

**CSULB 49ER FOUNDATION**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEARS ENDED JUNE 30, 2020 AND 2019**



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**CSULB 49ER FOUNDATION  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
CSULB 49er Foundation  
Long Beach, California

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

***Opinion***

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

***Other Matter***

The 49er Foundation's June 30, 2019 financial statements were audited by other auditors whose report dated September 17, 2019, expressed an unmodified audit opinion on those statements.

**Report on Supplementary Information**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2020, on our consideration of CSULB 49er Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness CSULB 49er Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CSULB 49er Foundation's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Glendora, California  
October 15, 2020

**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

**Introduction**

The following discussion and analysis provides an overview of the financial position and activities of the CSULB 49er Foundation (the 49er Foundation) for the years ended June 30, 2020 and 2019. The discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto, which follow this section.

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

**Using the Financial Statements**

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

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

**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

**Statement of Net Position**

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

	June 30,		
	2020	2019	2018
Current Assets			
Cash and Short Term Investments	\$ 36,901,502	\$ 27,719,274	\$ 23,923,765
Accounts and Pledges Receivable, Net	4,249,381	7,520,036	2,587,805
Prepaid Expenses and Other Assets	21,077	78,129	49,054
Noncurrent Assets			
Pledges Receivable, Net	4,172,844	3,406,728	4,192,862
Endowment and Other Investments	85,646,026	79,476,773	77,195,804
Total Assets	<u>130,990,830</u>	<u>118,200,940</u>	<u>107,949,290</u>
Total Liabilities	946,308	1,116,527	427,280
Deferred Inflows of Resources	14,166	103,064	45,526
	<u>960,474</u>	<u>1,219,591</u>	<u>472,806</u>
Net Position	<u>\$ 130,030,356</u>	<u>\$ 116,981,349</u>	<u>\$ 107,476,484</u>

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

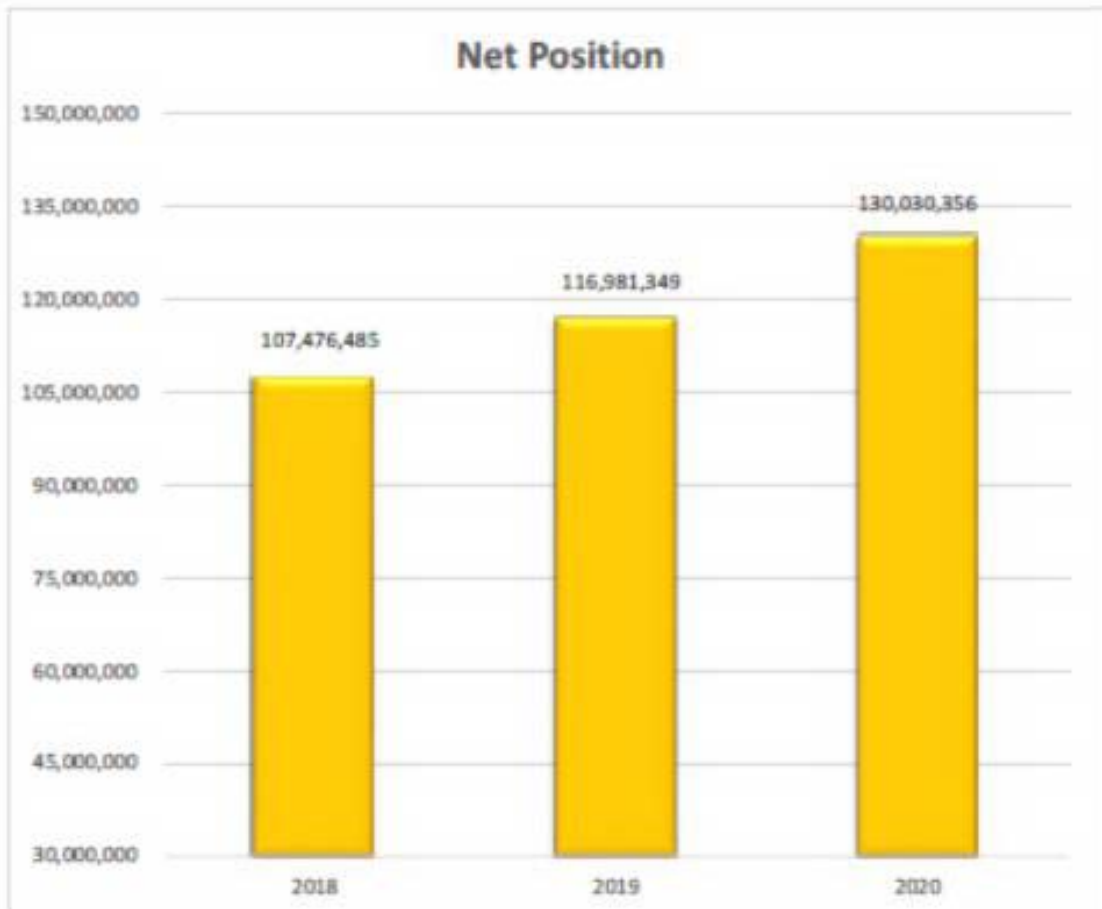
For fiscal year 2019, total assets increased \$10,251,650, or 9.5%, primarily due to an increase in cash, pledges receivable, and endowment and other investments.

