



CALIFORNIA STATE UNIVERSITY
LONG BEACH
RESEARCH FOUNDATION

Financial Statements
with Supplementary Financial Information
June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
California State University, Long Beach Research Foundation:

Report on the Financial Statements

We have audited the accompanying financial statements of California State University, Long Beach Research Foundation, which comprise the statement of net position as of June 30, 2021 and 2020, and the related statements of revenue, expenses, and changes in net position, and cash flows for the years 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 audits. We conducted our audits 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 audits 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 auditors consider 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 California State University, Long Beach Research Foundation as of June 30, 2021 and 2020, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) on pages 4-14 and the Required Supplemental Information (RSI) on page 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, are 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 as a whole. The supplemental informational schedules on pages 49-62 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental informational schedules are the responsibility of management and were derived from and relate 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 supplemental informational schedules 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 14, 2021 on our consideration of California State University, Long Beach Research Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 California State University, Long Beach Research Foundation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Windes, Inc.".

Long Beach, California
September 14, 2021

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2021 AND 2020

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the California State University, Long Beach Research Foundation (the Research 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 Research Foundation is a nonprofit organization formed to support and advance the mission of California State University, Long Beach (the University). To fulfill this mission, the Research Foundation pursues a wide range of opportunities in the areas of grants and contracts, campus programs, public-private partnerships, technology transfer, and other entrepreneurial activities to complement and strengthen the University's teaching, research, scholarly, creative, and public service goals.

Using the Financial Statements

The Research Foundation's financial report includes three statements: the Statement of Net Position, the Statement of Revenue, 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 asset categories:

- Invested in capital assets, net of related debt
- Restricted, non-expendable
- Restricted, expendable
- Unrestricted

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2021 AND 2020

Statement of Net Position

The statement of net position presents the financial position of the Research Foundation at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities, and deferred outflows of resources of the Research Foundation. The difference between total assets, total liabilities, and net total of deferred outflow and inflow of resources – net position – is one indicator of the current financial condition of the Research Foundation, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets, deferred outflow of resources, liabilities, and deferred inflow of resources are generally measured using current values. One notable exception is capital assets, which are stated at historical costs, less an allowance for depreciation. 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 Research Foundation's assets, deferred outflow of resources, liabilities, deferred inflow of resources and net position at June 30, 2021 and 2020 is as follows:

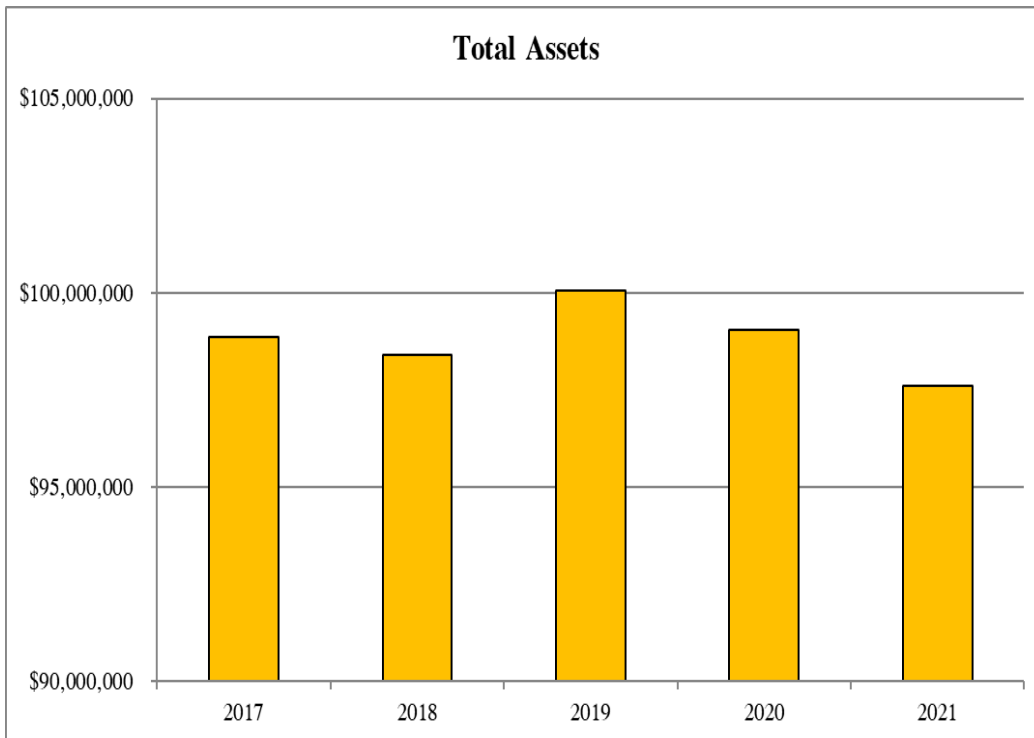
	June 30,	
	2021	2020
Current assets	\$ 39,065,247	\$ 38,053,147
Noncurrent assets		
Accounts receivable, net	16,422,423	16,230,924
Pledges receivable, net	343,150	1,598,659
Other investments	3,039,462	3,274,414
Capital assets	<u>38,737,216</u>	<u>39,880,517</u>
Total assets	<u>97,607,498</u>	<u>99,037,661</u>
Deferred outflows of resources	<u>1,516,031</u>	<u>1,661,896</u>
Current liabilities	10,392,893	10,295,593
Noncurrent liabilities	<u>32,958,896</u>	<u>38,224,829</u>
Total liabilities	<u>43,351,789</u>	<u>48,520,422</u>
Deferred inflows of resources	<u>17,217,119</u>	<u>15,793,470</u>
Net Position	<u>\$ 38,554,621</u>	<u>\$ 36,385,665</u>

Total assets decreased \$1,430,163, or 1.4%, during 2021 and decreased \$1,030,193, or 1.0%, during fiscal year 2020. The decrease in total assets in 2021 is due primarily to decrease in pledges receivable, and capital assets. The decrease in total assets in 2020 is attributed to decrease in accounts and pledges receivable, other investments, and capital assets.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2021 AND 2020

Statement of Net Position (Continued)

Current assets of \$39,065,247 in 2021 were \$1,012,100, or 2.7%, higher than 2020 due to increases in accounts and pledges receivable. Current assets of \$38,053,147 in 2020 were \$438,407, or 1.2%, higher than 2019 due to increase in short-term investments and decrease in accounts receivable.



Total liabilities of \$43,351,789 during 2021 decreased \$5,168,633, or 10.7%. The decrease is primarily due to decrease in long-term debt obligations and net other post-employment benefit (OPEB) liability attributed to the differences between expected and actual experience, changes in assumptions as reported by the actuary, and investment gains of the VEBA trust. Current liabilities in fiscal year 2021 include accounts payable of \$1,699,246, accrued salaries and benefits, and compensated absences of \$3,459,694, unearned revenues of \$3,362,723, current portion of long-term debt of \$1,195,000, and \$676,230 of other liabilities.

Total liabilities of \$48,520,422 during 2020 decreased \$7,080,919, or 13%. The decrease is primarily due to decrease in net other post-employment benefit (OPEB) liability attributed to the differences between expected and actual experience, changes in assumptions as reported by the actuary, and an additional contribution to the trust of \$1,199,762 in October 2019. Current liabilities in fiscal year 2020 include accounts payable of \$1,120,341, accrued salaries and benefits, and compensated absences of \$3,102,409, unearned revenues of \$3,496,995, current portion of long-term debt of \$1,130,000, and \$1,445,848 of other liabilities.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2021 AND 2020

Statement of Net Position (Continued)

Current unearned revenue represents unexpended cash advances received for sponsored programs.

Net position increased by \$2,168,956, or 6.0%, during fiscal year 2021. The increase is primarily due to the increase in investments and the decrease in net other post-employment benefit (OPEB) liability. Net position increased by \$2,880,803, or 8.6%, during fiscal year 2020. The increase is primarily due to the decrease in net other post-employment benefit (OPEB) liability.

Other Investments

The other long-term investments were \$3,039,462 in 2021 and \$3,274,414 in 2020. These investments consist of funds that have been allocated by the Research Foundation for long-term investment purposes without donor restrictions.

Capital Assets and Long-Term Debt Activities

The Research Foundation's capital assets is as follows:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Building and improvements	\$32,283,502	\$ 32,283,502
Furniture and fixtures	1,733,943	1,733,943
	<u>34,017,445</u>	<u>34,017,445</u>
Less accumulated depreciation and amortization	<u>(19,014,444)</u>	<u>(17,871,143)</u>
	15,003,001	16,143,302
Collection items (works of art)	6,667,741	6,667,741
Land and land improvements	<u>17,066,474</u>	<u>17,066,474</u>
	<u>\$38,737,216</u>	<u>\$ 39,880,517</u>

At June 30, 2021, the Research Foundation had \$38,737,216 invested in capital assets, net of accumulated depreciation of \$19,014,444. At June 30, 2020, the Research Foundation had \$39,880,517 invested in capital assets, net of accumulated depreciation of \$17,871,143.

Capital assets during fiscal year 2021 decreased \$1,143,301, or 2.9%, due to depreciation charges of \$1,143,301. Capital assets during fiscal year 2020 decreased \$768,001, or 1.9%, due to depreciation charges of \$1,142,886 and donated assets of \$350,000.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2021 AND 2020

Capital Assets and Long-Term Debt Activities (Continued)

Long-term debt obligations consist of bonds of \$24,621,344 in 2021 and \$26,055,322 in 2020.

