Management's Discussion and Analysis (Continued)

June 30, 2023
(Unaudited)

Net Position

Total net position increased by \$4.2M compared to the prior year. This change is a result of an increase in operating revenue and increased expenses.

Statement of Revenues, Expenses and Changes in Net Position

The following table is a summary of TAP's revenues, expenses and changes in net position comparing FY 2022-23 with FY 2021-22:

	FY 2022-23	FY2021-22	Change
Operating revenues:			
Grants and contracts	\$ 22,239,002	\$ 12,768,044	\$ 9,470,958
Sales and services of auxiliary enterprises	1,973,596	3,212,102	(1,238,506)
Other operating revenues	5,248,005	5,228,234	19,771
 Total operating revenues	 29,460,603	 21,208,380	 8,252,223
Operating expenses:			
Instruction	4,355,228	3,380,997	974,231
Research	6,913,006	4,235,306	2,677,700
Academic support	6,658,716	4,144,687	2,514,029
Student services	2,574,191	1,878,114	696,077
Institutional support	908,483	421,781	486,702
Student grants and scholarships	54,933	31,100	23,833
Auxiliary enterprise expenses	5,601,376	7,147,410	(1,546,034)
Depreciation	121,014	89,855	31,159
 Total operating expenses	 27,186,947	 21,329,250	 5,857,697
Nonoperating revenues (expenses):			
Investment income (loss), net	843,258	(706,497)	1,549,755
Gain on PPP loan forgiveness	1,077,976	-	1,077,976
Interest expense	(4,342)	(44,462)	40,120
Loss on sale of capital assets	-	(9,359)	9,359
 Net nonoperating revenues (expenses)	 1,916,892	 (760,318)	 2,677,210
Changes in net position			
 Net position - beginning	 4,190,548	 (881,188)	 5,071,736
 Net position - ending	 \$ 9,702,422	 \$ 5,511,874	 \$ 4,190,548

Operating revenues

Total operating revenues increased \$8.3M compared to the prior year. The overall increase in total operating revenues is primarily attributable to grants and contracts, including grant income from the Employee Retention Credits and other operating revenues which includes the one-time receipt of CARES Act funding received by California State University.

Operating expenses

Total operating expenses increased \$5.9M compared to the prior year. The increase is primarily attributable to an increase in research programs as well as academic support.

California State University, Dominguez Hills Toro Auxiliary Partners

Management's Discussion and Analysis (Continued) June 30, 2023 (Unaudited)

Capital assets and debt administration

Capital assets

TAP has \$388K in capital assets, net of accumulated depreciation, a decrease from \$16K from prior year, primarily related to current year depreciation of \$121K, which is offset by purchases of 105K.

Debt

As of June 30, 2023, TAP had \$1.7M in debt with a decrease of \$1.1M resulting from a \$48K increase in compensated absences, \$1.0M decrease in PPP loans and \$89K decrease in note payable. Note 8 provides additional information on long-term liabilities. A comparison is summarized below:

	FY2022-23	FY2021-22	Change
Accrued compensated absences	\$ 410,897	\$ 363,265	\$ 47,632
PPP loans	-	1,019,571	(1,019,571)
Notes payable	1,322,242	1,411,703	(89,461)
	\$ 1,733,139	\$ 2,794,539	\$ (1,061,400)

Factors affecting future periods

The GASB has issued pronouncements prior to June 30, 2023 that have effective dates that impact future financial presentations; however, the impact of the implementation of each of the statements to TAP's financial statements has not been assessed at this time.

Basic Financial Statements

California State University, Dominguez Hills Toro Auxiliary Partners

Statement of Net Position
June 30, 2023

Assets	
Current assets	
Cash and cash equivalents	\$ 7,842,115
Accounts receivable, net	7,933,689
Due from related parties	437,043
Prepaid expenses and other current assets	67,279
	<hr/>
Total current assets	16,280,126
Noncurrent assets	
Long-term investments	5,746,669
Other assets	26,790
Capital assets, net	388,170
	<hr/>
Total noncurrent assets	6,161,629
Total assets	22,441,755
Deferred outflows of resources - other postemployment benefits	482,466
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	1,231,517
Accrued salaries and benefits payable	505,845
Accrued compensated absences	410,897
Unearned revenue	6,009,005
Debt	157,589
Due to related parties	1,191,956
Interest payable	4,854
Other liabilities	1,761,806
	<hr/>
Total current liabilities	11,273,469
Long-term liabilities	
Postemployment benefits other than pensions	362,726
Debt	1,164,653
	<hr/>
Total long-term liabilities	1,527,379
Total liabilities	12,800,848
Deferred inflows of resources - other postemployment benefits	420,951
Net position	
Net investment in capital assets	388,170
Unrestricted	9,314,252
	<hr/>
Total net position	\$ 9,702,422

See Notes to Financial Statements.

California State University, Dominguez Hills Toro Auxiliary Partners

**Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023**

Operating revenues	
Grants and contracts	
Federal	\$ 18,398,052
State and local	1,563,913
Nongovernmental	2,277,037
Sales and services of auxiliary enterprises	1,973,596
Other operating revenues	<u>5,248,005</u>
 Total operating revenues	 <u>29,460,603</u>
 Operating expenses	
Instruction	4,355,228
Research	6,913,006
Academic support	6,658,716
Student services	2,574,191
Institutional support	908,483
Student grants and scholarships	54,933
Auxiliary enterprise expenses	5,601,376
Depreciation	<u>121,014</u>
 Total operating expenses	 <u>27,186,947</u>
 Operating income	 <u>2,273,656</u>
 Nonoperating revenues (expenses)	
Investment income, net of fees	843,258
Gain on PPP loan forgiveness	1,077,976
Interest expense	<u>(4,342)</u>
 Net nonoperating revenues	 <u>1,916,892</u>
 Change in net position	 4,190,548
 Net position, beginning of year	 <u>5,511,874</u>
 Net position, end of year	 <u>\$ 9,702,422</u>

See Notes to Financial Statements.

California State University, Dominguez Hills Toro Auxiliary Partners

Statement of Cash Flows
For the Year Ended June 30, 2023

Cash flows from operating activities	
Federal grants and contracts	\$ 16,085,512
State and local grants and contracts	1,367,337
Nongovernmental grants and contracts	1,990,825
Payments to suppliers	(11,524,514)
Payments to employees	(15,635,034)
Sales and services of auxiliary enterprises	1,650,897
Other receipts	5,693,610
	<hr/>
Net cash used in operating activities	(371,367)
	<hr/>
Cash flows from noncapital financing activities	
Interest paid on notes payable	(13,712)
Payments on notes payable	(89,461)
	<hr/>
Net cash used in noncapital financing activities	(103,173)
	<hr/>
Cash flows from capital and related financing activities	
Purchase of capital assets	(104,644)
	<hr/>
Net cash used in capital and related financing activities	(104,644)
	<hr/>
Cash flows from investing activities	
Investment income	127,968
Investment expense	(33,141)
Purchase of investments	(760,692)
Sale of investments	1,007,301
	<hr/>
Net cash provided by investing activities	341,436
	<hr/>
Net decrease in cash and cash equivalents	(237,748)
Cash and cash equivalents - beginning of year	8,079,863
	<hr/>
Cash and cash equivalents - end of year	\$ 7,842,115
	<hr/>
Reconciliation of operating income to net cash used in operating activities	
Operating income	\$ 2,273,656
Adjustments to reconcile operating income to net cash used in operating activities	
Depreciation	121,014
Deferred outflows of resources	(151,116)
Deferred inflows of resources	(180,918)
Change in assets and liabilities	
Accounts receivable	(4,959,880)
Due from related parties	(322,699)
Prepaid expenses and other assets	101,845
Accounts payable	236,286
Accrued salaries and benefits payable	109,353
Accrued compensated absences	47,632
Unearned revenue	2,610,157
Due to related parties	(2,043,488)
Other liabilities	1,599,564
Postemployment benefits other than pensions	187,227
	<hr/>
Net cash used in operating activities	\$ (371,367)

See Notes to Financial Statements.