**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**





**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

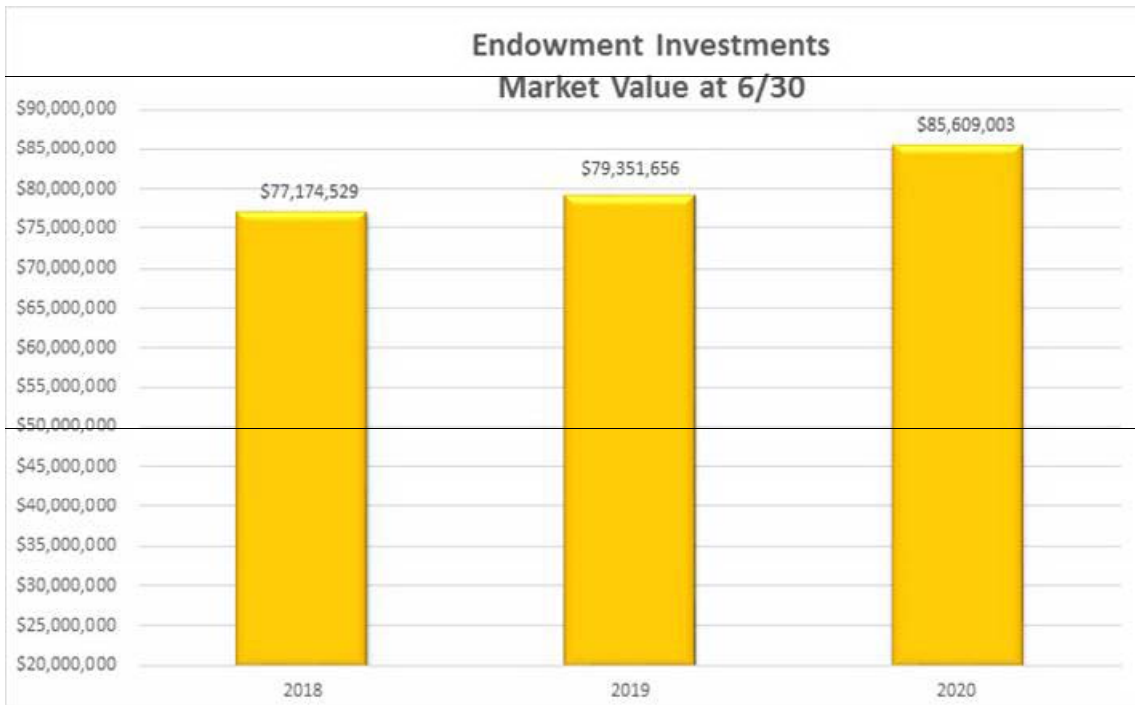


**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

**Endowment Investments**

The 49er Foundation's endowment is \$85,609,003 and \$79,351,657 at June 30, 2020 and 2019, respectively. The increase is attributed to additional donations and market returns during the fiscal year. The 49er Foundation's investment policies are designed to protect the long-term viability of its endowment and seek a total return that provides for the annual spending policy disbursement, fees and inflation protection.

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



**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

**Net Position**

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

	June 30,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Restricted:			
Nonexpendable	\$ 75,483,843	\$ 67,940,410	\$ 65,826,640
Expendable	43,211,944	38,074,374	30,204,605
Unrestricted	<u>11,334,569</u>	<u>10,966,565</u>	<u>11,445,239</u>
Net Position	<u>\$ 130,030,356</u>	<u>\$ 116,981,349</u>	<u>\$ 107,476,484</u>

During fiscal year 2020, net position increased \$ 13,049,007, or 11.2%. During fiscal year 2019, net position increased \$ 9,504,865 or 8.8%. The increase in fiscal year 2020 is attributed primarily to new gifts to current use and endowed funds and the transfer in of net position from the CSULB Alumni Association. The increase in fiscal year 2019 is attributed to new gifts to current use and endowed funds, and favorable market conditions.