Net Position

Net position represents the residual interest in the Research Foundation's assets and deferred outflow of resources after liabilities and deferred inflow of resources are deducted. The Research Foundation's net position is as follows:

	June 30,	
	2021	2020
Invested in capital assets, net of related debt	\$14,115,872	\$ 13,825,195
Restricted—Expendable:		
Research	4,655,720	4,551,364
Other	4,862,830	10,595,474
Unrestricted	14,920,199	7,413,632
Net Position	\$38,554,621	\$ 36,385,665

Net position increased by \$2,168,956, or 6.0%, during fiscal year 2021. The increase is primarily due to the increase in investments and decrease of the net other post-employment benefit (OPEB) liability.

Net position increased by \$2,880,803, or 8.6%, during fiscal year 2020. The increase is primarily due to the decrease of the net other post-employment benefit (OPEB) liability.

Net invested in capital assets, net of related debt, represent the Research Foundation's capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of these assets.

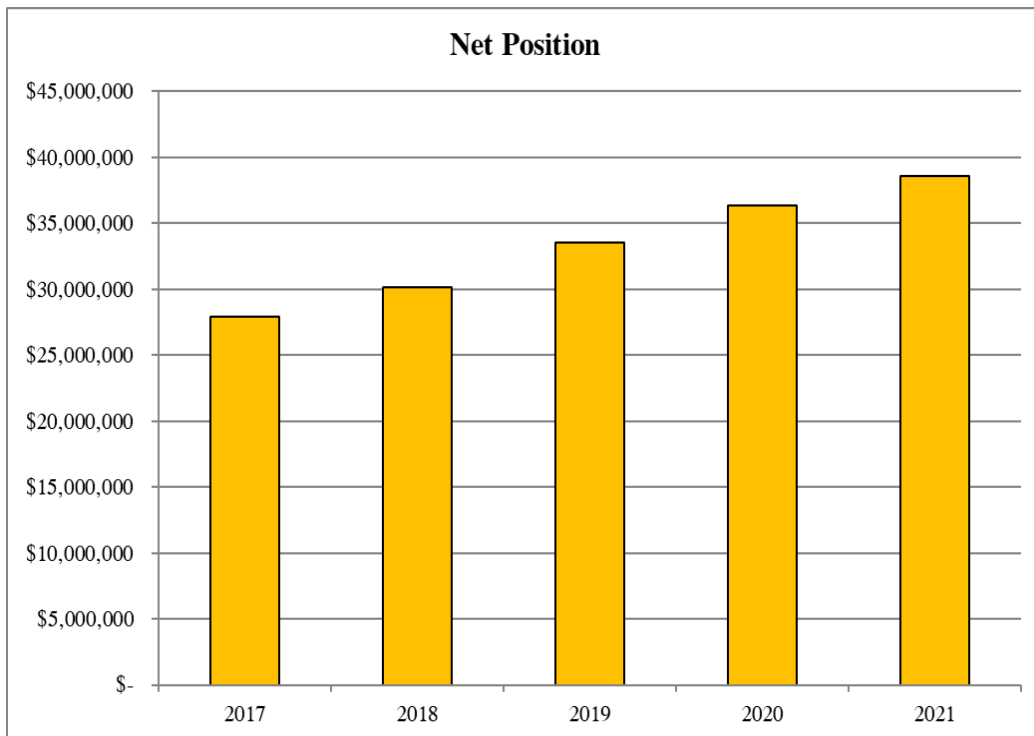
CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2021 AND 2020

Net Position (Continued)

Items included in the restricted expendable net position are program funds designated to support research, and other program activities.



CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2021 AND 2020

Statement of Revenue, Expenses, and Changes in Net Position

The statement of revenue, expenses, and changes in net position presents the Research Foundation's results of operations. A summary of the Research Foundation's revenue, expenses, and changes in net position is as follows:

	For the Year Ended	
	June 30,	
	<u>2021</u>	<u>2020</u>
Operating revenue:		
Grants and contracts	\$ 34,027,906	\$ 37,348,266
Other	7,546,412	9,197,487
Total operating revenues	<u>41,574,318</u>	<u>46,545,753</u>
Operating expenses	<u>(46,594,947)</u>	<u>(45,128,595)</u>
Operating income (loss)	<u>(5,020,629)</u>	<u>1,417,158</u>
Nonoperating revenues (expenses):		
Gifts, noncapital	2,570,776	1,660,508
Investment (loss) income, net	5,439,592	(198,972)
Nonoperating expenses	1,047,445	2,109
Total nonoperating revenues, net	<u>9,057,813</u>	<u>1,463,645</u>
Transfer of net position	<u>(1,868,228)</u>	<u>-</u>
Change in net position	2,168,956	2,880,803
Net position at beginning of year	<u>36,385,665</u>	<u>33,504,862</u>
Net position at end of year	<u>\$ 38,554,621</u>	<u>\$ 36,385,665</u>

During fiscal year 2021, total operating revenue of \$41,574,318 decreased \$4,971,435, or 10.7%. Grants revenues were lower \$3,320,360, or 8.9%. Campus program and centers' revenue was lower \$1,018,639, or 22.7%. Total nonoperating revenue of \$9,057,813 increased \$7,594,168, or 518.9%, due to favorable market performance and the decrease in other post-employment benefit (OPEB) liability.

During fiscal year 2020, total operating revenue of \$46,545,753 decreased \$799,016, or 1.7%. Campus program and centers' revenue was lower. Total nonoperating revenue of \$1,463,645 increased \$193,739, or 15.3%, due to the decrease in other post-employment benefit (OPEB) liability.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2021 AND 2020

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

During fiscal year 2021, grants and contract revenue consist of federal grants and contracts of \$23,553,265, state and local grants and contracts of \$8,682,152, and non-governmental grants and contracts of \$1,792,489.

During fiscal year 2020, grants and contract revenue consist of federal grants and contracts of \$25,203,272, state and local grants and contracts of \$9,093,913, and non-governmental grants and contracts of \$3,051,081.

Investment income (loss), net of fees, consists of a change in the fair market value of investments, including interest, dividends, and realized and unrealized gains (losses), and totaled \$5,439,592 in 2021 and (\$198,972) in 2020.

In 2021, operating expenses consist of salaries and fringe benefits of \$25,785,035, supplies and services of \$17,187,089, scholarships and fellowship of \$2,479,522, and depreciation of \$1,143,301.

In 2020, operating expenses consist of salaries and fringe benefits of \$26,333,859, supplies and services of \$13,329,493, scholarships and fellowship of \$4,322,357, and depreciation of \$1,142,886.

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

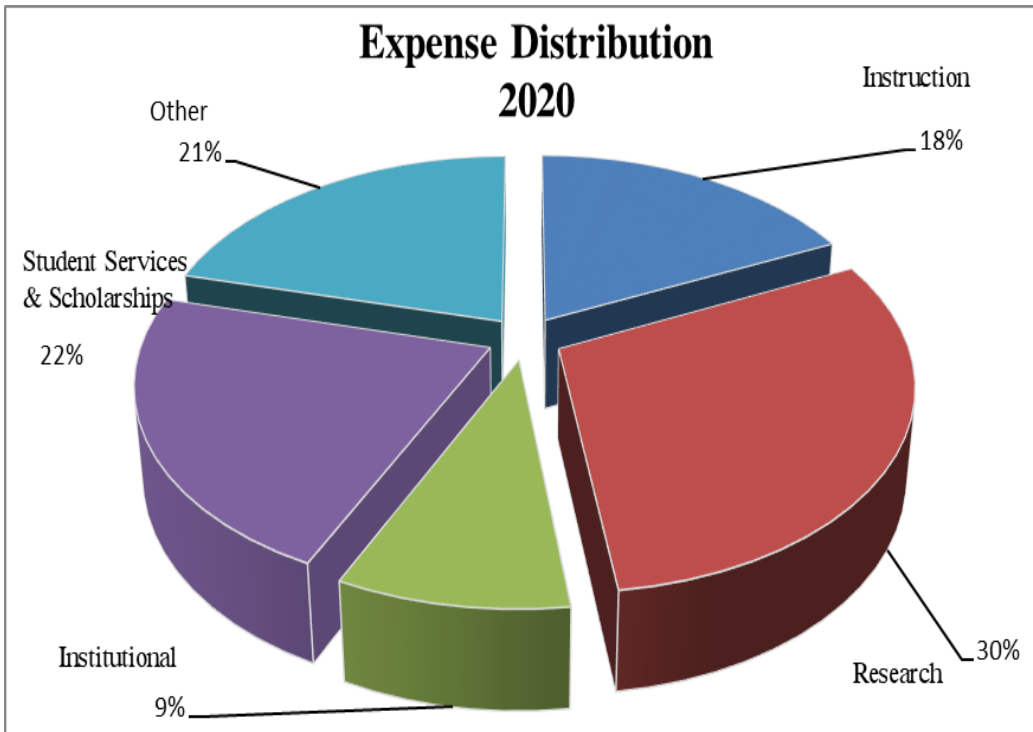
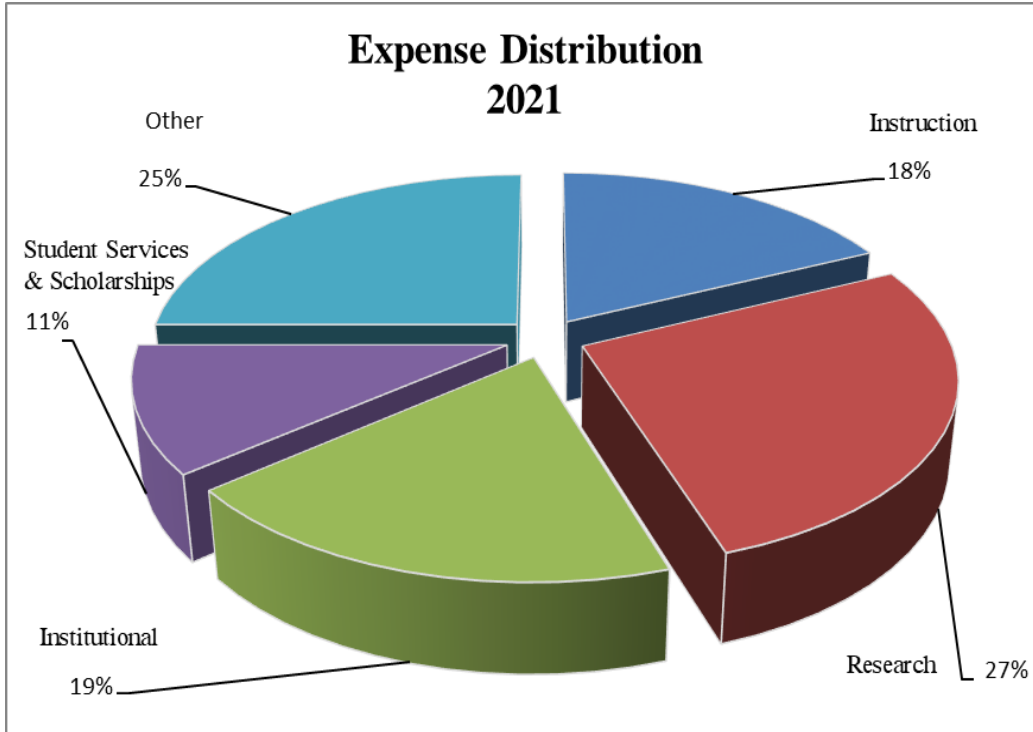
	For the Year Ended	
	June 30,	
	2021	2020
Operating		
Instruction	\$ 8,350,086	\$ 8,368,696
Research	12,422,803	13,474,384
Public service	4,574,358	4,367,848
Academic support	2,849,320	2,654,497
Student services	4,990,078	5,708,817
Institutional support	8,908,029	3,927,159
Student grants and scholarships	2,479,522	4,322,357
Auxiliary enterprise expenses	877,450	1,161,951
Depreciation and amortization	<u>1,143,301</u>	<u>1,142,886</u>
Total Operating Expenses	<u>\$ 46,594,947</u>	<u>\$ 45,128,595</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2021 AND 2020

