

CSULB 49ER FOUNDATION
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2021 AND 2020



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INDEPENDENT AUDITORS' REPORT

Board of Directors
CSULB 49er Foundation
Long Beach, California

Report on the Financial Statements

We have audited the accompanying financial statements of CSULB 49er Foundation (a component unit of California State University, Long Beach), which comprises the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CSULB 49er Foundation as of June 30, 2021 and 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CSULB 49er Foundation's basic financial statements. The schedule of net position, the schedule of revenues, expenses, and changes in net position, and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of the CSULB 49er Foundation, referred to above, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2021, on our consideration of CSULB 49er Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness CSULB 49er Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CSULB 49er Foundation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Glendora, California
September 15, 2021

**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Executive Summary

The mission of the CSULB 49er Foundation is to actively promote philanthropy and manage donated resources for the advancement of Cal State University, Long Beach. The following Management Discussion and Analysis will review the financial statements for fiscal year 2021 as compared to 2020. The CSULB 49er Foundation had its third consecutive highest fundraising year on record. The giving levels have enabled the endowment to reach over \$100 million for the first time in the Foundation's history.

For fiscal year 2021, total assets increased \$36,034,079, total liabilities and deferred inflows increased by \$1,422,566, the 49er Foundation's endowment reached \$109,666,865 at June 30, 2021 and total net assets increased by \$34,611,513. The operating loss decreased by \$1,311,281, and nonoperating revenue increased by \$19,452,612.

For fiscal year 2021, the foundation created over 35 new scholarships and 34 pledges of over \$100,000 or more. For fiscal year 2021, the foundation received 13 pledge payments of over \$100,000 or more, the largest being \$3,000,000.

Throughout the COVID-19 pandemic requirements to limit staff on campus, the CSULB 49er Foundation continued to meet expectations of gift management, stewardship, investment, and oversight. The continued duration and impact of the COVID-19 outbreak is unknown currently, as is the continued impact of government and economic interventions

In fiscal year 2021, the CSULB 49er Foundation Board of Directors provided more than 200 service hours in support of the Foundation's efforts to maintain operations virtually, provided a multi-year operating budget allocation, and a one-time Campaign investment through the fiscal year ended June 30, 2025.

**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the CSULB 49er Foundation (the 49er Foundation) for the years ended June 30, 2021 and 2020. The discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto, which follow this section.

The 49er Foundation is a nonprofit organization formed to support and advance the philanthropic mission of California State University, Long Beach (the University). To fulfill this mission, the 49er Foundation actively promotes philanthropy and manages donated resources for the advancement of the University.

Using the Financial Statements

The 49er Foundation's financial report includes three statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) principles. GASB establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a consolidated basis to focus on the reporting entity as a whole, with resources classified for accounting and reporting purposes into the following four net position categories:

- Net investments in capital assets
- Restricted, non-expendable
- Restricted, expendable
- Unrestricted

**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Statement of Net Position

The statement of net position presents the financial position of the 49er Foundation at the end of the fiscal year and includes all assets, liabilities, and deferred inflows of resources. The difference between total assets, total liabilities, and total deferred inflows of resources – net position – is one indicator of the current financial condition of the 49er Foundation, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. For the purpose of distinguishing between current and noncurrent assets and liabilities, current assets and liabilities are those that can be reasonably expected to either generate or use cash, as part of normal business operations, within one year of the financial statement date. A summary of the 49er Foundation's assets, liabilities, and net assets at June 30, is as follows:

	June 30,		
	2021	2020	2019
Current Assets			
Cash and Short Term Investments	\$ 50,081,737	\$ 36,901,502	\$ 27,719,274
Accounts and Pledges Receivable, Net	3,566,316	4,249,381	7,520,036
Prepaid Expenses and Other Assets	15,048	21,077	78,129
Noncurrent Assets			
Pledges Receivable, Net	3,654,410	4,172,844	3,406,728
Endowment and Other Investments	109,707,398	85,646,026	79,476,773
Total Assets	<u>167,024,909</u>	<u>130,990,830</u>	<u>118,200,940</u>
Total Liabilities	2,366,198	946,308	1,116,527
Deferred Inflows of Resources	16,842	14,166	103,064
	<u>2,383,040</u>	<u>960,474</u>	<u>1,219,591</u>
Net Position	<u>\$ 164,641,869</u>	<u>\$ 130,030,356</u>	<u>\$ 116,981,349</u>

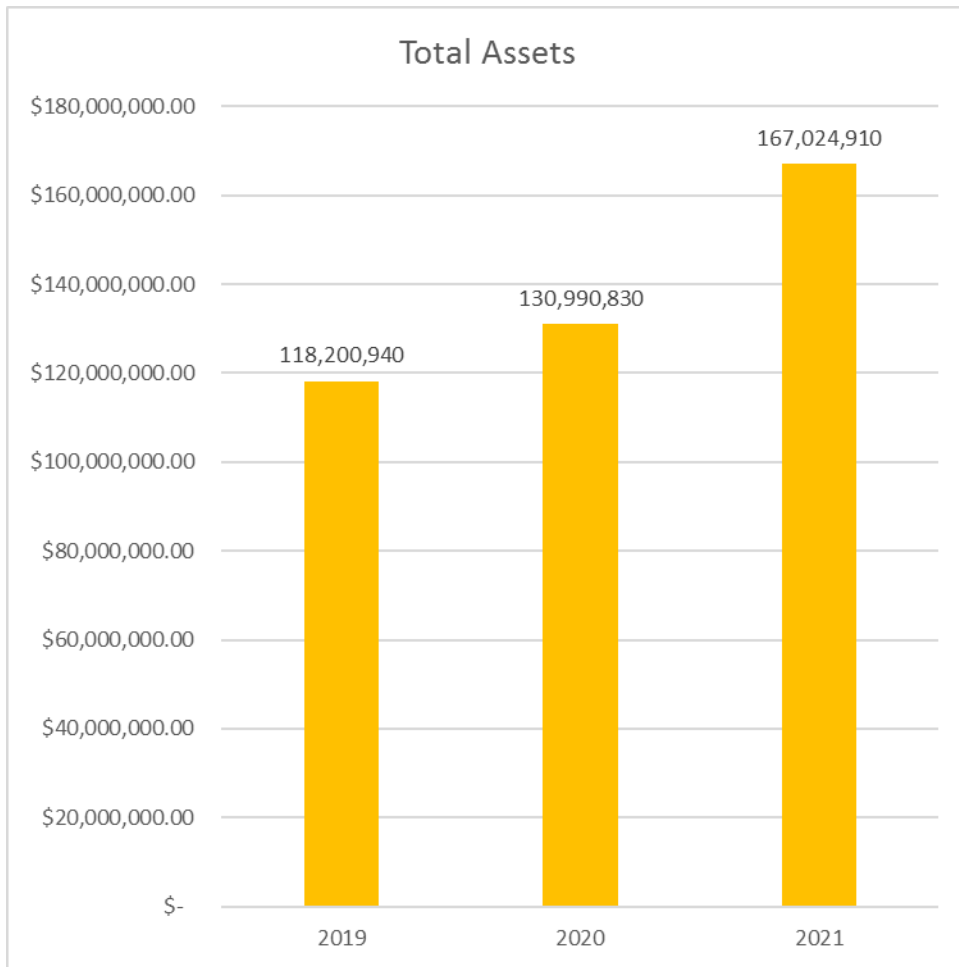
For fiscal year 2021, total assets increased \$36,034,079, or 27.5%, primarily due to an increase in the market value of investments.