Restricted nonexpendable net assets include the 49er Foundation's endowment funds. Items included in the restricted expendable net assets are fund balances and pledges designated to support scholarships and fellowships, instructional department uses, and other activities. Unrestricted net assets include operating funds and certain funds, not restricted by donors, which have been designated by management.

Significant increases in 2020 occurred in the "other" category for both expendable and non-expendable funds. A large donation to the Art Museum building fund is included in the expendable category and a large donation to endowment to establish programs in the Division of Student Affairs to support a LEADS initiatives (Leading, Empowering, and Developing Students) is included in the non-expendable category.

**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

**Statement of Revenues, Expenses, and Changes in Net Position**

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

	June 30,		
	2020	2019*	2018
Operating Revenues:			
Operating Revenues:	\$ 798,470	\$ 902,089	\$ 920,007
Operating Expenses	(13,256,639)	(13,156,826)	(12,081,779)
Operating Loss	(12,458,169)	(12,254,737)	(11,161,772)
Nonoperating Revenues:			
Gifts	13,538,811	14,307,628	8,943,318
Investment Income, Net	611,823	869,235	890,964
Endowment Income	2,293,628	3,910,515	5,312,792
Endowment Gifts	7,993,299	2,113,770	8,794,264
Total Nonoperating Revenues	24,437,561	21,201,148	23,941,338
Increase in Net Position	11,979,392	8,946,411	12,779,566
Special Item:			
Transfer of Net Assets from CSULB Research Foundation, net CSULB Alumni Association	1,069,615	558,454	654,816
Net Position at Beginning of Year	116,981,349	107,476,484	94,042,102
Net Position at End of Year	\$ 130,030,356	\$ 116,981,349	\$ 107,476,484

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

Total operating revenues consist of administrative fees and other revenue, primarily from fund raising. Total operating expenses consist of compensation and benefits, supplies and services, and scholarship and fellowships.

For fiscal year 2020 compared to 2019, operating revenues decreased by \$103,619, or 11.5%, primarily due to a decrease in fundraising revenue. Operating expenses increased slightly by \$99,813, or 0.76% due to the combination of an increase in compensation and benefits expense and a decrease in scholarship expense.

For fiscal year 2019 compared to 2018, operating revenues remained substantially the same. Operating expenses increased \$1,075,047 million, or 8.9% due to increase in current use fund activities. Scholarship expense increased \$282,170, or 7.3%.

**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

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

The recurring operating loss is the result of government accounting standards requiring that gift revenues be classified as nonoperating, while related expense is classified as operating.