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



CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2021 AND 2020

Statement of Cash Flows

The statement of cash flows provides additional information on the Research Foundation's financial results by reporting the major sources and uses of cash. A summary of the statement of cash flows is as follows:

	For the Year Ended	
	June 30,	
	<u>2021</u>	<u>2020</u>
Cash received from operations	\$ 40,193,392	\$ 48,612,747
Cash expended for operations	<u>(47,623,578)</u>	<u>(46,288,495)</u>
Net cash provided by (used in) operating activities	(7,430,186)	2,324,252
Net cash provided by noncapital financing activities (gifts and grants)	5,290,638	2,379,613
Net cash used in capital and related financing activities	(2,197,899)	(2,223,925)
Net cash provided by (used in) investing activities	<u>5,631,502</u>	<u>(2,387,788)</u>
Net change in cash and cash equivalents	1,294,055	92,152
Cash transfer to CSULB 49er Foundation	(1,868,228)	-
Cash and cash equivalents at beginning of year	<u>2,103,682</u>	<u>2,011,530</u>
Cash and cash equivalents at end of year	<u>\$ 1,529,509</u>	<u>\$ 2,103,682</u>

During fiscal year 2021, the cash position of \$1,529,509 decreased \$574,173, or 27.3%.

During fiscal year 2020, the cash position of \$2,103,681 increased \$92,152, or 4.6%.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2021 AND 2020

Economic Factors That Will Affect the Future

The Research Foundation serves to support the endeavors of externally sponsored research and training programs as a means of enhancing the academic experience of our faculty, students, and staff. This externally sponsored research allows faculty and students to engage in nationally recognized scholarly endeavors and is a cornerstone of the University's academic excellence. The Research Foundation in concert with the Office of Research and Economic Development offers a full range of pre and post award administrative services to support our externally sponsored programs.

Revenue generated for providing these services makes up a significant portion of our operating revenue. In 2021, 151 new sponsored research awards were received. New awards totaled \$32,142,410, and research expenditures totaled \$33,826,400 with an F&A Blended Rate of 14.2%. Agencies providing funding for new awards included 68 federal agencies, 30 state agencies, 9 local agencies, and 44 private corporations and foundations. These new grant awards will have a positive impact on our economic future. We also look at the number of proposals and the dollar value of those proposals as added assurance of continued growth. In 2021, 301 new grant proposals (a 13.2% increase over the prior fiscal year) valued at \$128,648,759 (a 3.5% increase over the prior fiscal year), were submitted.

In 2021, COVID-19 continued to dominate how we function as an organization just as it did for organizations everywhere. However, staff were resilient and adapted to a "new normal" and continued to provide outstanding service. We anticipate COVID-19 will remain in our operational considerations for the foreseeable future.

Given the number of new awards and new proposals, we remain confident that there will continue to be a consistent revenue stream to support the operations of the Research Foundation. Similarly, we feel that the ever-increasing efforts of our faculty, students, and staff will further strengthen a research-focused culture at the University.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

STATEMENT OF NET POSITION

ASSETS

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,529,509	\$ 2,103,682
Short-term investments	29,647,558	29,604,516
Accounts receivable, current portion	7,117,816	6,062,661
Pledges receivable, current portion	650,000	200,000
Prepaid expenses and other assets	120,364	82,288
	<u>39,065,247</u>	<u>38,053,147</u>
NONCURRENT ASSETS		
Accounts receivable, net of current position	16,422,423	16,230,924
Pledges receivable, net of current portion	343,150	1,598,659
Other long-term investments	3,039,462	3,274,414
Capital assets, net	38,737,216	39,880,517
	<u>58,542,251</u>	<u>60,984,514</u>
TOTAL ASSETS	<u>97,607,498</u>	<u>99,037,661</u>
DEFERRED OUTFLOWS OF RESOURCES		
Net differences in OPEB liabilities	82,521	115,982
Unamortized loss on refunding	1,433,510	1,545,914
	<u>1,516,031</u>	<u>1,661,896</u>

The accompanying notes are an integral part of these financial statements.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**STATEMENT OF NET POSITION
(Continued)**

LIABILITIES

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES		
Accounts payable	\$ 1,699,246	\$ 1,120,341
Accrued salaries and benefits payable	1,622,231	1,497,221
Accrued compensated absences, current portion	1,837,463	1,605,188
Unearned revenue	3,362,723	3,496,995
Long-term debt obligations, current portion	1,195,000	1,130,000
Other liabilities	<u>676,230</u>	<u>1,445,848</u>
	<u>10,392,893</u>	<u>10,295,593</u>
NONCURRENT LIABILITIES		
Long-term debt obligations, net of current portion	23,426,344	24,925,322
Other postemployment benefit obligations	2,664,923	6,049,016
Other liabilities	<u>6,867,629</u>	<u>7,250,491</u>
	<u>32,958,896</u>	<u>38,224,829</u>
TOTAL LIABILITIES	<u>43,351,789</u>	<u>48,520,422</u>
DEFERRED INFLOW OF RESOURCES		
Net differences in OPEB liabilities	4,933,024	3,496,745
Non-exchange transactions	<u>12,284,095</u>	<u>12,296,725</u>
	<u>17,217,119</u>	<u>15,793,470</u>
NET POSITION		
NET POSITION		
Invested capital assets, net of related debt	14,115,872	13,825,195
Restricted for:		
Expendable:		
Research	4,655,720	4,551,364
Other	4,862,830	10,595,474
Unrestricted	<u>14,920,199</u>	<u>7,413,632</u>
TOTAL NET POSITION	<u>\$ 38,554,621</u>	<u>\$ 36,385,665</u>

The accompanying notes are an integral part of these financial statements.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	For the Year Ended June 30,	
	2021	2020
REVENUE		
Operating Revenue:		
Grants and contracts, noncapital:		
Federal	\$ 23,553,265	\$ 25,203,272
State	8,359,527	7,282,204
Local	322,625	1,811,709
Nongovernmental	1,792,489	3,051,081
Sales and services of auxiliary enterprises	4,067,597	4,700,033
Other operating revenues	3,478,815	4,497,454
	<u>41,574,318</u>	<u>46,545,753</u>
EXPENSES		
Operating Expenses:		
Instruction	8,350,086	8,368,696
Research	12,422,803	13,474,384
Public service	4,574,358	4,367,848
Academic support	2,849,320	2,654,497
Student services	4,990,078	5,708,817
Institutional support	8,908,029	3,927,159
Student grants and scholarships	2,479,522	4,322,357
Auxiliary enterprise expenses	877,450	1,161,951
Depreciation and amortization	1,143,301	1,142,886
	<u>46,594,947</u>	<u>45,128,595</u>
OPERATING INCOME (LOSS)	<u>(5,020,629)</u>	<u>1,417,158</u>

The accompanying notes are an integral part of these financial statements.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
(Continued)**

	For the Year Ended	
	June 30,	
	2021	2020
NONOPERATING REVENUE (EXPENSES)		
Gifts, noncapital	2,570,776	1,660,508
Investment (loss) income, net	5,439,592	(198,972)
Interest expense	(866,908)	(913,859)
Other nonoperating income	1,914,353	915,968
	<u>9,057,813</u>	<u>1,463,645</u>
SPECIAL ITEM		
Transfer of net position to CSULB 49er Foundation	<u>(1,868,228)</u>	<u>-</u>
INCREASE IN NET POSITION	2,168,956	2,880,803
NET POSITION AT BEGINNING OF YEAR	<u>36,385,665</u>	<u>33,504,862</u>
NET POSITION AT END OF YEAR	<u>\$ 38,554,621</u>	<u>\$ 36,385,665</u>

The accompanying notes are an integral part of these financial statements.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