For fiscal year 2021, total liabilities and deferred inflows increased by \$1,422,566, or 148.1%, primarily due to the timing of payments due to the University.

For fiscal year 2020, total assets increased \$12,789,890, or 10.8%, primarily due to an increase in gifts to endowment.

For fiscal year 2020, total liabilities and deferred inflows decreased by \$259,117, or 21.2%, primarily due to the timing of payments due to vendors and the University.

**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**



**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

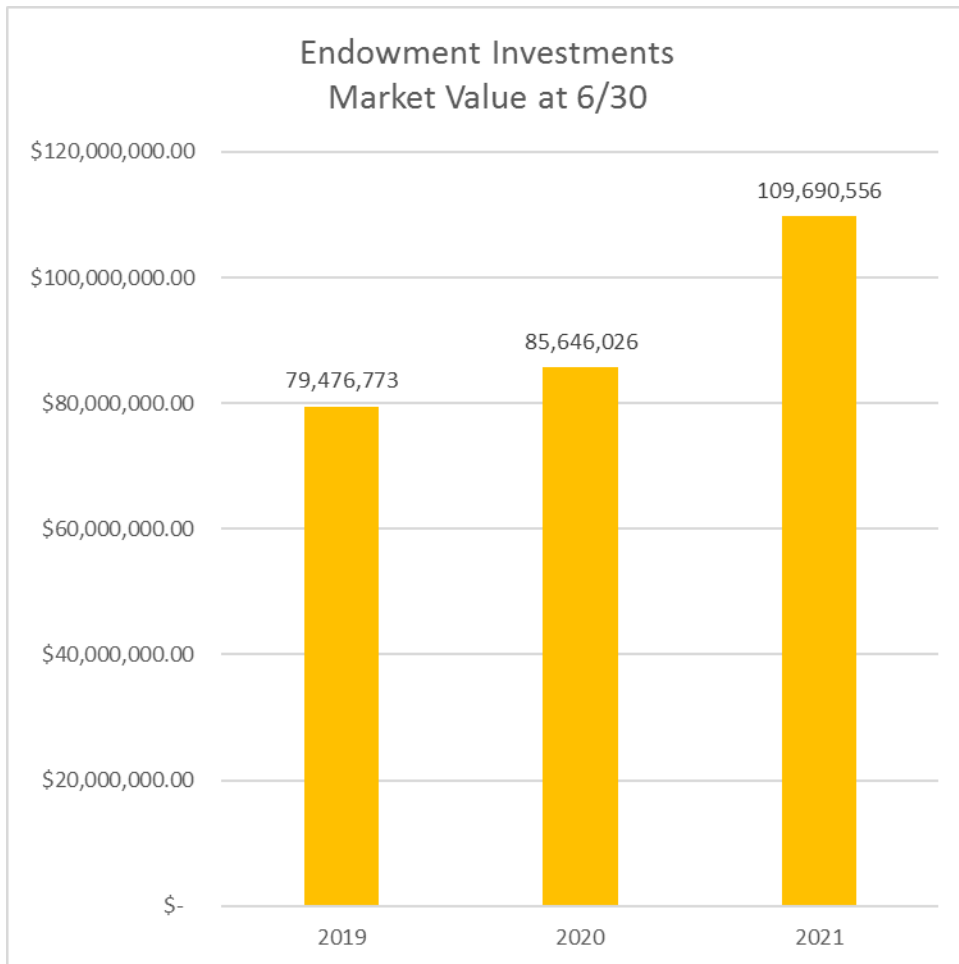


**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Endowment Investments

The 49er Foundation's endowment is \$109,666,865 and \$85,609,003 at June 30, 2021 and 2020, respectively. The increase is attributed to additional donations and market returns during the fiscal year. The 49er Foundation's investment policies are designed to protect the long-term viability of its endowment and seek a total return that provides for the annual spending policy disbursement, fees and inflation protection.

Nonexpendable endowments are funds received from donors with the stipulation that the fund be invested in perpetuity to produce a return, a portion of which is to be expended for purposes specified by the donor.



**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Net Position

Net position represents the residual interest in the 49er Foundation's assets after liabilities and deferred inflows are deducted. The 49er Foundation's net position is as follows:

	June 30,		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Restricted:			
Nonexpendable	\$ 81,901,668	\$ 75,483,843	\$ 67,940,410
Expendable	64,596,869	43,211,944	38,074,374
Unrestricted	<u>18,143,332</u>	<u>11,334,569</u>	<u>10,966,565</u>
Net Position	<u>\$ 164,641,869</u>	<u>\$ 130,030,356</u>	<u>\$ 116,981,349</u>

Restricted nonexpendable net assets are the 49er Foundation's permanently invested donor funds.

Restricted expendable net assets include the unspent balance and pledges for funds which have been designated by donors to support scholarships and fellowships, instructional department uses, and other activities.

Unrestricted net assets include the unspent balance of operating funds and of certain funds, not restricted by donors, which have been designated by management.

For fiscal year 2021, total net assets increased by \$34,611,513, or 26.6%, primarily due to market value return, donations, the transfer of net assets from the Research Foundation, and decreased spending due to effects of the coronavirus pandemic.

For fiscal year 2020, net position increased \$ 13,049,007, or 11.2%, primarily due to donations, market value return, and the transfer in of net position from the CSULB Alumni Association.

**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the 49er Foundation's results of operations. A summary of the 49er Foundation's revenues, expenses, and changes in net position follows:

	June 30,		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues:			
Operating Revenues:	\$ 441,023	\$ 798,470	\$ 902,089
Operating Expenses	<u>(11,587,911)</u>	<u>(13,256,639)</u>	<u>(13,156,826)</u>
Operating Loss	(11,146,888)	(12,458,169)	(12,254,737)
Nonoperating Revenues:			
Gifts	9,326,667	13,538,811	14,307,628
Investment Income, Net	6,560,916	611,823	869,235
Endowment Income	22,299,091	2,293,628	3,910,515
Endowment Gifts	<u>5,703,499</u>	<u>7,993,299</u>	<u>2,113,770</u>
Total Nonoperating Revenues	<u>43,890,173</u>	<u>24,437,561</u>	<u>21,201,148</u>
Increase in Net Position	32,743,285	11,979,392	8,946,411
Special Item:			
Transfer of Net Assets from CSULB Research Foundation, net CSULB Alumni Association	1,868,228	1,069,615	558,454
Net Position at Beginning of Year	<u>130,030,356</u>	<u>116,981,349</u>	<u>107,476,484</u>
Net Position at End of Year	<u>\$ 164,641,869</u>	<u>\$ 130,030,356</u>	<u>\$ 116,981,349</u>

*Certain reclassifications have been made to the 2019 amounts to conform with the 2020 presentation.

Operating revenues consist of administrative fees and other revenue, primarily from fund raising.

Operating expenses consist of compensation and benefits, supplies and services, and scholarships and fellowships. The 49er Foundation does not itself have employees. Salaries and benefits of University faculty, staff, and students are, however, charged back to the 49er Foundation for work performed in connection with 49er Foundation activities. The costs associated with two Research Foundation employees are also charged back to the 49er Foundation for the same reason.

Operating Loss is a recurring item as a result of government accounting standards requiring that gift revenues be classified as nonoperating, while related expense is classified as operating.

Gifts consists of all donations which can be spent immediately, i.e., not required for endowment.