California State University, Dominguez Hills Toro Auxiliary Partners

Statement of Fiduciary Net Position
June 30, 2023

Assets	
Current assets	
Cash and cash equivalents	<u>\$ 268,823</u>
Total assets	<u>268,823</u>
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	4,023
Accrued salaries and benefits payable	2,964
Due to related parties	<u>1,427</u>
Total liabilities	<u>8,414</u>
Net position	
Restricted:	
Individuals, organizations, and other governments	<u>260,409</u>
Total net position	<u>\$ 260,409</u>

See Notes to Financial Statements.

California State University, Dominguez Hills Toro Auxiliary Partners

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023

Additions	
Program income	\$ 192,666
Gifts	1,028
Other income	<u>273,500</u>
Total additions	<u>467,194</u>
Deductions	
Distributions	363,281
Administrative expenses	<u>46,453</u>
Total deductions	<u>409,734</u>
Change in fiduciary net position	57,460
Fiduciary net position, beginning of year	<u>202,949</u>
Fiduciary net position, end of year	<u>\$ 260,409</u>

See Notes to Financial Statements.

California State University, Dominguez Hills Toro Auxiliary Partners

Notes to Financial Statements June 30, 2023

Note 1 - Business and summary of significant accounting policies

Reporting entity

Effective January 20, 2023, the name of California State University, Dominguez Hills Foundation was officially changed to California State University, Dominguez Hills Toro Auxiliary Partners ("TAP"). The name change has been filed with and acknowledged by the California Secretary of State and is in the process of being changed with the Internal Revenue Service, applicable financial institutions, and other relevant entities.

TAP is a nonprofit California public benefit corporation, which is an auxiliary organization of California State University, Dominguez Hills (the "University"). TAP is included as a component unit in the financial statements of the University. TAP assists the University in various activities including developing and administering research and educational grants and contracts; conducting the bookstore, food service, and vending machine operations on the campus; developing land and commercial enterprises; administering various educationally related functions, special programs, and other activities.

Basis of accounting and measurement focus

The accompanying basic financial statements of TAP have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB"), the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As a component unit of a public institution, TAP has presented its basic financial statements using the reporting model for special-purpose governments engaged only in business-type activities in accordance with GASB Statements No. 34 and 35.

TAP operates as a business enterprise and the accompanying financial statements reflect the flow of economic resources measurement focus and the full accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

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

Fiduciary activities

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

Cash and cash equivalents

Cash and cash equivalents consist of deposits and a money market account with Wells Fargo Bank, N.A ("WFB"). It is composed significantly of funds held in depository accounts for other auxiliary organizations of the California State University, Dominguez Hills campus. TAP provides accounting and management services for the California State University, Philanthropic Foundation, the Loker University Student Union, Dominguez Hills Corporation, and limited services for the

California State University, Dominguez Hills Toro Auxiliary Partners

Notes to Financial Statements June 30, 2023

Associated Students, Inc., and holds depository accounts on their behalf. These deposits, upon receipt, are normally expected to be held for three months or less.

Short-term investments

Investments with original maturities greater than three months and remaining maturities less than one year are classified as short-term investments. Investments with remaining maturities greater than one year are classified as long-term investments. TAP has no short-term investments at June 30, 2023.

Accounts receivable

Receivables consist of contracts and other miscellaneous receivables. TAP uses the allowance method of accounting for receivables determined to be potentially uncollectable. Management provides for probable uncollectible amounts through a provision for an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Prepaid expenses

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

Investments

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

Capital assets

Capital assets are stated at cost or estimated historical cost if purchased, or at acquisition value at date of donation if donated. Capital assets with a value of less than \$5,000 are not capitalized. TAP is required to capitalize infrastructure assets that have been acquired, or that have received major improvements, in fiscal years ending after June 30, 1980. Title to all assets, whether purchased, constructed, or donated, is held by TAP. Depreciation is determined using the straight-line method over the estimated useful 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.

Deferred outflows and deferred inflows

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

Accrued compensated absences

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

Unearned revenue

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

Other liabilities

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

California State University, Dominguez Hills Toro Auxiliary Partners

Notes to Financial Statements June 30, 2023

Components of net position

TAP's net position is classified into the following net asset categories:

Net investment in capital assets - This component of the net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings, lease liabilities, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

Restricted - This component of net position consists of restricted assets reduced by liabilities related to those assets.

Unrestricted - This component of net position consists of the net amount of those assets that are not included in the determination of net investment in capital assets or the restricted component of net position.

Policy regarding use of restricted versus unrestricted resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, TAP will utilize restricted resources first, and then unrestricted resources as needed.

Classification of revenues and expenses

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

Grants and contracts

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

Income taxes

TAP is exempt from federal income and state franchise taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code, respectively. Accordingly, there is no provision for income taxes in the financial statements.

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

California State University, Dominguez Hills Toro Auxiliary Partners

Notes to Financial Statements June 30, 2023

Use of estimates

In preparing financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Fair value measurements

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

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

Level 1 – Quoted prices for identical assets or liabilities in active markets to which TAP has access at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in markets that are not active;
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

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

Risk financing activities

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

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Notes to Financial Statements June 30, 2023

Note 2 - Liquidity and availability

TAP regularly monitors liquidity required to meet its operating needs and other contractual commitments. TAP has various sources of liquidity at its disposal, including cash and cash equivalents and receivables.

At June 30, 2023, TAP had the following financial assets and liquidity resources available over the next 12 months:

Cash and cash equivalents	\$ 7,842,115
Accounts receivable, net	7,933,689
Due from related parties	<u>437,043</u>
 Total	 <u>\$ 16,212,847</u>

Note 3 - Cash and cash equivalents

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

Cash and cash equivalents as of June 30, 2023, are composed of the following:

Depository accounts	\$ 1,863,033
Money market account	<u>5,979,082</u>
 Total	 <u>\$ 7,842,115</u>

Cash in banks

The *California Government Code* requires California banks and savings and loan associations to secure TAP's deposits. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written custodial agreements are required that provide, among other things, that the collateral securities are held separate from the assets of the custodial institution. The pledge to secure deposits is administered by the California Superintendent of Banks. The market value of pledged securities must equal 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure an agency's deposits by pledging first trust deeds or first mortgages having a value of 150% of an agency's total deposits. All such collateral is considered to be held by the pledging financial institutions' trust departments or agents in the name of TAP. At June 30, 2023, cash held by financial institutions for TAP of \$12,818,632 was insured and collateralized as described above. At June 30, 2023, the book balance for TAP was \$7,842,115.

Financial instruments that potentially subject TAP to concentrations of credit risk consist principally of receivables and cash accounts in financial institutions. The total cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. As of June 30,

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Notes to Financial Statements June 30, 2023

2023, TAP's bank deposits exceeded the balance insured by the FDIC by \$1,950,000. TAP monitors its financial institutions and the concentration of credit risk on a regular basis and does not anticipate nonperformance by the financial institutions.

Note 4 - Accounts receivable

The following is a summary of accounts receivable at June 30, 2023:

Grants receivables	\$ 6,095,965
PPP Loan 1 receivable	58,405
Other receivables	2,164,982
Allowance for doubtful accounts	<u>(385,663)</u>
 Total	 <u>\$ 7,933,689</u>

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") provides an Employee Retention Credit ("ERC"), which is a refundable tax credit against certain employment taxes for eligible employers based on a percentage of qualified wages paid to employees through December 31, 2020. Additional relief provisions were passed by the United States government, which extended and slightly expanded the qualified wage caps on these credits through December 31, 2021. Based on these additional provisions, the tax credit is now equal to about 70% of qualified wages paid to employees during a quarter, and the CARES Act ERC can be \$26,000 per employee. The CARES Act ERC is generated through refund payments from filing an amended Form 941 Employer Quarterly Federal Tax Return for each applicable quarter in 2020 and 2021. During the fiscal year ended June 30, 2023, TAP recorded a \$445,000 receivable related to the 2021 CARES Act ERC.