STATEMENT OF CASH FLOWS

	For the Year Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Federal grants and contracts	\$ 22,597,423	\$ 26,598,116
State grants and contracts	8,020,279	7,685,229
Local grants and contracts	309,532	1,911,976
Nongovernmental grants and contracts	1,719,746	3,219,939
Payments to suppliers	(17,406,459)	(13,125,407)
Payments to employees	(27,737,596)	(28,840,729)
Payments to students	(2,479,523)	(4,322,359)
Sales and services of auxiliary enterprises	4,067,597	4,700,033
Other receipts	3,478,815	4,497,454
Net Cash Provided By (Used In) Operating Activities	<u>(7,430,186)</u>	<u>2,324,252</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Gifts received for other than capital purposes	3,376,285	1,463,645
Other noncapital financing activities	1,914,353	915,968
Net Cash Provided By Noncapital Financing Activities	<u>5,290,638</u>	<u>2,379,613</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	-	(24,885)
Payments to retire bonds	(1,130,000)	(1,085,000)
Interest paid on capital-related debt	(1,067,899)	(1,114,040)
Net Cash Used In Capital and Related Financing Activities	<u>(2,197,899)</u>	<u>(2,223,925)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	2,957,674	4,650,686
Investment income, net	5,439,592	(198,972)
Purchase of investments	(2,765,764)	(6,839,502)
Net Cash Provided By (Used In) Investing Activities	<u>5,631,502</u>	<u>(2,387,788)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,294,055	92,152
CASH TRANSFER TO CSULB 49ER FOUNDATION	(1,868,228)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,103,682</u>	<u>2,011,530</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,529,509</u>	<u>\$ 2,103,682</u>

The accompanying notes are an integral part of these financial statements.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**STATEMENT OF CASH FLOWS
(Continued)**

	For the Year Ended June 30,	
	2021	2020
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH		
FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ (5,020,629)	\$ 1,417,158
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation and amortization	1,143,301	1,142,886
Change in assets and liabilities:		
Accounts receivable, net	(1,246,654)	2,352,616
Prepaid expenses and other assets	(38,076)	37,407
Deferred outflows of resources	33,461	(44,528)
Accounts payable	588,322	(480,573)
Accrued salaries and benefits payable	125,010	(149,174)
Accrued compensated absences	232,275	264,678
Unearned revenue	(134,272)	(285,622)
Other liabilities	(4,536,573)	(5,032,642)
Deferred inflows of resources	1,423,649	3,102,046
	<u>1,423,649</u>	<u>3,102,046</u>
 Net Cash Provided By (Used In) Operating Activities	 <u>\$ (7,430,186)</u>	 <u>\$ 2,324,252</u>

The accompanying notes are an integral part of these financial statements.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – Statement of Significant Accounting Policies

Organization

The California State University, Long Beach Research Foundation (the Research Foundation) is a nonprofit, tax-exempt corporation, incorporated in the state of California on October 3, 1956. The Research Foundation is organized to administer grants from governmental and private agencies for research and other activities related to the programs of California State University, Long Beach (the University). The Research Foundation has accepted donations, gifts, and bequests for any university-related use and is currently only administering gifts and bequests made to the Research Foundation prior to the start of CSULB 49er Foundation, which now accepts such donations for any university-related use. The Research Foundation is a direct-support organization and component 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 on the accrual basis. The Research Foundation reports as a Business Type Activity and, accordingly, has reported its activities within a single column in the basic financial statements.

The Research Foundation's policy for defining operating activities as reported on the statement of revenue, expenses, and changes in net position are those that generally result from transactions such as payments received for providing services and payments made for services or goods received. Nearly all of the Research Foundation's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenue as defined by GASB, including gifts and investment income.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The Research Foundation has adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, GASB Statement No. 35, as amended by GASB Statements No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. GASB Statement No. 33 requires that unconditional promises to give be recorded as receivables and revenue when the Research Foundation has met all applicable eligibility requirements. This statement also requires that unspent cash advances received for sponsored programs be recorded as deferred revenue rather than as restricted expendable net assets. GASB Statement No. 35 established standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following four net position categories: Invested in capital assets, net of related debt; Restricted, non-expendable; Restricted, expendable; and Unrestricted.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Research Foundation reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources – represent outflow of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources – (acquisition of net position) that apply to future periods and that, therefore, are not to be recognized as revenue until that time.

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

The Research 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 Research 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 investment accounting policy.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Net Position

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

- *Invested in capital assets, net of related debt*

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- *Restricted*

Nonexpendable – Net position subject to externally imposed stipulations that they be maintained permanently by the Research Foundation.

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

- *Unrestricted*

Unrestricted net positions are those that are not subject to externally imposed stipulations. Unrestricted net positions 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 positions are designated for any university-related use, which includes academic and research programs and initiatives, and capital programs.

Reporting Entity

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – Statement of Significant Accounting Policies (Continued)

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 revenue and expenses. The most significant estimates relate to allowance for uncollectible accounts receivable and pledges receivable, estimated useful lives of capital assets, postemployment benefit obligations, and charitable unitrust agreements. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Cash and Cash Equivalents

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

Custodial Credit Risk for Deposits

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

Investments

The Research Foundation has adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Under GASB Statement No. 31, 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 revenue, expenses, and changes in net position.

The Research Foundation has adopted GASB Statement No. 72, *Fair Value Measurement and Application*. GASB 72 establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable primarily consists of amounts due from the federal government, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants. Accounts receivable also includes charges for auxiliary enterprises' sales and services. Management provides for probable uncollectible amounts through a charge to revenue and a credit to a valuation allowance based on its assessment of the current status of the receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. At June 30, 2021 and 2020, the allowance was approximately \$100,000.

Pledges Receivable

The Research 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, as defined by GASB Statement No. 33, 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 pledges. There was no allowance at June 30, 2021 and June 30, 2020. The allowance determination includes such factors as prior collection history, type of gift, and nature of fund-raising.

Capital Assets

Capital assets of the Research Foundation are stated at cost or, if acquired by gift, at estimated fair value at the date of donation. Major renewals and betterments are charged to capital assets, while replacements, maintenance and repairs that do not improve or extend the life of the respective assets are currently expensed. Depreciation and amortization is charged on a straight-line basis over the lives of the assets, which range from five to forty years.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Collection Items and Works of Art

The Research Foundation's collection items are made up of artifacts of historical significance and art objects that are held for educational research and curatorial purposes. Each of the items is cataloged, preserved and cared for, and activities verifying their existence and assessing their condition are performed continuously. Monies recovered from any collections that are sold must be used to acquire other items for collections.

Collection items acquired on or after July 1, 1996 are capitalized at cost, if the items were purchased, or at their appraised or fair market value on the accession date, if the items were contributed. There were no donated collection items during the year ended June 30, 2021. There was a donated collection item worth \$350,000 during the year ended June 30, 2020.

Compensated Absences

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

Unearned Revenue

Unearned revenue consists primarily of amounts received from grant and contract sponsors which have not yet been earned under the terms of the agreement and lease payments received in advance from lessees on long-term leases.

Classification of Revenue and Expenses

The Research Foundation considers operating revenue and expenses in the statement of revenue, expenses, and changes in net position to be those revenue and expenses that result from exchange transactions or from other activities that are connected directly to the Research Foundation's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenue and expenses in accordance with GASB Statement No. 35. These nonoperating activities include net investment income, gifts (noncapital), endowments and interest expense.

Income Taxes

The Research 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.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncement

In June 2017, GASB issued Statement No. 87 – *Leases*. This Statement requires the recognition of lease assets and liabilities that previously were classified as operating leases and recognize as inflows of resources or outflows of resources based on the payment provisions of the applicable lease agreement. This Statement will require a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor would recognize a lease receivable and a deferred inflow of resources. The provisions of this Statement were to be effective beginning with the 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. 87, which is now effective beginning with reporting periods after June 15, 2021 (FYE June 30, 2022 for the Research Foundation). The Research Foundation is currently evaluating the impact of this Statement.

NOTE 2 – Accounts Receivable

The composition of accounts receivable is summarized as follows:

	June 30,	
	<u>2021</u>	<u>2020</u>
Grants and contracts	\$ 6,791,947	\$ 5,980,095
Trusts and other	<u>16,848,292</u>	<u>16,413,490</u>
	23,640,239	22,393,585
Less allowance for uncollectible accounts	<u>(100,000)</u>	<u>(100,000)</u>
	23,540,239	22,293,585
Less current portion	<u>(7,117,816)</u>	<u>(6,062,661)</u>
Noncurrent portion	<u><u>\$ 16,422,423</u></u>	<u><u>\$ 16,230,924</u></u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 – Pledges Receivable

Pledges receivable are recorded in the statement of net position at estimated net realizable value in accordance with GASB Statement No. 33. Pledges receivable were discounted as of June 30, 2021 using an interest rate of 3.39%, which approximated the Research Foundation's rate of return on treasury notes at the time the pledges were made. Pledges receivable as of June 30, 2021 are summarized as follows:

<u>Due in the Year Ending June 30,</u>	
2022	\$ 650,000
2023	200,000
2024	<u>172,464</u>
	1,022,464
Less present value discounts	<u>(29,314)</u>
	993,150
Less current portion of pledges receivable	<u>(650,000)</u>
Long-term portion of pledges receivable	<u>\$ 343,150</u>

NOTE 4 – Investments

At June 30, 2021, the Research Foundation's investment portfolio consists primarily of investments held in mutual funds, as well as interest-bearing accounts.

Investment Policy

The primary objective of the Research Foundation's investment policy is to safeguard the principal. The secondary objective is to meet the liquidity needs of the Research Foundation. The third objective is to return an acceptable yield. In general, the Research Foundation's investment policy permits investments in obligations of the federal and state governments, equities, corporate bonds, and certain other investment instruments.