Investment income consists of earnings on the investment of non-endowed funds.

Endowment income consists of earnings on the investment of endowed funds.

**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

Special Item consists of transfers of net assets from various sources.

For fiscal year 2021, the operating loss decreased by \$1,311,281, or 10.5%, primarily due to a reduction of expense as a result of the coronavirus pandemic.

For fiscal year 2021, nonoperating revenue increased by \$19,452,612, or 79.6%, primarily due to market return.

For fiscal year 2021, the special item, as noted, represents the transfer of funds into the 49er Foundation from the Research Foundation and is composed of a pledge payment, proceeds from a concluded trust, and proceeds from a concluded charitable gift annuity.

For fiscal year 2020, the operating loss increased by \$203,432, or 1.7%, primarily due to a decrease in gifts, which resulted in a reduction of administrative fee revenue, and the elimination of fund raising events scheduled for the latter part of the fiscal year, which were cancelled due to the coronavirus pandemic.

For fiscal year 2020, nonoperating revenue increased by \$3,236,413, or 15.3%, primarily due to an increase in gifts to endowment.

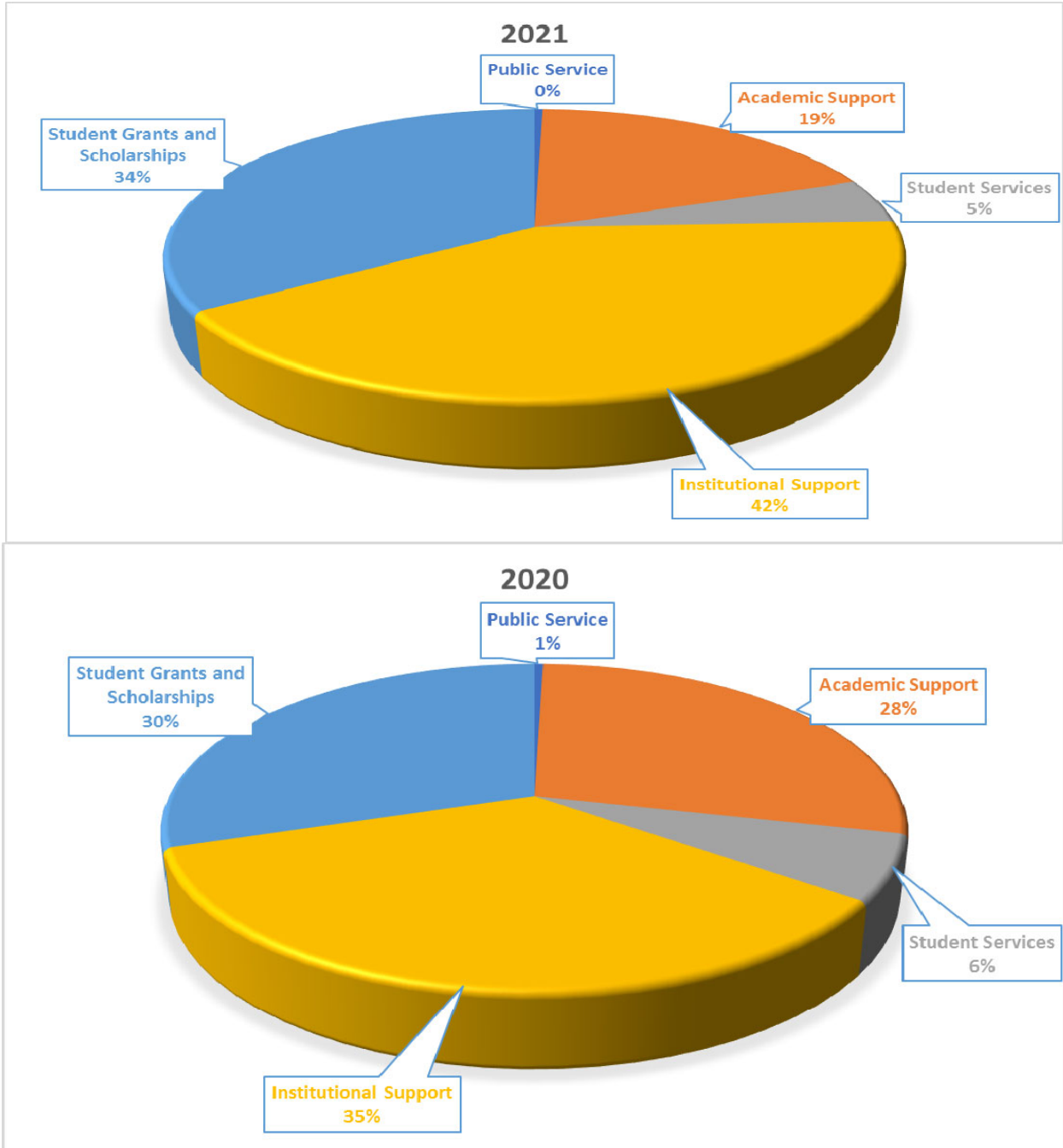
For fiscal year 2020, the special item, as noted, represents the transfer of funds, completed in 2020, into the 49er Foundation from the CSULB Alumni Association, a non-profit organization now in the process of being dissolved.

For fiscal year 2021, the foundation created over 35 new scholarships, 25 pledges of \$100,000 to \$499,000, 5 pledges of \$500,000 to \$999,999, and 4 pledges over \$1,000,000.

For fiscal year 2021, the foundation received 8 pledge payments of \$100,000 to \$499,000, 2 pledge payments of \$500,000 to \$999,999, and 3 pledge payments over \$1,000,000.

**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Statement of Revenues, Expenses, and Changes in Net Position (Continued)



**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

In addition to their natural classifications, it is also informative to review operating expenses by function. A summary of the 49er Foundation's expenses by functional classification is as follows:

	June 30,		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating:			
Public Service	\$ 50,689	\$ 59,624	\$ 26,202
Academic Support	2,198,677	3,737,127	3,567,024
Student Services	568,627	854,629	2,044,215
Institutional Support	4,808,491	4,633,341	3,402,881
Student Grants and Scholarships	<u>3,961,427</u>	<u>3,971,918</u>	<u>4,116,504</u>
 Total Operating Expenses	 <u>\$ 11,587,911</u>	 <u>\$ 13,256,639</u>	 <u>\$ 13,156,826</u>

The Public Service category includes expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. Expenses for the Japanese Gardens and the Carpenter Performing Arts Center, for example, are included in this category.

The Academic Support category includes expenses which support the institution's primary mission of instruction. Expenses belonging to this category include academic administrative support, the library, the art museum, and academic computing.

The Student Services category includes expenses that support the needs and interests of students, which includes support for students' social and cultural development outside the formal academic program. Expenses for the Shakarian LEADS initiatives to support student success, athletics programs, disabled student services, emergency student services, and student newspapers are included in this category.

The Institutional Support category includes expenses for the executive management of the institution, general administration, fiscal operations, administrative technology, alumni relations, public relations and development, and the costs for donor supported University capital projects.

The Scholarships and Fellowships category includes expenses for scholarships, fellowships, and awards from restricted funds in the form of grants to students, resulting from selection by the institution.