Note 5 - Investments

The following is a summary of investments at June 30, 2023:

Equities	\$ 1,980,030
Money market funds	330,365
Corporate and governmental bonds	440,476
Mutual funds	2,020,034
Alternative investments	<u>975,764</u>
 Total	 <u>\$ 5,746,669</u>

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Notes to Financial Statements June 30, 2023

The following table summarizes information regarding TAP's investments measured using net asset value at June 30, 2023:

Investment	Net Asset Value	Strategy	Unfunded Commitments	Redemption terms	Redemption restriction
Blackstone Real Estate	\$ 168,958	Achieve capital appreciation principally through investing in investment funds	None	Redeemable on a quarterly basis	95 days notice
Ironwood Institutional Multi-strategy Fund LLC	439,809	Achieve capital appreciation principally through investing in investment funds	None	Redeemable on a quarterly basis	95 days notice
Hedger Fund Guided Portfolio Solutions Class I 71H78	<u>366,997</u>	Achieve capital appreciation principally through investing in investment funds	None	Redeemable on a quarterly basis	60-95 days notice
	<u><u>\$ 975,764</u></u>				

Custodial credit risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, TAP's deposits may not be returned. The cash and cash equivalents of TAP are maintained at financial institutions and are fully insured up to \$250,000 per financial institution or collateralized.

Securities Investor Protection Corporation ("SIPC") protects against the loss of cash and securities - such as stocks and bonds - held by a customer at a financially-troubled SIPC member brokerage firm. The limit of SIPC protection is \$500,000, which includes a \$250,000 limit for cash.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, TAP will not be able to recover the value of its investments that are in the possession of the counterparty. As of June 30, 2023, all investments are in the name of TAP, and TAP is not exposed to custodial credit risk associated with its investments.

Investment credit risk

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

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

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

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The credit risk profile of fixed income securities is as follows:

Fixed income securities	June 30, 2023	Credit rating
Corporate bonds	\$ 31,544	A
Corporate bonds	55,997	A-
Corporate bonds	22,518	A+
Corporate bonds	23,332	BBB
Corporate bonds	4,604	BBB-
Corporate bonds	50,538	BBB+
Municipal bonds	21,778	AA
Municipal bonds	8,718	AA-
Municipal bonds	33,309	AA+
Municipal bonds	23,862	Unrated
US treasury bonds and notes	120,835	AAA
US treasury bonds and notes	<u>43,441</u>	Unrated
	<u><u>\$ 440,476</u></u>	

At June 30, 2023, TAP's fixed income securities have the following maturities:

	1 year	1 - 5 years	5 - 10 years	Over 10 years	Total
Corporate bonds	\$ 19,766	\$ 80,626	\$ 82,825	\$ 5,316	\$ 188,533
Municipal bonds	24,126	55,416	8,125	-	87,667
US treasury bonds and notes	-	74,266	90,010	-	164,276
	<u>\$ 43,892</u>	<u>\$ 210,308</u>	<u>\$ 180,960</u>	<u>\$ 5,316</u>	<u>\$ 440,476</u>

Concentration of investment credit risk

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

	Target allocation	Minimum allocation	Maximum allocation
Equities	55.0%	40.0%	65.0%
Fixed income	25.0%	20.0%	45.0%
Cash	2.0%	0.0%	10.0%
Alternative investments	<u>18.0%</u>	0.0%	25.0%
Total	<u><u>100%</u></u>		

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

Interest and dividends	\$ 127,968
Investment expenses	(33,141)
Unrealized gain (loss), net	<u>748,431</u>
Total	<u><u>\$ 843,258</u></u>

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Notes to Financial Statements June 30, 2023

Note 6 - Fair value measurements

At June 30, 2023, investments are carried at fair value and are classified in the table below in one of the three categories as described in Note 1:

	Level 1	Level 2	Level 3	Investments at NAV	Total
Equities	\$ 1,980,030	\$ -	\$ -	\$ -	\$ 1,980,030
Money market funds	330,365	-	-	-	330,365
Corporate and governmental bonds	-	440,476	-	-	440,476
Mutual funds	2,020,034	-	-	-	2,020,034
Alternative investments	-	-	-	975,764	975,764
Total	\$ 4,330,429	\$ 440,476	\$ -	\$ 975,764	\$ 5,746,669

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although TAP believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

TAP measures fair value in accordance with GASB 72. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly; and Level 3 unobservable inputs in which there is little or no market data, which requires TAP to develop its own assumptions. TAP uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, TAP measures fair value using Level 1 inputs because they generally provide the most reliable evidence at fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Assets reported at fair value at June 30, 2023, are Level 1 and 2 inputs.

TAP's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstance that caused the transfer.

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Notes to Financial Statements June 30, 2023

Note 7 - Capital assets

The capital assets balance at June 30, 2023, consists of the following activity:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, depreciable				
Equipment	\$ 367,725	\$ 19,398	\$ -	\$ 387,123
Leasehold improvements	<u>498,130</u>	<u>21,705</u>	<u>-</u>	<u>519,835</u>
Total depreciable capital assets	<u>865,855</u>	<u>41,103</u>	<u>-</u>	<u>906,958</u>
Less accumulated depreciation				
Equipment	(329,207)	(19,273)	-	(348,480)
Leasehold improvements	<u>(132,108)</u>	<u>(101,741)</u>	<u>-</u>	<u>(233,849)</u>
Total accumulated depreciation	<u>(461,315)</u>	<u>(121,014)</u>	<u>-</u>	<u>(582,329)</u>
Capital assets, depreciable, net	404,540	(79,911)	-	324,629
Capital project work in progress	-	63,541	-	63,541
Capital assets - net	<u>\$ 404,540</u>	<u>\$ (16,370)</u>	<u>\$ -</u>	<u>\$ 388,170</u>

For the year ended June 30, 2023, depreciation expense was \$121,014.

Note 8 - Debt

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

TAP engaged Windes Inc. to assist and file the loan forgiveness application with WFB on March 1, 2022, which is within twenty-four months of the due date of the PPP loan. On April 21, 2022, TAP received the official email from WFB acknowledging receipt that TAP's PPP loan forgiveness application had been received and was being processed. On April 29, 2022, TAP received a letter from WFB that the SBA purchased the PPP loan and took over processing the forgiveness loan application.

In a communication, dated January 12, 2023, from WFB, TAP received notice that the SBA had a decision date of November 28, 2022, to confirm the PPP loan has been forgiven in full. For the year ended June 30, 2023, TAP recorded a \$58,405 receivable for the initial loan payment made to the SBA and \$525,000 as debt extinguishment revenue.

In April 2021, TAP received a second loan from WFB in the amount of \$552,976 to fund payroll, and utilities through the PPP. The original loan agreement was written prior to the PPP Flexibility Act of 2020 and was due over sixty months deferred for six months. Subsequent to this, the law changed

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Notes to Financial Statements June 30, 2023

the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the SBA. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if TAP fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, TAP will be required to pay interest on the PPP loan at a rate of 1.0% per annum and commencing in February 2022 principal and interest payments will be required through the maturity date in March 2027.

TAP engaged Windes Inc. to assist and file the loan forgiveness application with WFB on June 13, 2022, for the second draw PPP loan. WFB received an email acknowledging that on June 13, 2022, TAP's PPP loan forgiveness application had been received and was being processed.

In a communication, dated January 12, 2023, from WFB, TAP received notice that the SBA had a decision date of November 23, 2022, to confirm the second draw PPP loan has been forgiven in full. Subsequently, TAP received a formal letter from the SBA. For the year ended June 30, 2023, TAP recorded \$552,976 as debt extinguishment revenue.

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

Debt obligations activity for the year ended June 30, 2023, is as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Due in one year
PPP Loan 1	\$ 466,595	\$ -	\$ (466,595)	\$ -	\$ -
PPP Loan 2	552,976	-	(552,976)	-	-
Notes payable	<u>1,411,703</u>	<u>-</u>	<u>(89,461)</u>	<u>1,322,242</u>	<u>157,589</u>
	<u><u>\$ 2,431,274</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,109,032)</u></u>	<u><u>1,322,242</u></u>	<u><u>\$ 157,589</u></u>
Less current portion				<u>157,589</u>	
Total long-term obligation				<u><u>\$ 1,164,653</u></u>	

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TAP's future payments of notes payable are as follows:

Year ended June 30,	Principal	Interest	Principal and Interest
2024	\$ 157,589	\$ 26,678	\$ 184,267
2025	161,171	23,096	184,267
2026	164,835	19,432	184,267
2027	168,582	15,685	184,267
2028	172,415	11,852	184,267
2029 - 2031	497,650	12,254	509,904
Total	\$ 1,322,242	\$ 108,997	\$ 1,431,239

Accrued compensated absences at year-end are included in current liabilities in the statement of net position and consists of the following activity during the year ended June 30, 2023.