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.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 – Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The Research 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:

	June 30,	
	2021	2020
Investments at fair value as determined by quoted market price or estimated fair value:		
Common stock	\$ 398,076	\$ 298,041
Mutual funds	27,861,703	22,794,619
Bonds	191,477	176,199
LAIF	<u>4,235,764</u>	<u>9,610,071</u>
	<u>\$ 32,687,020</u>	<u>\$ 32,878,930</u>

	June 30,	
	2021	2020
Investments by classification:		
Current portion	\$ 29,647,558	\$ 29,604,516
Noncurrent portion	<u>3,039,462</u>	<u>3,274,414</u>
	<u>\$ 32,687,020</u>	<u>\$ 32,878,930</u>

Investments are valued at quoted market price if available; otherwise, they are recorded at estimated fair value. Other investments consists of a treasury note that is valued at fair value based on market prices.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 – Investments (Continued)

Investment income is summarized as follows:

	For the Year Ended June 30,	
	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 1,228,150	\$ 1,089,605
Net unrealized gain (loss)	4,269,025	(1,233,758)
Net realized loss	<u>(57,583)</u>	<u>(54,819)</u>
	<u><u>\$ 5,439,592</u></u>	<u><u>\$ (198,972)</u></u>

Investment fees totaled \$102,986 and \$98,891 for the years ended June 30, 2021 and 2020, respectively, and are included in investment income on the accompanying statement of revenue, expenses, and changes in net position.

The Research Foundation follows the provisions of GASB No. 72 for 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. GASB No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques 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 Research 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.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 – Investments (Continued)

The following table sets forth by level, within the fair value hierarchy, the Research Foundation’s investments at fair value measurements:

	Fair Value Measurements at June 30, 2021				
	(Level 1)	(Level 2)	(Level 3)	Net Asset Value^(a)	Total
Common Stock	\$ 398,076	\$ -	\$ -	\$ -	\$ 398,076
US Treasury Securities:					
Intermediate-Term Bond	191,477	-	-	-	191,477
Equity Mutual Funds:					
Large blend	27,861,703	-	-	-	27,861,703
State of California Local Agency Investment Fund	-	-	-	4,235,764	4,235,764
Total assets at fair value	\$ 28,451,256	\$ -	\$ -	\$ 4,235,764	\$ 32,687,020

	Fair Value Measurements at June 30, 2020				
	(Level 1)	(Level 2)	(Level 3)	Net Asset Value^(a)	Total
Common Stock	\$ 298,041	\$ -	\$ -	\$ -	\$ 298,041
US Treasury Securities:					
Intermediate-Term Bond	176,199	-	-	-	176,199
Equity Mutual Funds:					
Large blend	22,794,619	-	-	-	22,794,619
State of California Local Agency Investment Fund	-	-	-	9,610,071	9,610,071
Total assets at fair value	\$ 23,268,859	\$ -	\$ -	\$ 9,610,071	\$ 32,878,930

^(a) In accordance with GASB 72, certain investments that were measured at net asset value 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.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 5 – Capital Assets

Capital assets activity for the year ended June 30, 2021 is summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ 17,066,474	\$ -	\$ -	\$ 17,066,474
Building and improvements	32,283,502	-	-	32,283,502
Furniture and fixtures	1,733,943	-	-	1,733,943
Collection items	<u>6,667,741</u>	<u>-</u>	<u>-</u>	<u>6,667,741</u>
	57,751,660	-	-	57,751,660
Less accumulated depreciation and amortization	<u>(17,871,143)</u>	<u>(1,143,301)</u>	<u>-</u>	<u>(19,014,444)</u>
	<u>\$ 39,880,517</u>	<u>\$ (1,143,301)</u>	<u>\$ -</u>	<u>\$ 38,737,216</u>

Capital assets activity for the year ended June 30, 2020 is summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ 17,066,474	\$ -	\$ -	\$ 17,066,474
Building and improvements	32,283,502	-	-	32,283,502
Furniture and fixtures	1,741,128	24,885	(32,070)	1,733,943
Collection items	<u>6,317,741</u>	<u>350,000</u>	<u>-</u>	<u>6,667,741</u>
	57,408,845	374,885	(32,070)	57,751,660
Less accumulated depreciation and amortization	<u>(16,760,327)</u>	<u>(1,142,886)</u>	<u>32,070</u>	<u>(17,871,143)</u>
	<u>\$ 40,648,518</u>	<u>\$ (768,001)</u>	<u>\$ -</u>	<u>\$ 39,880,517</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 – Long-Term Debt

Long-term debt consists of:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Bonds payable with interest at rates ranging from 3.5% to 5.00%, due semi-annually, principal payments due annually, final installment due May 2033	\$ 6,515,000	\$ 6,905,000
Bonds payable with interest at rates ranging from 2.5% to 5.75%, due semi-annually, principal payments due annually, final installment due May 2035	9,855,000	10,325,000
Bonds payable with interest at rates ranging from 4.0% to 5.00%, due semi-annually, principal payments due annually, final installment due May 2033	<u>4,560,000</u>	<u>4,830,000</u>
	20,930,000	22,060,000
Unamortized bond premium	3,691,344	3,995,322
Less current portion	<u>(1,195,000)</u>	<u>(1,130,000)</u>
Noncurrent portion	<u>\$ 23,426,344</u>	<u>\$ 24,925,322</u>

Long-term debt activity for the year ended June 30, 2021 is summarized as follows:

	<u>Beginning Balance</u>	<u>Borrowings</u>	<u>Refunding</u>	<u>Principal Repayment</u>	<u>Ending Balance</u>
Bonds payable	<u>\$ 22,060,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,130,000)</u>	<u>\$ 20,930,000</u>

Long-term debt activity for the year ended June 30, 2020 is summarized as follows:

	<u>Beginning Balance</u>	<u>Borrowings</u>	<u>Refunding</u>	<u>Principal Repayment</u>	<u>Ending Balance</u>
Bonds payable	<u>\$ 23,145,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,085,000)</u>	<u>\$ 22,060,000</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 – Long-Term Debt (Continued)

Future maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,195,000	\$ 1,007,125
2023	1,245,000	946,125
2024	1,315,000	882,125
2025	1,385,000	814,625
2026	1,450,000	743,750
2027-2031	8,460,000	2,521,000
2032-2034	<u>5,880,000</u>	<u>450,000</u>
	<u>\$ 20,930,000</u>	<u>\$ 7,364,750</u>

The bonds contain certain covenants with respect to a minimum debt service coverage ratio and minimum unrestricted net assets for which the Research Foundation is in compliance at June 30, 2021.

NOTE 7 – Pension Plan and Postemployment Health Care Plan

Pension Plan

The Research Foundation has a defined contribution retirement plan (the Plan) which covers all regular full-time employees and part-time employees who have provided services of at least 1,000 hours during the year. There is a two-year waiting period to enter the Plan. The basic plan contribution rate is equal to 10% of gross earnings. Pension expense was approximately \$764,000 and \$726,000 for the years ended June 30, 2021 and 2020, respectively.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan

The Research Foundation maintains the same plans for its retirees as for its active employees, as well as Medicare Replacement Plans for retirees age 65 and over.

The Research Foundation contributes to the cost of insurance according to a Policy Statement which is summarized below:

Group 1 employees (Benefitted Research Foundation Central Office Employees and Benefitted Office of Research and Sponsored Programs) and Group 2 employees (Benefitted Grant, Contract, Research and Special Project Employees) hired before January 1, 2012 are eligible to retire and receive Foundation-paid benefits after the later of age 50 and 5 years of continuous employment by the Research Foundation immediately prior to retirement. The Research Foundation contributes an amount up to 100% of the cap for active employees, which varies by tier.

Group 1 employees hired on or after January 1, 2012 are eligible to retire after the later of age 60 and 10 years of continuous employment by the Research Foundation immediately prior to retirement. The Research Foundation contributes an amount up to 50% of the cap for active employees. Group 2 employees hired on or after January 1, 2012 are not eligible for retiree health benefits.

At July 1, 2020, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	54
Active plan members	47

The Research Foundation currently finances benefits on a pay-as-you-go basis.

Benefits continue for the lifetime of the retiree and spouse or domestic partner. Spouses and domestic partners will be covered only if married or partnered at the time of retirement.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Reconciliation of Benefit Obligations

The following tables provide a reconciliation of the changes in the Plan’s benefit obligations and a statement of the funded status as of June 30, 2021 and 2020:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 11,238,425	\$ 15,330,504
Service cost	128,401	124,661
Interest cost	663,221	911,768
Change in assumptions	(2,304,044)	(4,630,620)
Benefits paid	<u>(497,888)</u>	<u>(497,888)</u>
Obligation at end of year	<u>9,228,115</u>	<u>11,238,425</u>
Change in plan assets		
Fair value of plan assets at beginning of year	5,189,409	3,757,286
Employer contributions	497,888	1,697,650
Net investment income	1,400,338	254,190
Administrative expenses	(26,555)	(21,829)
Benefit payments	<u>(497,888)</u>	<u>(497,888)</u>
Fair value of plan assets at end of year	<u>6,563,192</u>	<u>5,189,409</u>
Net amount recognized in the statements of financial position	<u>\$ 2,664,923</u>	<u>\$ 6,049,016</u>

The following table provides the components of the net periodic benefit cost (income) for the plan for the years ended June 30, 2021 and 2020:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Service cost	\$ 128,401	\$ 124,661
Interest cost	663,221	911,768
Expected return on assets	(488,469)	(618,349)
Experience gain	(1,327,773)	-
Change in assumption	<u>(391,845)</u>	<u>-</u>
Net periodic post-retirement benefit cost (income)	<u>\$ (1,416,465)</u>	<u>\$ 418,080</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Assumptions

Assumptions used to determine benefit obligations at June 30, 2021 and 2020:

	June 30,	
	2021	2020
Discount rate	6.00%	6.00%
Healthcare cost trend rate	4.00%	6.00%
Long-term rate of return on plan assets	6.00%	6.00%

Assumptions used to determine net periodic benefit cost for years ended June 30, 2021 and 2020:

Discount rate	6.00%	6.00%
General inflation	2.75%	2.25%
Long-term rate of return on plan assets	6.00%	6.00%

Assumed health care cost trend at June 30, 2021 and 2020:

Net Periodic Benefit Cost and Accumulated Post-Retirement Benefit Obligation:

Health care cost trend rate assumed for next year	4.00%	6.00%
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Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Assumptions (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or more than the target rate of return of 5.50 percent. The discount rate reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. A 1% change in assumed health care cost trend rates would have the following effects for the year ended June 30, 2021:

	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on the accumulated post-retirement benefit obligation	\$ 3,872,695	\$ 1,662,813

Assumed discount rates have a significant effect on the amounts reported for the health care plan. A 1% change in assumed discount rates would have the following effects for the year ended June 30, 2021:

	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on the accumulated post-retirement benefit obligation	\$ 1,781,298	\$ 3,720,793

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Contributions

The Research Foundation contributed \$497,888 to its post-retirement health care plan for the year ending June 30, 2021.