**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Statement of Cash Flows

The Statement of Cash Flows provides additional information on the 49er Foundation's financial results by reporting the major sources and uses of cash. A summary of the Statement of Cash Flows is as follows:

	June 30,		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Cash Used by Operating Activities	\$ (8,911,870)	\$ (13,517,230)	\$ (11,877,173)
Net Cash Provided by Noncapital Financing Activities	11,587,295	16,989,244	10,809,561
Net Cash Used by Investing Activities	<u>(1,907,693)</u>	<u>(5,093,625)</u>	<u>(2,345,384)</u>
Net Change in Cash and Cash Equivalents	767,732	(1,621,611)	(3,412,996)
Cash and Cash Equivalents at Beginning of Year	<u>1,864,501</u>	<u>3,486,112</u>	<u>6,899,108</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,632,233</u>	<u>\$ 1,864,501</u>	<u>\$ 3,486,112</u>

For fiscal year 2021, cash increased by \$767,732, or 41.2%, primarily due to the timing of transfers to investment.

For fiscal year 2020, cash decreased by \$1,621,611, or 46.5%, primarily due to the timing of transfers to investment.

**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

Economic Factors That Will Affect the Future

The CSULB 49er Foundation is comprised of primarily invested assets, as well as funds on deposit for short-term expenditure. The mission of the CSULB 49er Foundation is to actively promote philanthropy and manage donated resources for the advancement of Cal State University, Long Beach.

The CSULB 49er Foundation had its third consecutive highest fundraising year on record. The giving levels have enabled the endowment to reach over \$100 million for the first time in the Foundation's history. As the CSULB 49er Foundation enters a new NACUBO peer group, the Foundation's Outside Chief Investment Officer, MS Graystone, have advised investment allocation changes, particularly in alternative investments. This investment adjustments are indicative of a fundamental soundness of the established funds such that longer-term investments may be made from the corpus.

In FY 21-22, the CSULB 49er Foundation enters the "No Barriers" Campaign leadership phase. Large donor stewardship will occur for targeted efforts to increase campaign lead gifts. During FY 20-21 the staff analyzed the pipeline of possible gifts in current portfolios and have identified over \$90 million in active cultivation. The public campaign launch will occur on September 29, 2022, signaling the campuses intent to increase awareness of giving opportunities and seek increased gift commitments through FY 24-25.

The continued duration and impact of the COVID-19 outbreak is unknown currently, as is the continued impact of government and economic interventions. As the Delta Variant has taken root in the community, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the CSULB 49er Foundation and its operations in the future. At this time the Foundation has seen stable positive portfolio growth, continued increase in fundraising results and future capacity, and no challenges to meet future endowment distributions. Should the overall economic impacts of COVID-19 change the market outlook or underlying conditions, the 49er Foundation Board of Directors would be notified on necessary actions needed to correct for those conditions.

Significant Developments

Throughout the COVID-19 pandemic requirements to limit staff on campus, the CSULB 49er Foundation continued to meet expectations of gift management, stewardship, investment, and oversight.

The CSULB 49er Foundation Board of Directors continued to meet virtually to provide strategic guidance and fiduciary oversight. The Board provided more than 200 service hours in support of the Foundation's efforts to maintain operations virtually.

In FY 20-21, the Board of Directors provided a multi-year budget allocation from the Foundation Operating Fund to ensure continuity of operations throughout the "No Barriers" Campaign. Additionally, the Board allocated a one-time Campaign investment of \$1.54m to events and media support for the campaign through FY 24-25.

**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2021 AND 2020**

The FY 19-20 Board investment to enable campaign staff expansion was held during the COVID-19 campus hiring freeze. The campus removal of the hiring freeze will enable the expansion of staff in University Relations & Development to meet the needs of the current "No Barriers" Campaign.

The Board's Audit Committee has begun a process of enterprise risk assessments that will ensure each adopted policy has an annual review at their committee of origin. The overall enterprise risk is reviewed quarterly with the Audit Committee to discuss opportunities to refine policies or practices to better meet donor intent and compliance.

**CSULB 49ER FOUNDATION
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,632,233	\$ 1,864,501
Short-Term Investments	47,449,504	35,037,001
Accounts Receivable, Net	375,793	1,184,892
Pledges Receivable, Net	3,190,523	3,064,489
Prepaid Expenses and Other Assets	15,048	21,077
Total Current Assets	53,663,101	41,171,960
NONCURRENT ASSETS		
Receivable - Split-Interest Agreements	16,842	14,166
Pledges Receivable, Net	3,654,410	4,172,844
Long-Term Investments	23,691	22,857
Endowment Investments	109,666,865	85,609,003
Total Noncurrent Assets	113,361,808	89,818,870
Total Assets	\$ 167,024,909	\$ 130,990,830
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 78,202	\$ 258,337
Other Liabilities	2,287,996	687,971
Total Liabilities	2,366,198	946,308
DEFERRED INFLOW OF RESOURCES		
Split-Interest Agreements	16,842	14,166
NET POSITION		
Restricted for:		
Nonexpendable:		
Scholarships and Fellowships	41,056,665	38,966,295
Instructional Department Use	29,593,526	28,136,835
Other	11,251,477	8,380,713
Expendable:		
Scholarships and Fellowships	16,433,297	7,125,425
Instructional Department Use	22,592,583	14,423,693
Other	25,570,989	21,662,826
Unrestricted	18,143,332	11,334,569
Total Net Position	164,641,869	130,030,356
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 167,024,909	\$ 130,990,830

See accompanying Notes to Financial Statements.

CSULB 49ER FOUNDATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Operating Revenues	\$ 441,023	\$ 798,470
EXPENSES		
Operating Expenses:		
Public Service	50,689	59,624
Academic Support	2,198,677	3,737,127
Student Services	568,627	854,629
Institutional Support	4,808,491	4,633,341
Student Grants and Scholarships	3,961,427	3,971,918
Total Operating Expenses	<u>11,587,911</u>	<u>13,256,639</u>
OPERATING LOSS	(11,146,888)	(12,458,169)
NONOPERATING REVENUES		
Gifts, Noncapital	9,326,667	13,538,811
Investment Income, Net	6,560,916	611,823
Endowment Income, Net	<u>22,299,091</u>	<u>2,293,628</u>
Total Nonoperating Revenues	<u>38,186,674</u>	<u>16,444,262</u>
INCOME BEFORE OTHER ADDITIONS	27,039,786	3,986,093
ADDITIONS TO NONEXPENDABLE ENDOWMENTS	<u>5,703,499</u>	<u>7,993,299</u>
INCREASE IN NET POSITION BEFORE SPECIAL ITEM	32,743,285	11,979,392
SPECIAL ITEM		
Transfer of Net Position from		
CSULB Research Foundation	1,868,228	-
CSULB Alumni Association	-	1,069,615
Total Special Item	<u>1,868,228</u>	<u>1,069,615</u>
INCREASE IN NET POSITION	34,611,513	13,049,007
Net Position - Beginning of Year	<u>130,030,356</u>	<u>116,981,349</u>
NET POSITION - END OF YEAR	<u>\$ 164,641,869</u>	<u>\$ 130,030,356</u>

See accompanying Notes to Financial Statements.