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Due in one year
Compensated absences	\$ 363,265	\$ 605,467	\$ (557,835)	\$ 410,897	\$ 410,897

Note 9 - Operating lease

TAP entered into a sublease, which expired on June 30, 2022 and is in the process of being renewed, with the Donald P. & Katherine B. Loker University Student Union (the "Student Union") for rental of the food service area located in the Student Union building. Payments of rental fee are made by TAP on a quarterly basis. In addition, TAP pays rental fees based on commissions of the University Bookstore. Total rental fees paid for the year ended June 30, 2023 amounted to \$94,375.

Note 10 - Pension plans

TAP maintains a 403(b) retirement plan for all eligible employees with Voya Financial Retirement Insurance and Annuity Company ("Voya").

Plan description – Voya is an agent which provides variable individual and group annuities for retirement and tax-deferred savings plans at non-profit or publicly supported organizations. The contributions are invested and then disbursed at the time of the employee's retirement in the form of lifetime income or other payment.

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

For those employees hired prior to July 1, 2014, participants were required to contribute 2%-4.99% to receive an employer contribution amount equivalent to 4% of their compensation. For those employees hired after July 1, 2014, participants were required to contribute 5% or higher to receive an employer contribution amount equivalent to 8% of their compensation.

Annual pension cost – For the year ended June 30, 2023, TAP's annual Voya pension cost totaled \$333,667.

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Annual contributions from employees – For the year ended June 30, 2023, employees contributed \$272,554 to the Pension Plan (not including tax deferred elective deferrals to TAP's non-ERISA plan).

Note 11 - Postemployment healthcare benefits

Plan description

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

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

Age and years of service requirement	Percentage of employer contribution
59 1/2+ and 20 years of service	100
65+ and 15-19 years of service	75
65+ and 10-14 years of service	50

Employees hired prior to October 1, 2014 shall be eligible for postretirement health benefits (medical) and are eligible to receive 100% of the employer contribution set by the board of directors, provided they meet the vesting period requirement of five years of employment and have attained the age of 59 ½ as of the date of their retirement. This benefit continues for the life of the retiree and then for the life of a surviving spouse, if any. Retirees may select any retiree medical plan offered by AORMA – CSURMA, including spouse or family coverage, but must incur the cost of premiums exceeding the cap.

Total OPEB liability, fiduciary net position, and net OPEB liability

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

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

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Notes to Financial Statements June 30, 2023

be included in OPEB expense immediately. Projected earnings on the OPEB plan's investments also are required to be included in the determination of OPEB expense immediately.

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

U.S. GAAP requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Actuarial valuation date	June 30, 2021
Measurement date	June 30, 2022
Fiscal year end	June 30, 2023

Information about the OPEB plan

Inactive employees receiving benefits	14
Inactive employees entitled but not receiving benefits	-
Covered dependents of retirees	9
Participating active employees	19
	<hr/>
Total number of participants	42
	<hr/>

Actuarial methods and assumptions

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

TAP's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 rolled forward to determine the June 30, 2022 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry age normal
Discount rate	7.00%
Inflation	2.26%
Salary increases	3.25%
Net investment return	7.00%
Healthcare cost trend rate	Varies from 4.0% to 6.75%
Mortality rate	2017 CalPERS Experience Study
Pre-retirement turnover	2017 CalPERS Public Agency Miscellaneous experience study

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Notes to Financial Statements June 30, 2023

Changes in the OPEB liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Rollback balance - June 30, 2021	\$ 1,631,428	\$ 1,455,929	\$ 175,499
Service cost	22,261	-	22,261
Interest	110,345	-	110,345
Differences between expected and actual experience	17,725	-	17,725
Changes of assumptions	-	-	-
Net investment income	-	(279,832)	279,832
Benefit payments, including refunds of employee contributions	(157,307)	(157,307)	-
Employer contributions	-	247,142	(247,142)
Employee contributions	-	-	-
Administrative expense	-	(4,206)	4,206
Net change in Plan fiduciary net position	(6,976)	(194,203)	187,227
Balance at June 30, 2022	<u>\$ 1,624,452</u>	<u>\$ 1,261,726</u>	<u>\$ 362,726</u>

The net OPEB liability is shown as a noncurrent liability on the statement of net position.

Sensitivity of the net OPEB liability to changes in the discount and trend rate

The following presents the net OPEB liability of TAP if it were calculated using a discount rate and trend table that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	NOL/(A)	\$ Change	% Change
Discount rate:			
1%	\$ 213,252	\$ (149,474)	-41%
Base:	362,726	-	-
-1%	568,714	205,988	57%
Trend rate:			
1%	\$ 454,784	\$ 92,058	25%
Base:	362,726	-	-
-1%	297,679	(65,047)	-18%

Long-term expected rate of return

As of June 30, 2023, the long-term expected rates of return for each major investment class in the plan's portfolio are as follows:

Investment class	Target allocation	Assumed gross return
Equity	54.00%	5.66%
REITs	8.00%	5.08%
Fixed income	38.00%	1.12%
	<u>100.00%</u>	

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Notes to Financial Statements June 30, 2023

Discount rate

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

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

	June 30, 2022	June 30, 2021
Discount rate	7.00%	7.00%
Bond Buyer 20-Bond GO Index	NA	2.16%

Recognition of deferred outflows and deferred inflows of resources

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

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

Net difference between projected and actual earnings of		
OPEB plan investments	5 years	
All other amounts	Expected Average Remaining Service Lifetime	

OPEB expense and deferred outflows/inflows of resources related to OPEB

As of fiscal year ended June 30, 2023, TAP reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience in the measurement of the total OPEB liability	\$ 90,324	\$ 257,007
Changes in assumptions	-	163,944
Net difference between projected and actual earnings of OPEB plan investments	206,014	-
Employer contributions made after June 30, 2022	186,128	-
Total	\$ 482,466	\$ 420,951

California State University, Dominguez Hills Toro Auxiliary Partners

Notes to Financial Statements June 30, 2023

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

Year ended June 30,	Deferred outflows/(inflows) of resources
2024	\$ 9,701
2025	7,537
2026	1,610
2027	40,194
2028	(36,743)
Thereafter	<u>(146,912)</u>
Total	<u>\$ (124,613)</u>

For the measurement period ended June 30, 2022, TAP recognized OPEB expense of \$41,321.

Service cost	\$ 22,261
Interest on the total OPEB liability	110,345
Changes in benefit terms	-
Recognized differences between expected and actual experience	(15,669)
Recognized changes of assumptions	(21,074)
Employer contributions	-
Projected earnings on OPEB plan investments	(104,861)
Recognized differences between projected and actual earnings on plan investments	46,113
Administrative expense	4,206
Other changes in fiduciary net position	-
Aggregate OPEB expense	<u>\$ 41,321</u>

Interest on the total OPEB liability

For the measurement period ended June 30, 2022, TAP reported interest on the total OPEB liability from the following:

	Amount for period a	Portion of period b	Interest rate c	Interest on the total OPEB liability a*b*c
Beginning total OPEB liability	\$ 1,631,428	100.00%	7%	\$ 114,200
Service cost	22,261	100.00%	7%	1,558
Benefit payments, including refunds of employee contributions	(157,307)	49.16%	7%	<u>(5,413)</u>
Total				<u>\$ 110,345</u>

California State University, Dominguez Hills Toro Auxiliary Partners

Notes to Financial Statements June 30, 2023

Earnings on plan fiduciary net position

For the measurement period ended June 30, 2022, TAP reported earnings on plan fiduciary net position from the following:

	Amount for period a	Portion of period b	Projected rate of return c	Projected earnings a*b*c
Beginning plan fiduciary net position	\$ 1,455,929	100%	7%	\$ 101,915
Employer contributions	247,142	49.16%	7%	8,504
Employee contributions	-	49.16%	7%	-
Benefit payments, including refunds of employee contributions	(157,307)	49.16%	7%	(5,413)
Administrative expense and other	(4,206)	49.16%	7%	<u>(145)</u>
Total				\$ 104,861

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

Total projected earnings	\$ 104,861
Actuarial net investment income	<u>(279,832)</u>
Net difference between projected and actual earnings on investments	\$ 384,693

Funding status and funding progress

Beginning in fiscal year ended June 2011, TAP participated in the Auxiliaries Multiple Employer Voluntary Employees Beneficiary Association ("VEBA") and contributed \$45,000 in fiscal year ended June 30, 2013. TAP contributed an additional \$50,000 for the 2015-16 fiscal year. In the 2016-17 fiscal year, TAP contributed an additional \$293,962. The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding postretirement healthcare benefits for recognized auxiliaries of the California State University System. The total fair market value of assets in the Auxiliaries Multiple Employer VEBA as of June 30, 2023 was \$1,402,066.