Participant contributions are determined for both active employees and retirees on an annual basis.

Investment Policy

Beginning in the fiscal year ended June 2016, the Research Foundation participated 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 post-retirement healthcare benefits for recognized auxiliaries of the California State University System. No withdrawals to cover retiree health benefits have been made yet as the Research Foundation plans to build up the fund for a few years before making withdrawals.

The purpose of the investment policy is to invest the contributions for funding the Research Foundations' retiree welfare benefits. The policy establishes appropriate risk and return objectives considering the Board's risk tolerance.

The return objectives of the investment portfolio are viewed from two perspectives: Absolute - Real (net of inflation) rate-of-return; and Relative - Time-weighted rates of return versus capital market indices.

1. The Absolute Objective is to seek an average total annual return net of fees and expenses of 4.0% plus the percentage change in the Consumer Price Index for All Urban Consumers: U.S. City Average – All Items.
2. The Relative Objective of the Auxiliaries VEBA's investment portfolio is to seek competitive investment performance versus appropriate capital market benchmarks or indices.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Investment Policy (Continued)

To achieve its return objectives, the investment portfolio shall be allocated among several asset classes, which may include domestic equity, domestic fixed income, international equity, international fixed income, real estate, and cash. The purpose of allocating among asset classes is to ensure the proper level of diversification within the portfolio. It is understood that assets may temporarily be placed in a cash equivalent account prior to investing in longer term instruments.

The general policy is to diversify investments among equities, fixed income and possibly other securities, such as real estate, to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category.

The portfolio shall be rebalanced at least annually in accordance with market fluctuations, keeping in mind that rebalancing is a function of expected returns, volatility, and return correlations of the portfolio. Rebalancing should also be weighed against the additional costs of frequent trading and internal resources.

Asset Category

The percentages of the fair value of total plan assets held in trust were as follows:

	June 30,	
	2021	2020
Mutual funds	100%	100%

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Asset Category (Continued)

The fair values of the Research Foundation’s plan assets as of June 30, 2021 and 2020 were as follows:

<u>June 30, 2021</u>	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds:				
Fixed income	\$ 2,522,939	\$ 2,522,939		
Domestic equity	2,800,763	2,800,763		
International equity	711,776	711,776		
Real estate	<u>527,714</u>	<u>527,714</u>		
Total assets at fair value	<u>\$ 6,563,192</u>	<u>\$ 6,563,192</u>	<u>None</u>	<u>None</u>

<u>June 30, 2020</u>	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds:				
Fixed income	\$ 2,294,409	\$ 2,294,409		
Domestic equity	1,920,024	1,920,024		
International equity	549,261	549,261		
Real estate	<u>425,715</u>	<u>425,715</u>		
Total assets at fair value	<u>\$ 5,189,409</u>	<u>\$ 5,189,409</u>	<u>None</u>	<u>None</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

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

At June 30, 2021 and 2020, the Research Foundation’s deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>June 30, 2021</u>		
Differences between projected and actual return on investments	\$ 82,521	\$ 875,633
Differences between projected and actual experience	-	3,009,606
Change in assumption	<u>-</u>	<u>1,047,785</u>
	<u>\$ 85,521</u>	<u>\$ 4,933,024</u>
<u>June 30, 2020</u>		
Differences between projected and actual return investments	\$ 115,982	\$ 3,496,745

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2022	\$ 33,461	\$ (1,941,389)
2023	\$ 33,463	\$ (1,937,572)
2024	\$ 15,597	\$ (779,917)
2025	\$ -	\$ (274,146)

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 – Commitments and Contingencies

Charitable Unitrust Agreements

The Research Foundation is obligated under various charitable unitrust agreements. The trusts provide a fixed percentage of the fair market value to be paid periodically to the trustor. Certain trusts limit the payment to the net income earned on the assets, while the remaining trusts allow for invasion of the principal to make the required payments. Upon termination, the remaining trust assets are to be distributed to designated beneficiaries and the Research Foundation in a manner designated by the grantor. The amounts due to the designated beneficiaries are reported as other liabilities on the statement of net position.

Contingencies

The Research Foundation receives a significant portion of its support and revenue from government grants, which are subject to government audit. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government. Until any such audits have been completed and final settlement reached, there exists a contingent liability to refund any amount received in excess of allowable costs. Based on prior history, management believes that no material liability will result from such audits.

As Lessor

The total investment in the land and building is approximately \$49,000,000, with \$45,000,000 allocated to the space available for lease, and approximately \$17,400,000 of accumulated depreciation at June 30, 2021.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 – Commitments and Contingencies (Continued)

As Lessor (Continued)

Space Lease terms range from one to eight years and require tenants to pay a pro-rata share of common area maintenance. The Research Foundation also has a ground lease through October 2083. The following is a schedule by years of future minimum rents receivable under noncancellable operating leases that have initial or remaining lease terms in excess of one year as of June 30, 2021:

<u>Year Ending June 30,</u>	
2022	\$ 3,635,415
2023	2,999,147
2024	3,131,307
2025	3,134,932
2026	3,130,932
Thereafter	<u>144,655,066</u>
	<u>\$ 160,686,799</u>

Rental income was approximately \$4,029,000 and \$4,474,000 for the years ended June 30, 2021 and 2020, respectively.

As Lessee

The Research Foundation has entered into a lease under an agreement expiring November 2025, not including any renewal options. Generally, these agreements provide for periodic adjustments to base rents based upon changes in the CPI.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 – Commitments and Contingencies (Continued)

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year at June 30, 2021:

Year Ending June 30,	
2022	\$ 57,600
2023	59,040
2024	60,480
2025	61,920
2026	<u>20,800</u>
	<u>\$ 259,840</u>

Rental expense was approximately \$441,000 and \$460,000 for the years ended June 30, 2021 and 2020, respectively.

Risks Associated with the Impact of COVID-19

Due to the severity and global nature of COVID-19, which was declared a pandemic by the World Health Organization in March 2020 and has persisted through 2021 and subsequent to year-end, it is reasonably possible that the estimates in the financial statements may be impacted in the near future. The ultimate disruption which may be caused by the outbreak is uncertain; however, possible effects may significantly impact the Research Foundation's activities along with its financial position and operating results. Due to the significant uncertainty as to the severity and longevity of the outbreak, management is evaluating the impact on the Research Foundation and its financial statements on an ongoing basis.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 9 – Operating Expenses by Function

	For the Year Ended June 30, 2021				Total
	Compensation and Benefits	Supplies and Services	Scholarship and Fellowship	Depreciation and Amortization	
Instruction	\$ 6,339,566	\$ 2,010,520	\$ -	\$ -	\$ 8,350,086
Research	7,992,399	4,430,404	-	-	12,422,803
Public service	2,508,216	2,066,142	-	-	4,574,358
Academic support	1,895,342	953,978	-	-	2,849,320
Student services	4,313,165	676,913	-	-	4,990,078
Institutional support	2,461,038	6,446,991	-	-	8,908,029
Student grants and scholarships	-	-	2,479,522	-	2,479,522
Auxiliary enterprise expenses	275,309	602,141	-	-	877,450
Depreciation and amortization	-	-	-	1,143,301	1,143,301
Total Operating Expenses	\$ 25,785,035	\$ 17,187,089	\$ 2,479,522	\$ 1,143,301	\$ 46,594,947

	For the Year Ended June 30, 2020				Total
	Compensation and Benefits	Supplies and Services	Scholarship and Fellowship	Depreciation and Amortization	
Instruction	\$ 5,823,510	\$ 2,545,186	\$ -	\$ -	\$ 8,368,696
Research	9,075,641	4,398,743	-	-	13,474,384
Public service	2,447,330	1,920,518	-	-	4,367,848
Academic support	1,590,772	1,063,725	-	-	2,654,497
Student services	4,556,830	1,151,987	-	-	5,708,817
Institutional support	2,634,624	1,292,535	-	-	3,927,159
Student grants and scholarships	-	-	4,322,357	-	4,322,357
Auxiliary enterprise expenses	205,152	956,799	-	-	1,161,951
Depreciation and amortization	-	-	-	1,142,886	1,142,886
Total Operating Expenses	\$ 26,333,859	\$ 13,329,493	\$ 4,322,357	\$ 1,142,886	\$ 45,128,595

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 10 – Transactions with Related Entities