**CSULB 49ER FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to or on Behalf of the University Departments	\$ (4,266,565)	\$ (6,084,425)
Payments to Employees	(1,934,000)	(3,313,463)
Payments to Students	(3,961,427)	(3,971,918)
Other Receipts (Payments)	1,250,122	(147,424)
Net Cash Used by Operating Activities	(8,911,870)	(13,517,230)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Gifts Received for Other than Capital Purposes	9,719,067	16,989,244
Transfer from the CSULB Research Foundation	1,868,228	-
Net Cash Provided by Noncapital Financing Activities	11,587,295	16,989,244
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	47,791,740	44,909,561
Investment Income	6,560,916	611,823
Endowment Income	22,299,091	2,293,628
Additions to Nonexpendable Endowments	5,703,499	7,993,299
Transfer from the CSULB Alumni Association	-	1,069,615
Purchase of Investments	(84,262,939)	(61,971,551)
Net Cash Used by Investing Activities	(1,907,693)	(5,093,625)
NET CHANGE IN CASH AND CASH EQUIVALENTS	767,732	(1,621,611)
Cash and Cash Equivalents - Beginning of Year	1,864,501	3,486,112
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,632,233	\$ 1,864,501
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	\$ (11,146,888)	\$ (12,458,169)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Accounts Receivable, Net	806,423	(856,996)
Prepaid Expenses and Other Assets	6,029	57,052
Accounts Payable	(180,135)	140,695
Other Liabilities	1,602,701	(399,812)
Net Cash Used by Operating Activities	\$ (8,911,870)	\$ (13,517,230)

See accompanying Notes to Financial Statements.

**CSULB 49ER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The CSULB 49er Foundation (the 49er Foundation) is a nonprofit, tax-exempt corporation, which commenced operations on July 1, 2012. The 49er Foundation is organized to actively promote philanthropy and manage donated resources for the advancement of California State University, Long Beach (the University), by accepting and managing donations, gifts, and bequests for any University-related use. The 49er Foundation is a direct-support organization and component unit of the University.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated. The 49er Foundation reports as a Business Type Activity and, accordingly, has reported its activities within a single column in the basic financial statements.

The 49er Foundation's policy for defining operating activities as reported on the statement of revenues, expenses, and changes in net position are those that generally result from administrative fees earned from gifts and donations made to the 49er Foundation and expenses of the activities associated with the intent or purpose of the gift or donation. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues as defined by GASB, including gifts and investment income.

Classification of Current and Noncurrent Assets (Other than Investments) and Liabilities

The 49er Foundation considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net position date. Liabilities that reasonably can be expected, as part of normal 49er Foundation business operations, to be liquidated within 12 months of the statement of net position date, are considered to be current. All other assets and liabilities are considered to be noncurrent. For clarification of current and noncurrent investments, see the investments accounting policy.

**CSULB 49ER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

The 49er Foundation's net position is classified into the following net position categories:

Net Investments in Capital Assets

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The 49er Foundation had no capital assets as of June 30, 2021 and 2020.

Restricted

Nonexpendable - Net position subject to externally imposed stipulations that they be maintained permanently by the 49er Foundation. Such assets include the 49er Foundation's nonexpendable endowment funds.

Expendable - Net position whose use by the 49er Foundation is subject to externally imposed stipulations that can be fulfilled by actions of the 49er Foundation pursuant to those stipulations or that expire by the passage of time.

Unrestricted

Unrestricted net position is one that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors, or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for any University-related use, which includes academic and research programs and initiatives, and capital programs.

Reporting Entity

The 49er Foundation is an affiliated organization component unit of the University. As such, the 49er Foundation's financial data will be included in the financial statements of the University.

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. The most significant estimate relates to the allowance for uncollectible pledges receivable. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Cash and Cash Equivalents

The 49er Foundation considers all highly liquid, short-term investments purchased with an original maturity of three months or less to be cash equivalents. The 49er Foundation maintains cash with financial institutions in excess of federally insured limits.

**CSULB 49ER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned to the 49er Foundation. Substantially all of the 49er Foundation's investments are registered in the 49er Foundation's name by the custodian. As a result, custodial credit risk for such investments is remote.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values using quoted market prices in the statement of net position. Realized and unrealized gains and losses are included in the accompanying statement of revenues, expenses, and changes in net position.

Accounts Receivable

Accounts receivable primarily consists of amounts due from another auxiliary organization of the University. Management deems all accounts receivable to be collectible and has not established an allowance for doubtful accounts.

Split-Interest Agreements - Receivable

Split-interest agreements are types of donor arrangements where resources are provided to two or more beneficiaries, including the 49er Foundation. The 49er Foundation has charitable gift annuities. The terms and discount rates for these agreements are based upon the life expectancy of the donor(s) and present value tables provided by the Internal Revenue Service for determining the amount of the charitable contribution. The charitable gift annuities are administered by a third-party. Assets associated with the split-interest agreements are recognized at the present value of the estimated future benefits of the agreement. Changes to the assets are recognized as increases or decreases in the deferred inflow of resources. Revenue is only recognized at the termination of the split-interest agreement.

Pledges Receivable, Net

The 49er Foundation receives pledges and bequests of financial support from corporations, foundations, and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements, including time requirements, have been met. In the absence of such promise, revenue is recognized when the gift is received. Endowment pledges do not meet eligibility requirements and are not recorded as assets until the related gift is received. An allowance for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts (approximately \$175,500 and \$185,500 at June 30, 2021 and 2020, respectively). The determination includes such factors as prior collection history, type of gift, and nature of fundraising.

**CSULB 49ER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflow of Resources

A deferred inflow of resources represents inflow of resources (acquisition of net position) that apply to future periods and, therefore, are not recognized as revenue until that time.

Deferred Inflows – Split-Interest Agreements: The deferred inflow of resources related to split-interest agreements are the organization’s share of the agreement. Changes to the assets or liabilities related to split-interest agreements are recognized as increases or decreases in the deferred inflow of resources. The deferred amount is recognized as revenue only at the termination of the split-interest agreement.

Income Taxes

The 49er Foundation is tax-exempt under Internal Revenue Code Section 501(c)(3) for federal income taxes, as well as the related provisions for state income tax purposes.

Future Accounting Pronouncements

Statement No. 87 – Leases

In June 2017, GASB issued Statement No. 87 – *Leases*. Under the new guidance, lessees will be required to recognize a lease liability and a right of use asset for all leases (with the exception of short-term leases) at the commencement date of the lease, recognize inflows or outflows of resources based on payment provisions of the lease, and disclose key information about leasing arrangements. The provisions of this Statement were to be effective beginning in fiscal year ending June 30, 2021. In May 2020, GASB issued Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*, which provides temporary relief in light of the COVID-19 pandemic and postpones the effective dates of certain provisions, including GASB No. 7, which is now effective beginning with reporting periods after June 15, 2021 (Fiscal Year End June 30, 2022 for the 49er Foundation). The 49er Foundation is currently evaluating the impact of this Statement.

**CSULB 49ER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 PLEDGES RECEIVABLE, NET

Pledges receivable are recorded in the statement of net position at estimated net realizable value. Pledges receivable were discounted as of June 30, 2021 using an interest rate ranging from 1.15% to 3.18%, which approximated the 49er Foundation's rate of return on treasury notes at the time the pledge is made. Pledges receivable as of June 30, 2021 are summarized as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 3,301,868
2023	1,470,328
2024	1,430,538
2025	735,080
2026	185,500
Thereafter	194,589
Subtotal	<u>7,317,903</u>
Less: Allowance for Uncollectible Pledges	(175,511)
Less: Present Value Discounts	<u>(297,459)</u>
Total	6,844,933
Less: Current Portion of Pledges Receivable	<u>(3,190,523)</u>
Long-Term Portion of Pledges Receivable	<u><u>\$ 3,654,410</u></u>

NOTE 3 INVESTMENTS

At June 30, 2021 and 2020, the 49er Foundation's investment portfolio consists primarily of investments held in the investment pool, as well as interest-bearing accounts.