The fair value composition of the Voluntary Employees Beneficiary Association consists of the following at June 30, 2023:

	Level 1	Level 2	Level 3	Investments at NAV	Total
Domestic equity	\$ 574,884	\$ -	\$ -	\$ -	\$ 574,884
Fixed income	532,049	-	-	-	532,049
International equity	173,047	-	-	-	173,047
Real estate	122,086	-	-	-	122,086
Total investments	\$ 1,402,066	\$ -	\$ -	\$ -	\$ 1,402,066

In accordance with GASB 75, TAP has recorded the cost and obligation of these benefits in the basic financial statements.

California State University, Dominguez Hills Toro Auxiliary Partners

Notes to Financial Statements **June 30, 2023**

Note 12 - Commitments and contingencies

The operation of the University Bookstore is contracted to an outside vendor whose contract expired in May 2014 and was subsequently renewed. Effective June 1, 2014, to May 31, 2024, TAP will receive fees equal to 16.1% of the first \$6,000,000 in bookstore sales and 17.1% of all revenues over \$6,000,000. The fees, which totaled \$476,447 for the year ended June 30, 2023, are included in sales and services of auxiliary enterprises.

In January 1995, TAP entered into an agreement with an external vendor to provide vending services for the University. The agreement was originally for one year commencing January 5, 1995, and automatically renews annually. In connection with the contract, TAP receives 25% of all vending revenues as commission. The revenues received on this contract, included in sales and services of auxiliary enterprises, for the year ended June 30, 2023, amounted to \$13,868.

TAP entered into a sponsorship agreement with Pepsi to give exclusive beverage availability and merchandising rights on the University campus for a five-year period beginning January 2015. In December 2017, an amendment was entered into that extended the agreement for a five-year period beyond the initial term, such that the new expiration date of the agreement is December 31, 2023, and the full term of the agreement is now the nine-year period from January 1, 2015, to December 31, 2023. In connection with the contract, the sponsor agreed to pay TAP up front commissions each year, annual product donations, and sales-based commission. The commission received on this contract, included in sales and services of auxiliary enterprises, for the year ended June 30, 2023, amounted to \$42,471.

Aramark agreement

On July 5, 2022, the University and TAP entered a campus dining partnership with Aramark, a national food services hospitality service vendor. The 10-year partnership agreement makes Aramark the exclusive food service provider for the University while providing strategic capital investments, sponsorships, and other innovative programs. These expenses will flow through to TAP from Aramark's monthly operating statement after being offset by related revenue.

The agreement is dated September 7, 2022, commenced on July 5, 2022, and is in the initial three years of the agreement, TAP participates in surpluses and subsidizes losses using a cost-plus management fee model. When Aramark reports a monthly surplus, TAP pays a 3% management fee based on revenue which excludes sales from catering; in year one, the management fee was waived. When Aramark reports a loss, TAP subsidizes the loss to make Aramark whole.

In years four through ten, the agreement converts into a profit and loss model. When a particular month reports a surplus, then TAP will profit share with Aramark by taking a commission which starts at 6% and is based on revenue tiers. When a particular month reports a deficit, then TAP subsidizes the loss to make Aramark whole.

Upon execution, Aramark provided an advance in the form of a restricted reimbursable grant for \$1,500,000 with a \$250,000 cap for the purchase of smallwares. Aramark will recoup the grant each month with a \$12,500 expense through its operating statement over the life of the agreement.

For the year ended June 30, 2023, Aramark's year one loss was \$1,603,541. In July 2023, TAP and Aramark amended the terms of the agreement, with the amendment being effective April 1, 2023, which amended the original agreement to make the maximum operating subsidy for which TAP shall be responsible to reimburse Aramark in year one of \$712,000.

California State University, Dominguez Hills Toro Auxiliary Partners

Notes to Financial Statements **June 30, 2023**

Grants and Contracts

Amounts received or claimed from federal and state agencies are subject to audit and any claims may constitute a liability of applicable funds. The amount, if any, of expenses which may be potentially disallowed cannot be determined at this time. TAP expects such amounts, if any, to be insignificant as of June 30, 2023.

Litigation

TAP is subject to certain claims that arise out of the normal operations of TAP. In the opinion of management, TAP has sufficient liability insurance to cover any such claims, and these matters will not have a material effect on the financial position of TAP if disposed of unfavorably.

Note 13 - Transactions with related parties

California State University, Dominguez Hills (the "University")

TAP and the University provide various services on each other's behalf. Such services are appropriately billed. Amounts payable to the University at June 30, 2023 totaled \$978,347. Amounts receivable from the University totaled \$281,595 at June 30, 2023.

TAP made payments of \$6,424,055 to the University during the current fiscal year based on the agreements. Amounts paid to TAP during fiscal year 2022-23 totaled \$2,793,274.

Associated Students, Inc., California State University, Dominguez Hills ("ASI")

TAP and ASI provide various services on each other's behalf. Such services are appropriately billed. Amounts payable to ASI at June 30, 2023 totaled \$0. Amounts receivable from ASI totaled \$25,751.

TAP made payments of \$0 to ASI during the current fiscal year based on the agreements. Amounts paid to TAP during fiscal year 2022-23 totaled \$2,629,607.

The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills ("USU")

TAP and USU provide various services on each other's behalf. Such services are appropriately billed. Amounts payable to USU at June 30, 2023 totaled \$213,609. Amounts receivable from USU totaled \$129,697.

TAP made payments of \$580,173 to USU during the current fiscal year based on the agreements. Amounts paid to TAP during fiscal year 2022-23 totaled \$4,015,163.

California State University, Dominguez Hills Philanthropic Foundation (the "Foundation")

TAP and the Foundation provide various services on each other's behalf. Such services are appropriately billed. Amounts payable to the Foundation at June 30, 2023 totaled \$0. Amounts receivable from the Foundation totaled \$0.

TAP made payments of \$1,383,936 to the Foundation during the current fiscal year based on the agreements. Amounts paid to TAP during fiscal year 2022-23 totaled \$201,900.

Note 14 - Subsequent events

In July 2023, TAP entered into an amendment of their Aramark agreement (see Note 12), creating a maximum operating subsidy for which TAP shall be responsible to reimburse Aramark in year one of the agreement to \$712,000.