As described in Note 1, the Research Foundation is an auxiliary organization affiliated with the University and the California State University (CSU) System statewide. The Research Foundation is also affiliated with CSULB 49er Foundation (49er 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>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Payments to the University for salaries of University personnel working on contracts, grants, and other programs	\$ 3,811,263	\$ 4,169,596
Payments to the University for other than salaries of University personnel	\$ 7,241,694	\$ 9,280,374
Payments received from the University for services, space, and programs	\$ 3,251,228	\$ 4,302,126
Gifts-in-kind to the University from discretely presented component units	\$ 243,781	\$ 77,015
Gifts (cash or assets) to the University from discretely presented component units	\$ 8,736,921	\$ 4,316,602
Amounts payable to the University	\$ 707,763	\$ 376,081
Amounts due to other CSU business Units	\$ 10,859	\$ 1,133,258
Amounts due from other CSU business Units	\$ 52,237	\$ 47,120
Accounts receivable from the University	\$ 150,114	\$ 69,675

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 11 – Transfer of Net Position

The 49er Foundation began operations July 1, 2012 with the purpose to promote philanthropy and manage the resources previously donated to the Research Foundation but designated for University-related uses. Assets relating to endowments, scholarships, and certain pledges were transferred from the Research Foundation to the 49er Foundation at the inception of operations. Some assets related to campus program donations were retained in the Research Foundation until specified obligations were satisfied. Once the specified obligations are satisfied, the assets are transferred to the 49er Foundation in the year the obligation is satisfied. During the year ended June 30, 2021, the Research Foundation transferred \$1,868,228 of cash related to obligations satisfied to the 49er Foundation.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**REQUIRED SUPPLEMENTAL INFORMATION
(UNAUDITED)**

Schedule of Changes in Plan's Net OPEB Liability and Related Ratios

	<u>FYE 6/30/21</u>	<u>FYE 6/30/20</u>	<u>FYE 6/30/19</u>	<u>FYE 6/30/18</u>	<u>FYE 6/30/17</u>
Total OPEB Liability					
Service costs	\$ 128,401	\$ 124,661	\$ 373,421	\$ 362,545	\$ 351,985
Interest	663,221	911,768	793,247	760,021	728,897
Change in assumptions	(2,304,044)	(4,630,620)	-	-	-
Benefit payments	<u>(497,888)</u>	<u>(497,888)</u>	<u>(510,852)</u>	<u>(525,863)</u>	<u>(504,370)</u>
Net change in total OPEB liability	(2,010,310)	(4,092,079)	655,816	596,703	576,512
Total OPEB liability – beginning of year	<u>11,238,425</u>	<u>15,330,504</u>	<u>14,674,688</u>	<u>14,077,985</u>	<u>13,501,473</u>
Total OPEB liability – end of year (a)	<u>9,228,115</u>	<u>11,238,425</u>	<u>15,330,504</u>	<u>14,674,688</u>	<u>14,077,985</u>
 Plan Fiduciary Net Position					
Contributions – employer	497,888	1,697,650	2,215,487	525,863	504,370
Net investment income	1,400,338	254,190	88,614	134,072	184,836
Benefit payments	(497,888)	(497,888)	(510,852)	(525,863)	(504,370)
Administrative expenses	<u>(26,555)</u>	<u>(21,829)</u>	-	<u>(13,599)</u>	<u>(12,188)</u>
Net change in plan fiduciary net position	1,373,783	1,432,123	1,793,249	120,473	172,648
Plan fiduciary net position – beginning of year	<u>5,189,409</u>	<u>3,757,286</u>	<u>1,964,037</u>	<u>1,843,564</u>	<u>1,670,916</u>
Plan fiduciary net position – end of year (b)	<u>6,563,192</u>	<u>5,189,409</u>	<u>3,757,286</u>	<u>1,964,037</u>	<u>1,843,564</u>
 Net OPEB liability (a) – (b)	<u>\$ 2,664,923</u>	<u>\$ 6,049,016</u>	<u>\$ 11,573,218</u>	<u>\$ 12,710,651</u>	<u>\$ 12,234,421</u>
 Plan fiduciary net position as a percentage of total OPEB liability	71.12%	46.18%	24.51%	13.38%	13.10%
 Covered payroll	\$ 4,090,582	\$ 4,090,582	\$ 4,003,775	\$ 4,018,056	\$ 4,355,086
 Net OPEB liability as a percentage of covered payroll	65.15%	147.88%	289.06%	316.34%	280.92%
 Measurement date	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17

Note: GASB 75 was implemented during fiscal year ended June 30, 2018; therefore, only five years of information was available.

SUPPLEMENTARY FINANCIAL INFORMATION

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**SUPPLEMENTARY FINANCIAL INFORMATION
OTHER INFORMATION
JUNE 30, 2021**

Assets:

Current assets:

Cash and cash equivalents	\$ 1,529,509
Short-term investments	29,647,558
Accounts receivable, net	7,117,816
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	650,000
Prepaid expenses and other current assets	120,364
Total current assets	<u>39,065,247</u>

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	16,422,423
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	343,150
Endowment investments	-
Other long-term investments	3,039,462
Capital assets, net	38,737,216
Other assets	-
Total noncurrent assets	<u>58,542,251</u>
Total assets	<u>97,607,498</u>

Deferred outflows of resources:

Unamortized loss on debt refunding	1,433,510
Net pension liability	-
Net OPEB liability	82,521
Others	-
Total deferred outflows of resources	<u>1,516,031</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

SUPPLEMENTARY FINANCIAL INFORMATION

OTHER INFORMATION

JUNE 30, 2021

(Continued)

Liabilities:	
Current liabilities:	
Accounts payable	1,699,246
Accrued salaries and benefits	1,622,231
Accrued compensated absences, current portion	1,837,463
Unearned revenues	3,362,723
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	1,195,000
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	<u>676,230</u>
Total current liabilities	<u>10,392,893</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	23,426,344
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	2,664,923
Net pension liability	-
Other liabilities	<u>6,867,629</u>
Total noncurrent liabilities	<u>32,958,896</u>
Total liabilities	<u>43,351,789</u>
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	4,933,024
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	<u>12,284,095</u>
Total deferred inflows of resources	<u>17,217,119</u>
Net position:	
Net investment in capital assets	14,115,872
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	4,655,720
Loans	-
Capital projects	-
Debt service	-
Others	4,862,830
Unrestricted	<u>14,920,199</u>
Total net position	<u>\$ 38,554,621</u>

See Independent Auditors' Report

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

SUPPLEMENTARY FINANCIAL INFORMATION

OTHER INFORMATION

JUNE 30, 2021

(Continued)

Revenues:

Operating revenues:

Student tuition and fees, gross	\$	-
Scholarship allowances (enter as negative)		-
Grants and contracts, noncapital:		
Federal		23,553,265
State		8,359,527
Local		322,625
Nongovernmental		1,792,489
Sales and services of educational activities		-
Sales and services of auxiliary enterprises, gross		4,067,597
Scholarship allowances (enter as negative)		-
Other operating revenues		<u>3,478,815</u>
Total operating revenues		<u>41,574,318</u>

Expenses:

Operating expenses:

Instruction	8,350,086
Research	12,422,803
Public service	4,574,358
Academic support	2,849,320
Student services	4,990,078
Institutional support	8,908,029
Operation and maintenance of plant	-
Student grants and scholarships	2,479,522
Auxiliary enterprise expenses	877,450
Depreciation and amortization	<u>1,143,301</u>
Total operating expenses	<u>46,594,947</u>
Operating income (loss)	<u>(5,020,629)</u>

Nonoperating revenues (expenses):

State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	2,570,776
Investment income (loss), net	5,439,592
Endowment income (loss), net	-
Interest expense	(866,908)
Other nonoperating revenues (expenses) - excl. interagency transfers	<u>1,914,353</u>

Net nonoperating revenues (expenses)	<u>9,057,813</u>
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Income (loss) before other revenues (expenses)	<u>4,037,184</u>
State appropriations, capital	-
Grants and gifts, capital	-
Transfer of net position to CSULB 49er Foundation	(1,868,228)
Additions (reductions) to permanent endowments	<u>-</u>
Increase (decrease) in net position	<u>2,168,956</u>
Net position:	
Net position at beginning of year, as previously reported	36,385,665
Restatements	<u>-</u>
Net position at beginning of year, as restated	<u>36,385,665</u>
Net position at end of year	<u>\$ 38,554,621</u>

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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	1,529,509
Total	<u>\$ 1,529,509</u>

2.1. COMPOSITION OF INVESTMENTS:

<u>Investment Type</u>	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Money Market funds	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	191,477	191,477
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset-backed securities	-	-	-
Mortgage*backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	25,184,507	2,677,196	27,861,703
Exchange-traded funds	-	-	-
Equity securities	227,287	170,789	398,076
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment types	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	4,235,764	-	4,235,764
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments	-	-	-
Total investments	<u>29,647,558</u>	<u>3,039,462</u>	<u>32,687,020</u>
Less endowment investments	-	-	-
Total investments, net of endowments	<u>\$ 29,647,558</u>	<u>\$ 3,039,462</u>	<u>\$ 32,687,020</u>

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2.2 FAIR VALUE HIERARCHY IN INVESTMENTS:

Investment Type	Fair Value	FAIR VALUE MEASUREMENTS USING			Net Asset Value (NAV)
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Money Market funds	\$ -	\$ -	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	191,477	191,477	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset-backed securities	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	27,861,703	27,861,703	-	-	-
Exchange-traded funds	-	-	-	-	-
Equity securities	398,076	398,076	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU consolidated investment pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	4,235,764	-	-	-	4,235,764
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments	-	-	-	-	-
Total investments	\$ 32,687,020	\$ 28,451,256	\$ -	\$ -	\$ 4,235,764

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 SWIFT Inv Pool)	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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3.1. COMPOSITION OF CAPITAL ASSETS:

	Balance June 30, 2020	Reclassifications	Prior-Period Adjustments	Balance June 30, 2020 (Restated)
Nondepreciable/nonamortizable capital assets:				
Land and land improvements	\$ 17,066,474	\$ -	\$ -	\$ 17,066,474
Works of art and historical treasures	6,667,741	-	-	6,667,741
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 intangible assets	-	-	-	-
Total nondepreciable/nonamortizable capital assets	23,734,215	-	-	23,734,215
Depreciable/amortizable capital assets:				
Buildings and building improvements	32,283,502	-	-	32,283,502
Improvements, other than buildings	-	-	-	-
Infrastructure	-	-	-	-
Leasehold improvements	-	-	-	-
Personal property:				
Equipment	1,733,943	-	-	1,733,943
Library books and materials	-	-	-	-
Intangible assets:				
Software and websites	-	-	-	-
Rights and easements	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-
Licenses and permits	-	-	-	-
Other intangible assets	-	-	-	-
Total intangible assets	-	-	-	-
Total depreciable/amortizable capital assets	34,017,445	-	-	34,017,445
Total capital assets	57,751,660	-	-	57,751,660
Less accumulated depreciation/amortization:				
Buildings and building improvements	(16,265,284)	-	-	(16,265,284)
Improvements, other than buildings	-	-	-	-
Infrastructure	-	-	-	-
Leasehold improvements	-	-	-	-
Personal property:				
Equipment	(1,605,859)	-	-	(1,605,859)
Library books and materials	-	-	-	-
Intangible assets:				
Software and websites	-	-	-	-
Rights and easements	-	-	-	-
Patents, copyright and trademarks	-	-	-	-
Licenses and permits	-	-	-	-
Other intangible assets	-	-	-	-
Total intangible assets	-	-	-	-
Total accumulated depreciation/amortization	(17,871,143)	-	-	(17,871,143)
Total capital assets, net	\$ 39,880,517	\$ -	\$ -	\$ 39,880,517

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Additions	Retirements	Transfers of Completed CWIP/PWIP	Balance June 30, 2021
\$ -	\$ -	\$ -	\$ 17,066,474
-	-	-	6,667,741
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	23,734,215
-	-	-	32,283,502
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	1,733,943
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	34,017,445
-	-	-	57,751,660
(1,110,651)	-	-	(17,375,935)
-	-	-	-
-	-	-	-
-	-	-	-
(32,650)	-	-	(1,638,509)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(1,143,301)	-	-	(19,014,444)
\$ (1,143,301)	\$ -	\$ -	\$ 38,737,216

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3.2 DETAIL OF DEPRECIATION AND AMORTIZATION EXPENSE:

	Amount
Depreciation and amortization expense related to capital assets	\$ (1,143,301)
Amortization expense related to other assets	-
Total depreciation and amortization	\$ (1,143,301)

4. LONG-TERM LIABILITIES:

	Balance June 30, 2020	Prior-Period Adjustments Reclassifications	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 1,605,188	\$ -	\$ 1,605,188	\$ 232,275	\$ -	\$ 1,837,463	\$ 1,837,463	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capitalized lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized premium/(discount)	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-
Long-term debt obligations:								
Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	-	-
Note payable (SRB related)	22,060,000	-	22,060,000	-	(1,130,000)	20,930,000	1,195,000	19,735,000
Others:	-	-	-	-	-	-	-	-
Sub-total long-term debt obligations	22,060,000	-	22,060,000	-	(1,130,000)	20,930,000	1,195,000	19,735,000
Unamortized net bond premium/(discount)	3,995,322	-	3,995,322	-	(303,978)	3,691,344	-	3,691,344
Total long-term debt obligations	26,055,322	-	26,055,322	-	(1,433,978)	24,621,344	1,195,000	23,426,344
Total long-term liabilities	\$ 27,660,510	\$ -	\$ 27,660,510	\$ 232,275	\$ (1,433,978)	\$ 26,458,807	\$ 3,032,463	\$ 23,426,344

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5. CAPITALIZED LEASE OBLIGATIONS SCHEDULE:

<u>Year Ending June 30,</u>	<u>Capitalized Lease Obligations Related to SRB</u>		
	<u>Principal Only</u>	<u>Interest Only</u>	<u>Principal and Interest</u>
2022	\$ -	\$ -	\$ -
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027-2031	-	-	-
2032-2036	-	-	-
2037-2041	-	-	-
2042-2046	-	-	-
2047-2051	-	-	-
Thereafter	-	-	-
Total Minimum Lease Payment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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All Other Long-Term Lease Obligations			Total Capital Lease Obligations		
Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
			Less amounts representing interest		
					-
			Present value of future minimum payments		-
			Unamortized net premium (discount)		-
			Total capital lease obligations		-
			Less current portion		-
			Capital lease obligations, net of current portion		<u>\$ -</u>

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6. LONG-TERM DEBT OBLIGATIONS SCHEDULE:

Year Ending June 30,	Auxiliary Revenue Bonds (non-SRB related)			Principal Only
	Principal Only	Interest Only	Principal and Interest	
2022	\$ -	\$ -	\$ -	\$ 1,195,000
2023	-	-	-	1,245,000
2024	-	-	-	1,315,000
2025	-	-	-	1,385,000
2026	-	-	-	1,450,000
2027-2031	-	-	-	8,460,000
2032-2036	-	-	-	5,880,000
2037-2041	-	-	-	-
2042-2046	-	-	-	-
2047-2051	-	-	-	-
Thereafter	-	-	-	-
Total Minimum Payment	\$ -	\$ -	\$ -	\$ 20,930,000

All Other Long-Term Debt Obligations		Total Long-Term Debt Obligations		
Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
\$ 1,007,125	\$ 2,202,125	\$ 1,195,000	\$ 1,007,125	\$ 2,202,125
946,125	2,191,125	1,245,000	946,125	2,191,125
882,125	2,197,125	1,315,000	882,125	2,197,125
814,625	2,199,625	1,385,000	814,625	2,199,625
743,750	2,193,750	1,450,000	743,750	2,193,750
2,521,000	10,981,000	8,460,000	2,521,000	10,981,000
450,000	6,330,000	5,880,000	450,000	6,330,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 7,364,750</u>	<u>\$ 28,294,750</u>	<u>\$ 20,930,000</u>	<u>\$ 7,364,750</u>	28,294,750
				Less amounts representing interest <u>(7,364,750)</u>
				Present value of future minimum payments 20,930,000
				Unamortized net premium (discount) <u>3,691,344</u>
				Total long-term debt obligations 24,621,344
				Less current portion <u>(1,195,000)</u>
				Long-term debt obligations, net of current portion <u>\$ 23,426,344</u>

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7. TRANSACTIONS WITH RELATED ENTITIES

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 3,811,263
Payments to University for other than salaries of University personnel	\$ 7,241,694
Payments received from University for services, space, and programs	\$ 3,251,228
Gifts-in-kind to the University from discretely presented component units	\$ 243,781
Gifts (cash or assets) to the University from discretely presented component units	\$ 8,736,921
Accounts (payable to) University	\$ (707,763)
Other amounts (payable to) University	\$ -
Accounts receivable from University	\$ 150,114
Other amounts receivable from University	\$ -

8. RESTATEMENTS/PRIOR PERIOD ADJUSTMENTS

Intentionally left blank - no restatements/prior period adjustments

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9. NATURAL CLASSIFICATIONS OF OPERATING EXPENSES:

	<u>Salaries</u>	<u>Benefits- Other</u>	<u>Benefits- Pension</u>	<u>Benefits- OPEB</u>	<u>Scholarships and Fellowships</u>	<u>Supplies and Other Services</u>	<u>Depreciation and Amortization</u>	<u>Total Operating Expenses</u>
Instruction	\$ 4,841,263	\$ 1,298,899	\$ 199,404	\$ -	\$ -	\$ 2,010,520	\$ -	\$ 8,350,086
Research	6,339,469	1,540,175	112,755	-	-	4,430,404	-	12,422,803
Public service	1,845,407	619,312	43,497	-	-	2,066,142	-	4,574,358
Academic support	1,437,638	404,913	52,791	-	-	953,978	-	2,849,320
Student services	3,144,634	1,003,322	165,209	-	-	676,913	-	4,990,078
Institutional support	1,795,330	486,930	178,778	-	-	6,446,991	-	8,908,029
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	2,479,522	-	-	2,479,522
Auxiliary enterprise expenses	165,224	98,467	11,618	-	-	602,141	-	877,450
Depreciation and amortization	-	-	-	-	-	-	1,143,301	1,143,301
Total Operating Expenses	<u>\$ 19,568,965</u>	<u>\$ 5,452,018</u>	<u>\$ 764,052</u>	<u>\$ -</u>	<u>\$ 2,479,522</u>	<u>\$ 17,187,089</u>	<u>\$ 1,143,301</u>	<u>\$ 46,594,947</u>

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10. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

1. Deferred outflows of resources

Deferred outflows - unamortized loss on refunding(s)	\$	1,433,510
Deferred outflows - net pension liability		-
Deferred outflows - net OPEB liability		82,521
Deferred outflows - others		<u>-</u>

Total deferred outflows of resources **\$** 1,516,031

2. Deferred inflows of resources

Deferred inflows - service concession arrangements	\$	-
Deferred inflows - net pension liability		-
Deferred inflows - net OPEB liability		4,933,024
Deferred inflows - unamortized gain on debt refunding(s)		-
Deferred inflows - nonexchange transactions		12,284,095
Deferred inflows - other		<u>-</u>

Total deferred inflows of resources **\$** 17,217,119

11. OTHER NONOPERATING REVENUES (EXPENSE)

Other nonoperating revenues	\$	1,914,353
Other nonoperating (expenses)		<u>-</u>

Total other nonoperating revenues (expenses) **\$** 1,914,353