Investment Policy

The primary objective of the 49er Foundation's investment policy is to protect the long-term viability of its endowment and seek a total return that provides for the annual spending policy disbursement and inflation protection.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates.

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.

**CSULB 49ER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments.

The 49er Foundation may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position.

The following is a summary of investments:

	<u>2021</u>	<u>2020</u>
Investments at Fair Value as Determined by Quoted Market Price or Estimated Fair Value:		
Local Agency Investment fund (LAIF)	\$ 9,804,607	\$ 7,556,128
Corporate Bonds	2,569,053	2,519,617
Mutual Funds	29,577,309	40,167,382
Government Securities	5,487,766	4,167,214
Equity Securities	50,764,711	40,238,589
Exchange Traded Funds (ETFs)	36,757,071	24,744,109
Alternative Investments	22,150,618	1,252,965
Government money market	5,234	-
Other Investments	23,691	22,857
Total	<u>157,140,060</u>	<u>120,668,861</u>
Less: Short-Term Portion of Investments	(47,449,504)	(35,037,001)
Less: Long-Term Portion of Investments	(23,691)	(22,857)
Endowment Investments	<u>\$ 109,666,865</u>	<u>\$ 85,609,003</u>

The 49er Foundation is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the state of California. The Local Investment Advisory Board has oversight responsibility for LAIF. The Board consists of five members as designated by state statute. The fair value of the 49er Foundation's investment in this pool is reported in the accompanying financial statements at amounts based upon the 49er Foundation's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury's portion in the pool. Withdrawals from LAIF are done on a dollar for dollar basis. The 49er Foundation also has investments held and managed by Greystone Financial Services and Halbert Hargrove Financial Services.

**CSULB 49ER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 INVESTMENTS (CONTINUED)

Investment Valuation

The 49ers Foundation follows fair value measurements of financial assets and financial liabilities and for fair value measurements that are recognized or disclosed at fair value in the financial statements on a recurring basis. The fair value hierarchy that prioritizes the inputs to valuation techniques are used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets that the 49er Foundation has the ability to access at the measurement date.

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 – inputs are unobservable inputs for the asset.

Certain investments that were measured at net asset value (NAV) per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net position. The value of the 49er Foundation's investment in the LAIF and Alternative Investments is measured using NAV per share or its equivalent.

The following table sets forth by level, within the fair value hierarchy, the 49er Foundation's investments at fair value measurements and net asset value:

	Fair Value Measurements at June 30, 2021				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV
LAIF	\$ 9,804,607	\$ -	\$ -	\$ -	\$ 9,804,607
Corporate Bonds	2,569,053	-	2,569,053	-	-
Mutual Funds	29,577,309	29,577,309	-	-	-
Government Securities	5,487,766	5,487,766	-	-	-
Equity Securities	50,764,711	50,764,711	-	-	-
Exchange Traded Funds	36,757,071	36,757,071	-	-	-
Alternative Investments	22,150,618	-	-	-	22,150,618
Government Money Market	5,234	5,234	-	-	-
Other Investment Funds	23,691	-	23,691	-	-
Total	<u>\$ 157,140,060</u>	<u>\$ 122,592,091</u>	<u>\$ 2,592,744</u>	<u>\$ -</u>	<u>\$ 31,955,225</u>

**CSULB 49ER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 INVESTMENTS (CONTINUED)

Investment Valuation (Continued)

Fair Value Measurements at June 30, 2020					
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV
LAIF	\$ 7,556,128	\$ -	\$ -	\$ -	\$ 7,556,128
Corporate Bonds	2,519,617	-	2,519,617	-	-
Mutual Funds	40,167,382	40,167,382	-	-	-
Government Securities	4,167,214	4,167,214	-	-	-
Equity Securities	40,238,589	40,238,589	-	-	-
Exchange Traded Funds	24,744,109	24,744,109	-	-	-
Alternative Investments	1,252,965	1,252,965	-	-	-
Other Investment Funds	22,857	-	22,857	-	-
Total	\$ 120,668,861	\$ 110,570,259	\$ 2,542,474	\$ -	\$ 7,556,128

Investment income is summarized as follows

	2021	2020
Interest and Dividend Income	\$ 2,625,627	\$ 3,240,184
Net Unrealized Gains	21,468,989	1,884,105
Net Realized Gains	5,268,374	(1,760,470)
Fees	(502,983)	(458,368)
Total	\$ 28,860,007	\$ 2,905,451

Investments in Entities that Calculate Net Asset Value per Share

The following table summarized information regarding investment terms, unfunded commitments and redemption terms for investments value using NAV at June 30, 2021:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments Measured at the NAV:				
Equity Hedge Funds	\$ 18,364,518	\$ -	Various	20-60 days notice
Private Equity	3,684,353	6,154,708	Various	30-90 days notice
Real Estate Funds	101,747	-	Various	N/A
Total Investments Measured at the NAV	\$ 22,150,618			

**CSULB 49ER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 OPERATING EXPENSES BY FUNCTION

Operating expenses are reported by natural classification in the statement of revenues, expenses and changes in net position. A schedule of expenses by function is shown below:

	Compensation and Benefits	Supplies and Services	Scholarship and Fellowship	Total
<u>June 30, 2021</u>				
Public Service	\$ -	\$ 50,689	\$ -	\$ 50,689
Academic Support	1,429,517	769,160	-	2,198,677
Student Services	267,209	301,418	-	568,627
Institutional Support	237,274	4,571,217	-	4,808,491
Student Grants and Scholarships	-	-	3,961,427	3,961,427
Total Operating Expenses	<u>\$ 1,934,000</u>	<u>\$ 5,692,484</u>	<u>\$ 3,961,427</u>	<u>\$ 11,587,911</u>
	Compensation and Benefits	Supplies and Services	Scholarship and Fellowship	Total
<u>June 30, 2020</u>				
Public Service	\$ -	\$ 59,624	\$ -	\$ 59,624
Academic Support	1,735,677	2,001,450	-	3,737,127
Student Services	68,192	786,437	-	854,629
Institutional Support	1,509,594	3,123,747	-	4,633,341
Student Grants and Scholarships	-	-	3,971,918	3,971,918
Total Operating Expenses	<u>\$ 3,313,463</u>	<u>\$ 5,971,258</u>	<u>\$ 3,971,918</u>	<u>\$ 13,256,639</u>

Institutional support includes expenses supporting University programs, initiatives, and operations, as directed by the 49er Foundation in accordance with the donor intent.

**CSULB 49ER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 5 TRANSACTIONS WITH RELATED ENTITIES

As described in Note 1, the 49er Foundation is an auxiliary organization affiliated with the University and the California State University (CSU) System statewide. The 49er Foundation is also affiliated with CSULB Research Foundation (Research Foundation), an auxiliary organization of the University and CSU. The accompanying financial statements include transactions with related parties as of and for the years ended June 30, 2021 and 2020, as follows:

	<u>2021</u>	<u>2020</u>
Payments to the University for Salaries of University Personnel Working on Contracts, Grants, and Other Programs	\$ 1,403,162	\$ 2,871,005
Payments to the University for Other than Salaries of University Personnel	7,579,432	7,227,328
Payments Received from the University for Services, Space, and Programs	71,776	721,260
Payments to the CSULB Research Foundation for Salaries and Other Expenses	563,974	782,758
Gifts-in-Kind to the University from Discretely Presented Component Units	67,256	710,302
Gifts (Cash or Assets) to the University from Discretely Presented Component Units	5,733,955	4,973,426
Transfer of net position from the CSULB Research Foundation	1,868,228	-
Amounts Due to the University	2,235,759	739,988
Amounts Due to the Research Foundation	52,237	47,120
Amounts Due to Other CSU Business Units	-	585
Amounts Receivable from the University	167,921	62,044
Amounts Due from the Research Foundation	2,872	1,122,848

**CSULB 49ER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 TRANSFER OF NET POSITION

During the year ended June 30, 2021, the CSULB Research Foundation transferred cash for a pledge payment in the amount of \$1,150,000, a trust in the amount of \$692,053, and a gift annuity in the amount of \$26,175. The 49er Foundation was identified to be the recipient of these gifts in accordance with the purpose described in each gift agreement and with the mission of the 49er Foundation.