Required Supplementary Information

California State University, Dominguez Hills Toro Auxiliary Partners

Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
June 30, 2023¹
(Unaudited)

The following reflects changes in net OPEB liability for the measurement periods ending June 30:

Total OPEB Liability	2023	2022	2021	2020	2019	2018
Service cost	\$ 22,261	\$ 30,797	\$ 29,330	\$ 53,266	\$ 50,730	\$ 48,314
Interest	110,345	118,466	120,098	141,737	138,988	135,706
Differences between expected and actual experience	17,725	93,975	(28,240)	(312,654)	(7,683)	(18,032)
Changes of assumptions	-	(183,114)	-	(27,064)	-	-
Benefit payments, including refunds of employee contributions	(157,307)	(177,518)	(115,492)	(164,635)	(126,600)	(116,595)
Net change in Total OPEB Liability	(6,976)	(117,394)	5,696	(309,350)	55,435	49,393
Total OPEB Liability - beginning <a>	<u>1,631,428</u>	<u>1,748,822</u>	<u>1,743,126</u>	<u>2,052,476</u>	<u>1,997,041</u>	<u>1,947,648</u>
Total OPEB Liability - ending 	<u>\$ 1,624,452</u>	<u>\$ 1,631,428</u>	<u>\$ 1,748,822</u>	<u>\$ 1,743,126</u>	<u>\$ 2,052,476</u>	<u>\$ 1,997,041</u>
<u>Plan Fiduciary Net Position</u>						
Contribution - employer	\$ 247,142	\$ 361,533	\$ 115,492	\$ 488,743	\$ 126,600	\$ 561,705
Net investment income	(279,832)	269,551	38,215	42,710	41,414	24,478
Benefit payments, including refunds of employee contributions	(157,307)	(177,518)	(115,492)	(164,635)	(126,600)	(116,595)
Administrative expense	(4,206)	(3,480)	(3,159)	(3,153)	(4,203)	(1,159)
Net change in Plan Fiduciary Net Position	(194,203)	450,086	35,056	363,665	37,211	468,429
Plan Fiduciary Net Position - beginning <c>	<u>1,455,929</u>	<u>1,005,843</u>	<u>970,787</u>	<u>607,122</u>	<u>569,911</u>	<u>101,482</u>
Plan Fiduciary Net Position - ending <d>	<u>1,261,726</u>	<u>1,455,929</u>	<u>1,005,843</u>	<u>970,787</u>	<u>607,122</u>	<u>569,911</u>
Net OPEB Liability - beginning <a> - <c>	175,499	742,979	772,339	1,445,354	1,427,130	1,846,166
Net OPEB Liability - ending - <d>	<u>\$ 362,726</u>	<u>\$ 175,499</u>	<u>\$ 742,979</u>	<u>\$ 772,339</u>	<u>\$ 1,445,354</u>	<u>\$ 1,427,130</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	78%	89%	58%	56%	30%	29%
Covered-employee payroll	\$ 1,300,587	N/A	\$ 1,856,700	\$ 2,429,811	\$ 2,148,798	\$ 3,006,483
Plan Net OPEB Liability as a percentage of covered-employee payroll	28%	N/A	40%	32%	67%	47%

(1) Historical information is required only for measurement periods for which GASB Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("GASB 75") is applicable. Eventually, 10 years of data will be shown.

See Independent Auditor's Report.

California State University, Dominguez Hills Toro Auxiliary Partners

Schedule of Other Postemployment Benefits Contributions
June 30, 2023¹
(Unaudited)

The following reflects the contribution toward the plan during the measurement periods ending June 30:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarial determined contributions	\$ 38,951	\$ 91,509	\$ 92,506	\$ 164,907	\$ 519,405	\$ 519,405
Contributions to the trust	89,835	184,015	-	324,108	-	445,110
Pay-go payments by employer unreimbursed by the trust	121,905	135,622	115,492	136,697	126,600	116,595
Active implicit rate subsidy transferred to OPEB	35,402	41,896	-	27,938	-	-
Total OPEB Contributions	247,142	361,533	115,492	488,743	126,600	561,705
Contribution deficiency (excess)	<u>\$ (208,191)</u>	<u>\$ (270,024)</u>	<u>\$ (22,986)</u>	<u>\$ (323,836)</u>	<u>\$ 392,805</u>	<u>\$ (42,300)</u>
Covered-employee payroll	\$ 1,300,587	N/A	\$ 1,856,700	\$ 2,429,811	\$ 2,148,798	\$ 3,006,483
Contributions as a percentage of covered-employee payroll	19%	N/A	6%	20%	6%	19%

(1) Historical information is required only for measurement periods for which GASB Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("GASB 75") is applicable. Eventually, 10 years of data will be shown.

Changes of Benefit Terms: The plan had no changes in benefit terms since the previous valuation.

Changes in Assumptions: The plan had no changes in assumptions since the previous valuation.

Actuarial methods and assumptions

Actuarial Cost Method	Entry age normal
Discount rate	7.00%
Inflation	2.26%
Salary increases	3.25%
Net investment return	7.00%
Healthcare cost trend rate	Varies from 4.0% to 6.75%
Mortality rate	2017 CalPERS Experience Study
Pre-retirement turnover	2017 CalPERS Public Agency Miscellaneous experience study

See Independent Auditor's Report.

Supplementary Information

California State University, Dominguez Hills Toro Auxiliary Partners

Schedule of Net Position June 30, 2023 (for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 7,842,115
Short-term investments	-
Accounts receivable, net	8,370,732
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	67,279
Total current assets	<u>16,280,126</u>
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	5,746,669
Capital assets, net	388,170
Other assets	26,790
Total noncurrent assets	<u>6,161,629</u>
Total assets	<u>22,441,755</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	482,466
Leases	-
P3	-
Others	-
Total deferred outflows of resources	<u>482,466</u>
Liabilities:	
Current liabilities:	
Accounts payable	2,423,473
Accrued salaries and benefits	505,845
Accrued compensated absences, current portion	410,897
Unearned revenues	6,009,005
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	157,589
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	1,766,660
Total current liabilities	<u>11,273,469</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	1,164,653
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	362,726
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	<u>1,527,379</u>
Total liabilities	<u>12,800,848</u>
Deferred inflows of resources:	
P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	420,951
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-
Total deferred inflows of resources	<u>420,951</u>
Net position:	
Net investment in capital assets	388,170
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	9,314,252
Total net position	<u>\$ 9,702,422</u>

See Independent Auditor's Report.

California State University, Dominguez Hills Toro Auxiliary Partners

Schedule of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2023 (for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees, gross	\$ -
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	18,398,052
State	1,563,913
Local	-
Nongovernmental	2,277,037
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	1,973,596
Scholarship allowances (enter as negative)	-
Other operating revenues	5,248,005
Total operating revenues	
	29,460,603

Expenses:

Operating expenses:

Instruction	4,355,228
Research	6,913,006
Public service	-
Academic support	6,658,716
Student services	2,574,191
Institutional support	908,483
Operation and maintenance of plant	-
Student grants and scholarships	54,933
Auxiliary enterprise expenses	5,601,376
Depreciation and amortization	121,014
Total operating expenses	
	27,186,947

Operating income (loss)

Nonoperating revenues (expenses):

State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	843,258
Endowment income (loss), net	-
Interest expense	(4,342)
Other nonoperating revenues (expenses)	1,077,976
Net nonoperating revenues (expenses)	
	1,916,892

Income (loss) before other revenues (expenses)

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	
	4,190,548
Net position:	
Net position at beginning of year, as previously reported	5,511,874
Restatements	-
Net position at beginning of year, as restated	5,511,874
Net position at end of year	\$ 9,702,422

See Independent Auditor's Report.

California State University, Dominguez Hills Toro Auxiliary Partners

Other Information June 30, 2023 (for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$ -
All other restricted cash and cash equivalents	- -
Noncurrent restricted cash and cash equivalents	- -
Current cash and cash equivalents	7,842,115
Total	<u>7,842,115</u>

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	\$ 330,365	\$ 330,365
Repurchase agreements	- -	- -	- -
Certificates of deposit	- -	- -	- -
U.S. agency securities	- -	- -	- -
U.S. treasury securities	- -	164,276	164,276
Municipal bonds	- -	87,667	87,667
Corporate bonds	- -	188,533	188,533
Asset-backed securities	- -	- -	- -
Mortgage-backed securities	- -	- -	- -
Commercial paper	- -	- -	- -
Supranational	- -	- -	- -
Mutual funds	- -	2,020,034	2,020,034
Exchange-traded funds	- -	- -	- -
Equity securities	- -	1,980,030	1,980,030
Alternative investments:			
Private equity (including limited partnerships)	- -	- -	- -
Hedge funds	- -	806,806	806,806
Managed futures	- -	- -	- -
Real estate investments (including REITs)	- -	168,958	168,958
Commodities	- -	- -	- -
Derivatives	- -	- -	- -
Other alternative investments	- -	- -	- -
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:			
None	- -	- -	- -
Total other investments	- -	- -	- -
Total investments	- -	5,746,669	5,746,669
Less endowment investments (enter as negative number)			
Total investments, net of endowments	\$ - -	\$ 5,746,669	\$ 5,746,669

See Independent Auditor's Report.

California State University, Dominguez Hills Toro Auxiliary Partners

Other Information
June 30, 2023
(for inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ 330,365	\$ 330,365	-	-	\$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	164,276	-	164,276	-	-
Municipal bonds	87,667	-	87,667	-	-
Corporate bonds	188,533	-	188,533	-	-
Asset-backed securities	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	2,020,034	2,020,034	-	-	-
Exchange-traded funds	-	-	-	-	-
Equity securities	1,980,030	1,980,030	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	806,806	-	-	-	806,806
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	168,958	-	-	-	168,958
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investments	-	-	-	-	-
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:					
None	-	-	-	-	-
Total other investments	-	-	-	-	-
Total investments	\$ 5,746,669	\$ 4,330,429	\$ 440,476	\$ -	\$ 975,764

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):

See Independent Auditor's Report.

California State University, Dominguez Hills Toro Auxiliary Partners

Other Information June 30, 2023 (for inclusion in the California State University)

3.1 Capital Assets, excluding ROU assets:

<u>Composition of capital assets, excluding ROU assets:</u>	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2022 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Works of art and historical treasures	- -	- -	- -	- -	- -	- -	- -	- -	- -
Construction work in progress (CWIP)	- -	- -	- -	- -	- -	63,541	- -	- -	63,541
Intangible assets:									
Rights and easements	- -	- -	- -	- -	- -	- -	- -	- -	- -
Patents, copyrights and trademarks	- -	- -	- -	- -	- -	- -	- -	- -	- -
Intangible assets in progress (PWIP)	- -	- -	- -	- -	- -	- -	- -	- -	- -
Licenses and permits									
Other intangible assets:									
None	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total Other intangible assets	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total intangible assets	- -	- -	- -	- -	- -	63,541	- -	- -	63,541
Total non-depreciable/non-amortizable capital assets	63,541	- -	- -	- -	- -	63,541	- -	- -	63,541
Depreciable/Amortizable capital assets:									
Buildings and building improvements	- -	- -	- -	- -	- -	- -	- -	- -	- -
Improvements, other than buildings	- -	- -	- -	- -	- -	- -	- -	- -	- -
Infrastructure	- -	- -	- -	- -	- -	- -	- -	- -	- -
Leasold improvements	498,130	- -	- -	- -	498,130	21,705	- -	- -	519,835
Personal property:									
Equipment	367,725	- -	- -	- -	367,725	19,398	- -	- -	387,123
Library books and materials	- -	- -	- -	- -	- -	- -	- -	- -	- -
Intangible assets:									
Software and websites	- -	- -	- -	- -	- -	- -	- -	- -	- -
Rights and easements	- -	- -	- -	- -	- -	- -	- -	- -	- -
Patents, copyrights and trademarks	- -	- -	- -	- -	- -	- -	- -	- -	- -
Licenses and permits	- -	- -	- -	- -	- -	- -	- -	- -	- -
Other intangible assets:									
None	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total Other intangible assets:	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total intangible assets	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total depreciateable/amortizable capital assets	865,855	- -	- -	- -	865,855	41,103	- -	- -	906,958
Total capital assets	865,855	- -	- -	- -	865,855	104,644	- -	- -	970,499
Less accumulated depreciation/amortization:									
Buildings and building improvements	- -	- -	- -	- -	- -	- -	- -	- -	- -
Improvements, other than buildings	- -	- -	- -	- -	- -	- -	- -	- -	- -
Infrastructure	- -	- -	- -	- -	- -	- -	- -	- -	- -
Leasold improvements	(132,108)	- -	- -	- -	(132,108)	(101,741)	- -	- -	(233,849)
Personal property:									
Equipment	(329,207)	- -	- -	- -	(329,207)	(19,273)	- -	- -	(348,480)
Library books and materials	- -	- -	- -	- -	- -	- -	- -	- -	- -
Intangible assets:									
Software and websites	- -	- -	- -	- -	- -	- -	- -	- -	- -
Rights and easements	- -	- -	- -	- -	- -	- -	- -	- -	- -
Patents, copyrights and trademarks	- -	- -	- -	- -	- -	- -	- -	- -	- -
Licenses and permits	- -	- -	- -	- -	- -	- -	- -	- -	- -
Other intangible assets:									
None	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total Other intangible assets:	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total intangible assets	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total accumulated depreciation/amortization	(461,315)	- -	- -	- -	(461,315)	(121,014)	- -	- -	(582,329)
Total capital assets, net excluding ROU assets	\$ 404,540	\$ -	\$ -	\$ -	\$ 404,540	\$ (16,370)	\$ -	\$ -	\$ 388,170

See Independent Auditor's Report.

California State University, Dominguez Hills Toro Auxiliary Partners

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Capital Assets, Right of Use

	Balance June 30, 2022	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Composition of capital assets - Lease ROU, net:									
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-depreciable/non-amortizable lease assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciable/Amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable lease assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets - lease ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Composition of capital assets - SBITA ROU, net:									
	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Depreciable/Amortizable SBITA assets:									
Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total depreciable/amortizable SBITA assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets - SBITA ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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California State University, Dominguez Hills Toro Auxiliary Partners

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<u>Composition of capital assets - P3 ROU, net:</u>	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-depreciable/non-amortizable P3 assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciable/Amortizable P3 assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings and building improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Improvements, other than buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal property:									
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total depreciable/amortizable P3 assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less accumulated depreciation/amortization:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings and building improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Improvements, other than buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal property:									
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total accumulated depreciation/amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets - P3 ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets, net including ROU assets									\$ 388,170

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 121,014
Amortization expense - Leases ROU	\$ -
Amortization expense - SBITA ROU	\$ -
Amortization expense - P3 ROU	\$ -
Depreciation and Amortization expense - Others	\$ -
Total depreciation and amortization	\$ 121,014

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California State University, Dominguez Hills Toro Auxiliary Partners

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4 Long-term liabilities:

	Balance June 30, 2022	Prior Period Adjustments/ Reclassifications	Balance June 30, 2022 (Restated)	Additions	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 363,265	\$ -	\$ 363,265	\$ 605,467	\$ (557,835)	\$ 410,897	\$ 410,897	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	-\$ -	-\$ -	-\$ -	-\$ -	-\$ -	-\$ -	-\$ -	-\$ -
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 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:								
PPP Loans	1,019,571	-	1,019,571	-	(1,019,571)	-	-	-
Other Notes payable	1,411,703	-	1,411,703	-	(89,461)	1,322,242	157,589	1,164,653
Total others	2,431,274	-	2,431,274	-	(1,109,032)	1,322,242	157,589	1,164,653
Sub-total long-term debt	2,431,274	-\$ -	2,431,274	-\$ -	(1,109,032)	1,322,242	157,589	1,164,653
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	\$ 2,431,274	\$ -	\$ 2,431,274	\$ -	\$ (1,109,032)	\$ 1,322,242	\$ 157,589	\$ 1,164,653
5. Lease, SBITA, P3 liabilities:								
Lease liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Lease, SBITA, P3 liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,733,139	\$ 568,486	\$ 1,164,653

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5 Future minimum payments schedule - leases, SBITA, P3:

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:												
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: amounts representing interest												
Present value of future minimum payments												
Total Leases, SBITA, P3 liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: current portion												
Leases, SBITA, P3 liabilities, net of current portion												

6 Future minimum payments schedule - Long-term debt obligations:

	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:									
2024	\$ -	\$ -	\$ -	\$ 157,589	\$ -	\$ 157,589	\$ 157,589	\$ -	\$ 157,589
2025	-	-	-	161,171	-	161,171	161,171	-	161,171
2026	-	-	-	164,835	-	164,835	164,835	-	164,835
2027	-	-	-	168,582	-	168,582	168,582	-	168,582
2028	-	-	-	172,415	-	172,415	172,415	-	172,415
2029 - 2033	-	-	-	497,650	-	497,650	497,650	-	497,650
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	\$ -	\$ -	\$ 1,322,242	\$ -	\$ 1,322,242	\$ 1,322,242	\$ -	\$ 1,322,242
Less: amounts representing interest									
Present value of future minimum payments									
Unadjusted net premium(discount)									
Total long-term debt obligations	\$ -	\$ -	\$ -	\$ 1,322,242	\$ -	\$ 1,322,242	\$ 1,322,242	\$ -	\$ 1,322,242
Less: current portion									
Long-term debt obligations, net of current portion									