The CSULB Alumni Association dissolved on June 27, 2019. In accordance with the Alumni Association's bylaws, the 49er Foundation was identified to be the recipient of the remaining funds. During the year ended June 30, 2020, the CSULB Alumni Association transferred investments, at the fair value of \$1,069,615, investments on April 30, 2020 and cash, in the amount of \$558,454, in February 2019.

NOTE 7 RISK AND UNCERTAINTIES

Coronavirus Disease (COVID-19)

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic in March 2020. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. During the fiscal year 2020-21, both domestic and international equity markets experienced significant increases, which may not continue. Specific to the 49er Foundation, COVID-19 may continue to impact various parts of the fiscal year 2021-22 operations and financial results including but not limited to loss of investment market value and a reduction of donations. Management believes the 49er Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of June 30, 2021 as these events continue to develop.

SUPPLEMENTARY INFORMATION

**CSULB 49ER FOUNDATION
SCHEDULE OF NET POSITION
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)
JUNE 30, 2021**

Assets:

Current assets:

Cash and cash equivalents	\$	2,632,233
Short-term investments		47,449,504
Accounts receivable, net		375,793
Capital lease receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		3,190,523
Prepaid expenses and other current assets		15,048
Total current assets		53,663,101

Noncurrent assets:

Restricted cash and cash equivalents		-
Accounts receivable, net		16,842
Capital lease receivable, net of current portion		-
Notes receivable, net of current portion		-
Student loans receivable, net		-
Pledges receivable, net		3,654,410
Endowment investments		109,666,865
Other long-term investments		23,691
Capital assets, net		-
Other assets		-
Total noncurrent assets		113,361,808

Total assets

\$ 167,024,909

Deferred outflows of resources:

Unamortized loss on debt refunding	\$	-
Net pension liability		-
Net OPEB liability		-
Others		-
Total deferred outflows of resources	\$	-

See the accompanying Notes to the Supplementary Information.

**CSULB 49ER FOUNDATION
SCHEDULE OF NET POSITION
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)
JUNE 30, 2021**

Liabilities:			
	Current liabilities:		
	Accounts payable	\$	78,202
	Accrued salaries and benefits		-
	Accrued compensated absences, current portion		-
	Unearned revenues		-
	Capital lease obligations, current portion		-
	Long-term debt obligations, current portion		-
	Claims liability for losses and loss adjustment expenses, current portion		-
	Depository accounts		-
	Other liabilities		2,287,996
	Total current liabilities		2,366,198
	Noncurrent liabilities:		
	Accrued compensated absences, net of current portion		-
	Unearned revenues		-
	Grants refundable		-
	Capital lease obligations, net of current portion		-
	Long-term debt obligations, net of current portion		-
	Claims liability for losses and loss adjustment expenses, net of current portion		-
	Depository accounts		-
	Net other postemployment benefits liability		-
	Net pension liability		-
	Other liabilities		-
	Total noncurrent liabilities		-
	Total liabilities	\$	2,366,198
	Deferred inflows of resources:		
	Service concession arrangements	\$	-
	Net pension liability		-
	Net OPEB liability		-
	Unamortized gain on debt refunding		-
	Nonexchange transactions		-
	Others		16,842
	Total deferred inflows of resources	\$	16,842
	Net position:		
	Net investment in capital assets	\$	-
	Restricted for:		
	Nonexpendable – endowments		81,901,668
	Expendable:		
	Scholarships and fellowships		16,433,297
	Research		-
	Loans		-
	Capital projects		-
	Debt service		-
	Others		48,163,572
	Unrestricted		18,143,332
	Total net position	\$	164,641,869

See the accompanying Notes to the Supplementary Information.

CSULB 49ER FOUNDATION
SCHEDULE OF REVENUE, EXPENSES, AND NET POSITION
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)
JUNE 30, 2021

Revenues:	
Operating revenues:	
Student tuition and fees, gross	\$ -
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	441,023
Total operating revenues	441,023
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	50,689
Academic support	2,198,677
Student services	568,627
Institutional support	4,808,491
Operation and maintenance of plant	-
Student grants and scholarships	3,961,427
Auxiliary enterprise expenses	-
Depreciation and amortization	-
Total operating expenses	11,587,911
Operating income (loss)	(11,146,888)
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	9,326,667
Investment income (loss), net	6,560,916
Endowment income (loss), net	22,299,091
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	-
Net nonoperating revenues (expenses)	38,186,674
Income (loss) before other revenues (expenses)	27,039,786
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	5,703,499
Increase (decrease) in net position	32,743,285
Special item:	
Transfer of net position from CSULB Research Foundation	1,868,228
Net position:	
Net position at beginning of year, as previously reported	130,030,356
Restatements	-
Net position at beginning of year, as restated	130,030,356
Net position at end of year	164,641,869

See the accompanying Notes to the Supplementary Information.

**CSULB 49ER FOUNDATION
OTHER INFORMATION
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)
JUNE 30, 2021**

1 Cash and cash equivalents:
Portion of restricted cash and cash equivalents related to endowments
All other restricted cash and cash equivalents
Noncurrent restricted cash and cash equivalents
Current cash and cash equivalents
Total

\$ -
2,632,233
2,632,233
\$

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Fair Value
Money market funds	5,234.00		5,234
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities			-
Municipal bonds			-
Corporate bonds	252,225	2,316,828	2,569,053
Asset backed securities			-
Mortgage backed securities			-
Commercial paper	7,455,953	22,121,356	29,577,309
Mutual funds	792,792	35,964,279	36,757,071
Exchange traded funds	29,136,693	27,113,784	56,250,477
Equity securities			-
Alternative investments:			-
Private equity (including limited partnerships)			-
Hedge funds		22,150,618	22,150,618
Managed futures			-
Real estate investments (including REITs)			-
Commodities			-
Derivatives			-
Other alternative investment			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)	9,804,607		9,804,607
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
International bond		23,691	23,691
Total Other investments		23,691	23,691
Total investments	47,449,504	109,690,556	157,140,060
Less endowment investments (enter as negative number)		(109,665,865)	(109,665,865)
Total investments, net of endowments	\$ 47,449,504	23,691	47,473,195

See the accompanying Notes to the Supplementary Information.