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 2,291,453
Payments to University for other than salaries of University personnel	4,132,602
Payments received from University for services, space, and programs	2,793,274
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	(978,347)
Other amounts payable to University	-
Accounts receivable from University	281,595
Other amounts receivable from University	-

8 Restatements

	Debit/Credit
Restatement #1	None
Restatement #2	None

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California State University, Dominguez Hills Toro Auxiliary Partners

Other Information June 30, 2023 (for inclusion in the California State University)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ 2,501,530	\$ 399,384	\$ 29,509	\$ -	\$ 1,424,805	\$ 2,335,227	\$ -	\$ 4,355,228
Research	3,892,366	622,847	62,566	-	-	-	-	6,913,006
Public service	-	-	-	-	-	-	-	-
Academic support	3,100,953	483,690	41,452	-	-	3,032,621	-	6,658,716
Student services	1,294,934	308,477	60,217	-	-	910,563	-	2,574,191
Institutional support	360,411	79,331	955	-	-	467,786	-	908,483
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	54,933	-	-	54,933
Auxiliary enterprise expenses	2,384,998	453,087	133,630	129,732	-	2,499,929	-	5,601,376
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	\$ 13,535,192	\$ 2,346,816	\$ 328,329	\$ 129,732	\$ 54,933	\$ 10,670,931	\$ 121,014	\$ 27,186,947

Select type of pension plan >>

Defined Benefit Plan

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	482,466
Deferred outflows - leases	-
Deferred outflows - P3	-
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	\$ 482,466

2. Deferred Inflows of Resources

Deferred inflows - P3 service concession arrangements	\$ -
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	420,951
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	-
Deferred inflows - leases	-
Deferred inflows - P3	-
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	\$ 420,951

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	\$ 1,077,976
Other nonoperating (expenses)	-
Total other nonoperating revenues (expenses)	\$ 1,077,976

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Description Assets	DPCU - Fiduciary Funds Net Position						Total
	Pension trust funds Net Position 992	Other employee benefit trust funds Net Position 993	Investment trust funds Net Position 994	Private-purpose trust funds Net Position 995	Custodial funds Net Position 996		
Current assets:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	268,823	\$ 268,823
Short-term investments	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-
Lease receivable, current portion	-	-	-	-	-	-	-
P3 receivable, current portion	-	-	-	-	-	-	-
Notes receivable, current portion	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-	-	-
Total current assets	-	-	-	-	-	268,823	268,823
Noncurrent assets:							
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-
Lease receivable, net of current portion	-	-	-	-	-	-	-
P3 receivable, net of current portion	-	-	-	-	-	-	-
Notes receivable, net of current portion	-	-	-	-	-	-	-
Student loans receivable, net	-	-	-	-	-	-	-
Pledges receivable, net	-	-	-	-	-	-	-
Endowment investments	-	-	-	-	-	-	-
Other long-term investments	-	-	-	-	-	-	-
Capital assets, net	-	-	-	-	-	-	-
Capital assets, net - lease ROU	-	-	-	-	-	-	-
Capital assets, net - SBITA ROU	-	-	-	-	-	-	-
Capital assets, net - P3 ROU	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	268,823	268,823
Total assets	-	-	-	-	-	268,823	268,823
Deferred outflows of resources:							
Unamortized loss on debt refunding	-	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-
P3	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-

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Liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current liabilities:									
Accounts payable	-	-	-	-	-	-	5,450	5,450	5,450
Accrued salaries and benefits	-	-	-	-	-	-	2,964	2,964	2,964
Accrued compensated absences, current portion	-	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-	-
Lease liabilities, current portion	-	-	-	-	-	-	-	-	-
SBITA liabilities - current portion	-	-	-	-	-	-	-	-	-
P3 liabilities - 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	-	-	-	-	-	-	8,414	8,414	8,414
Noncurrent liabilities:									
Accrued compensated absences, net of current portion	-	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-	-
Grants refundable	-	-	-	-	-	-	-	-	-
Lease liabilities, net of current portion	-	-	-	-	-	-	-	-	-
SBITA liabilities, net of current portion	-	-	-	-	-	-	-	-	-
P3 liabilities, 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	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	8,414	8,414	8,414
Deferred inflows of resources:									
P3 service concession arrangements	-	-	-	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-	-	-	-
Unamortized gain on debt refunding	-	-	-	-	-	-	-	-	-
Nonexchange transactions	-	-	-	-	-	-	-	-	-
Lease	-	-	-	-	-	-	-	-	-
P3	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-
Net position									
Total ending net position	\$	-	\$	-	\$	-	\$	260,409	\$
	260,409		260,409		260,409		260,409		260,409

See Independent Auditor's Report.

California State University, Dominguez Hills Toro Auxiliary Partners

Other Information
June 30, 2023
(for inclusion in the California State University)

GAAP Account	Description	DPCU - Fiduciary Funds Net Position						Total
		Pension trust funds Net Position 992	Other employee benefit trust funds Net Position 993	Investment trust funds Net Position 994	Private-purpose trust funds Net Position 995	Custodial funds Net Position 996		
Additions	Contributions from employers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	Contributions from nonemployer contributing entities	-	-	-	-	-	-	-
Additions	Contributions from plan members	-	-	-	-	-	-	-
Additions	Contributions from all sources	-	-	-	-	-	-	-
Additions	Investment earnings	-	-	-	-	-	-	-
Additions	Investment costs	-	-	-	-	-	-	-
Additions	Program Income	-	-	-	-	-	192,666	192,666
Additions	Gifts	-	-	-	-	-	1,028	1,028
Additions	Other income	-	-	-	-	-	273,500	273,500
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Additions		-	-	-	-	-	-	-
Total Additions		-	-	-	-	-	467,194	467,194
Deductions	Benefit payments to plan members	-	-	-	-	-	-	-
Deductions	Total administrative expenses	-	-	-	-	-	46,453	46,453
Deductions	Benefit payments	-	-	-	-	-	-	-
Deductions	Redemptions	-	-	-	-	-	-	-
Deductions	Distributions	-	-	-	-	-	363,281	363,281
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Deductions		-	-	-	-	-	-	-
Total Deductions		-	-	-	-	-	409,734	409,734
Increase (decrease) in net position		-	-	-	-	-	57,460	57,460
Net position at beginning of year, as previously reported		-	-	-	-	-	-	-
Restatements		-	-	-	-	-	202,949	202,949
Net position at beginning of year, as restated		-	-	-	-	-	202,949	202,949
Net position at end of year		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,409	\$ 260,409

See Independent Auditor's Report.

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
California State University, Dominguez Hills Toro Auxiliary Partners
(A California State University Auxiliary Organization)

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of California State University, Dominguez Hills Toro Auxiliary Partners ("TAP") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise TAP's basic financial statements, and have issued our report thereon dated December 19, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered TAP's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TAP's internal control. Accordingly, we do not express an opinion on the effectiveness of TAP'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 were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether TAP'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

TAP's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Los Angeles, California

December 19, 2024

California State University, Dominguez Hills Toro Auxiliary Partners

Schedule of Findings and Responses

Year Ended June 30, 2023

Finding No. 2023-001

Criteria

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

Condition / Context

During the year ended June 30, 2023, it was identified that expenditures related to grants and contracts were improperly excluded from revenues and expenses in the current and prior period.

Cause

Proper controls were not in place to ensure that grant and contract expenditures and related revenues were recorded in the proper period.

Effect

Audit adjustments of \$1,321,466 for the year ended June 30, 2023 were required to increase accounts receivable, accounts payable and accrued liabilities, grants and contracts revenues, and research expenditures to correctly record grant operations in the proper periods.

Repeat Finding

Yes, see prior year finding 2022-001

Auditor's Recommendation

TAP should reinforce existing policies and update policies to reflect all the processes regarding proper cut-off of grant and contract operations.

Management Response

Management has reviewed TAP's existing policies and related internal controls, and implemented controls to ensure all processes regarding the proper recognition of expenses and revenues are accurately recorded to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.



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