**CSULB 49ER FOUNDATION
OTHER INFORMATION
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)
JUNE 30, 2021**

2.2 Fair value hierarchy in investments:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)			Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
		1	2	3			
Money market funds	\$ 5,234	\$ 5,234	-	-	-	-	-
Repurchase agreements	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
U.S. agency securities	-	-	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-	-	-
Municipal bonds	2,569,053	-	-	-	2,569,053	-	-
Corporate bonds	-	-	-	-	-	-	-
Asset backed securities	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-
Mutual funds	29,577,309	29,577,309	-	-	-	-	-
Exchange traded funds	36,757,071	36,757,071	-	-	-	-	-
Equity securities	56,252,477	56,252,477	-	-	-	-	-
Alternative investments:							
Private equity (including limited partnerships)	-	-	-	-	-	-	22,150,618
Hedge funds	-	-	-	-	-	-	-
Managed futures	-	-	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
Other alternative investment	-	-	-	-	-	-	-
Other external investment pools	-	-	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	9,804,607	-	-	-	-	-	9,804,607
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-	-	-
Other investments:							
International bond	23,691	-	-	-	23,691	-	-
Total Other investments	23,691	-	-	-	23,691	-	-
Total investments	157,140,060	122,592,091	2,692,744	-	-	-	31,955,225

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 the accompanying Notes to the Supplementary Information.

**CSULB 49ER FOUNDATION
OTHER INFORMATION
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)
JUNE 30, 2021**

3.1 Composition of capital assets:

	Balance June 30, 2020	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2020 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2021
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements					\$ -			\$ -	
Works of art and historical treasures					-				
Construction work in progress (CWIP)					-				
Intangible assets:									
Rights and easements									
Patents, copyrights and trademarks									
Intangible assets in progress (PWIP)									
Licenses and permits									
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total Intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	\$ -	-	-	-	\$ -
Depreciable/Amortizable capital assets:									
Buildings and building improvements									
Improvements, other than buildings									
Infrastructure									
Leasehold improvements									
Personal property:									
Equipment									
Library books and materials									
Intangible assets:									
Software and websites									
Rights and easements									
Patents, copyrights and trademarks									
Licenses and permits									
Other intangible assets:									
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	-	-	-	-	-	-	-	-	-
Total capital assets	\$ -	-	-	-	\$ -	-	-	-	\$ -
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements									
Improvements, other than buildings									
Infrastructure									
Leasehold improvements									
Personal property:									
Equipment									
Library books and materials									
Intangible assets:									
Software and websites									
Rights and easements									
Patents, copyrights and trademarks									
Licenses and permits									
Other intangible assets:									
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	\$ -	-	-	-	\$ -	-	-	-	\$ -

See the accompanying Notes to the Supplementary Information.

**CSULB 49ER FOUNDATION
OTHER INFORMATION
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)
JUNE 30, 2021**

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets
Amortization expense related to other assets

Total depreciation and amortization

4 Long-term liabilities:

	Balance June 30, 2020	Prior Period Adjustments/Reclassifi- cations	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
	\$				\$	\$	\$	\$
1. Accrued compensated absences	-	-	-	-	-	-	-	-
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations	\$ -	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -	-	-	-	\$ -	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	\$ -	-	-	-	\$ -	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ -	-	-	-	\$ -	-	\$ -	-

See the accompanying Notes to the Supplementary Information.

**CSULB 49ER FOUNDATION
OTHER INFORMATION
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)
JUNE 30, 2021**

5 Capital lease obligations schedule:

Year ending June 30:	Capital lease obligations related to SRB		All other capital lease obligations		Total capital lease obligations	
	Principal Only	Interest Only	Principal Only	Interest Only	Principal Only	Interest Only
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
Total minimum lease payments	\$ -	-	-	-	-	-
Less: amounts representing interest	-	-	-	-	-	-
Present value of future minimum lease payments	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-
Total capital lease obligations	-	-	-	-	-	-
Less: current portion	-	-	-	-	-	-
Capital lease obligations, net of current portion	-	-	-	-	-	\$ -

6 Long-term debt obligations schedule:

Year ending June 30:	Auxiliary revenue bonds (non-SRB related)		All other long-term debt obligations		Total long-term debt obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027 - 2031	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
Total minimum payments	\$ -	-	-	-	-	-
Less: amounts representing interest	-	-	-	-	-	-
Present value of future minimum payments	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-
Less: current portion	-	-	-	-	-	-
Long-term debt obligations, net of current portion	-	-	-	-	-	-

See the accompanying Notes to the Supplementary Information.

**CSULB 49ER FOUNDATION
OTHER INFORMATION
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)
JUNE 30, 2021**

7 Transactions with related entities:	
Payments to University for salaries of University personnel working on contracts, grants, and other programs	1,403,162
Payments to University for other than salaries of University personnel	7,579,432
Payments received from University for services, space, and programs	71,776
Gifts-in-kind to the University from discretely presented component units	67,256
Gifts (cash or assets) to the University from discretely presented component units	5,733,995
Accounts (payable to) University (enter as negative number)	(2,235,759)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	167,921
Other amounts receivable from University (enter as positive number)	-

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

Restatement #1	Debit/(Credit)
Enter transaction description	-
Enter transaction description	-
Enter transaction description	-

See the accompanying Notes to the Supplementary Information.

**CSULB 49ER FOUNDATION
OTHER INFORMATION
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)
JUNE 30, 2021**

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	50,689	-	50,689
Academic support	1,089,681	301,658	36,178	-	-	769,160	-	2,198,677
Student services	201,766	32,038	33,405	-	-	301,418	-	568,627
Institutional support	152,936	54,960	29,378	-	-	4,571,217	-	4,808,491
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	3,961,427	-	-	3,961,427
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	\$ 1,444,383	388,656	100,961	-	3,961,427	5,692,484	-	11,587,911

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources	
Deferred outflows - unamortized loss on refunding(s)	
Deferred outflows - net pension liability	
Deferred outflows - net OPEB liability	
Deferred outflows - others:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	
Total deferred outflows - others	
Total deferred outflows of resources	\$ -

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	
Deferred inflows - net pension liability	
Deferred inflows - net OPEB liability	
Deferred inflows - unamortized gain on debt refunding(s)	
Deferred inflows - nonexchange transactions	
Deferred inflows - others:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	
	16,842

Total deferred inflows - others	16,842
Total deferred inflows of resources	\$ 16,842

See the accompanying Notes to the Supplementary Information.

**CSULB 49ER FOUNDATION
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 SUPPLEMENTARY SCHEDULES

As an auxiliary organization of the California State University (CSU), CSULB 49ers Foundation (the 49er Foundation) is required to include audited supplementary information in its financial statements in the form and content specified by CSU. As a result, there are differences in reporting format between the 49er Foundation's financial statements and the supplementary schedules for CSU.



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

Board of Directors
CSULB 49er Foundation
Long Beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the basic financial statements of CSULB 49er Foundation, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise CSULB 49er Foundation's basic financial statements, and have issued our report thereon dated September 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CSULB 49er Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CSULB 49er Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of CSULB 49er Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CSULB 49er Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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.



CliftonLarsonAllen LLP

Glendora, California
September 15, 2021

**CSULB 49ER FOUNDATION
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

- | | | | |
|--|------------|---|--|
| 1. Type of auditors’ report issued: | Unmodified | | |
| 2. Internal control over financial reporting: | | | |
| • Material weakness(es) identified? | _____ yes | _____ <input checked="" type="checkbox"/> no | |
| • Significant deficiency(ies) identified? | _____ yes | _____ <input checked="" type="checkbox"/> none reported | |
| 3. Noncompliance material to financial statements noted? | _____ yes | _____ <input checked="" type="checkbox"/> no | |

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Status of Prior Year Financial Statement Findings

There were no findings related to the basic financial statements.

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