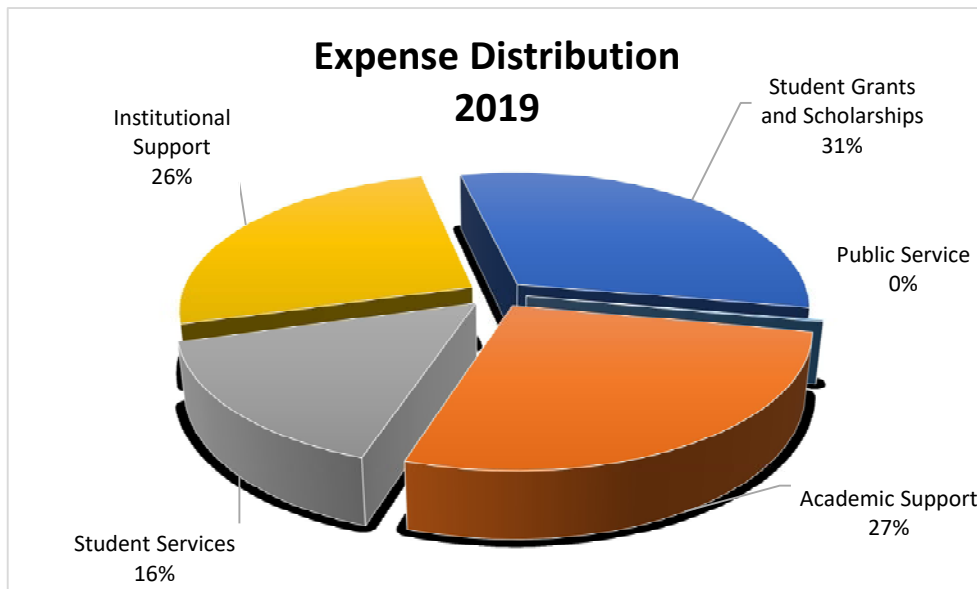
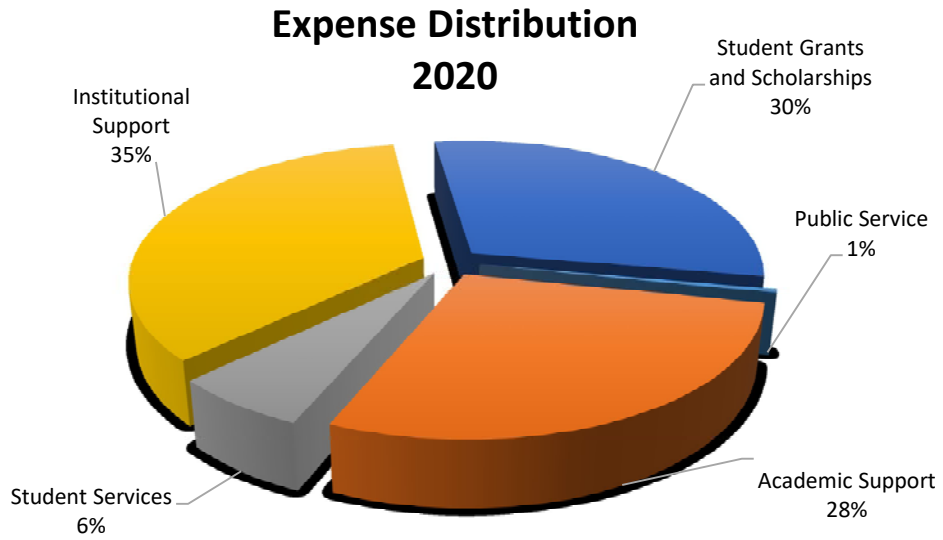
For fiscal year 2020 compared to 2019, nonoperating revenues and additions to nonexpendable endowments increased \$3,236,413 or 15.3%, due primarily to an increase in gifts of \$5,110,712 and a decrease in investment earnings of \$1,874,300.

For fiscal year 2019 compared to 2018, nonoperating revenues decreased \$2,740,190 or 11.4%, due primarily to a decrease in gifts of \$1,316,184 and a decrease in endowment income of \$1,402,277.

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

**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

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



**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

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

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

	June 30,		
	2020	2019	2018
Operating:			
Public Service	\$ 59,624	\$ 26,202	\$ 7,734
Academic Support	3,737,127	3,567,024	3,837,585
Student Services	854,629	2,044,215	1,287,095
Institutional Support	4,633,341	3,402,881	3,115,031
Student Grants and Scholarships	3,971,918	4,116,504	3,834,334
	<u>\$ 13,256,639</u>	<u>\$ 13,156,826</u>	<u>\$ 12,081,779</u>

The Public Service category includes expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution, for example, at CSULB, expenses for The Earl B. Miller Japanese Gardens are included in this category.

The Academic Support category includes expenses to provide support services to the institution's primary missions of instruction, research, and public service. Expenses belonging to this category include the library, the art museum, academic computing, and academic administrative support.

The Student Services category includes expenses for organized administrative activities that provide assistance and support to the needs and interests of students. Also included are expenses for organized activities that provide for students' social and cultural development outside the formal academic program, for example, cultural events, student newspapers, intramural athletics, and student organizations.

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

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

**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

**Statement of Cash Flows**

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

	June 30,		
	<u>2020</u>	<u>2019</u>	<u>2019</u>
Net Cash Used by Operating Activities	\$ (13,517,230)	\$ (11,877,173)	\$ (11,282,317)
Net Cash Provided by Noncapital Financing Activities	16,989,244	10,809,561	10,484,426
Net Cash Used by Capital and Related Financing Activities	-	-	-
Net Cash Provided (Used) by Investing Activities	<u>(5,093,625)</u>	<u>(2,345,384)</u>	<u>5,401,630</u>
Net Change in Cash and Cash Equivalents	(1,621,611)	(3,412,996)	4,603,739
Cash and Cash Equivalents at Beginning of Year	<u>3,486,112</u>	<u>6,899,108</u>	<u>2,295,369</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,864,501</u></u>	<u><u>\$ 3,486,112</u></u>	<u><u>\$ 6,899,108</u></u>

The cash balance decrease in 2020 is attributed to timely transfers to short-term investments.

The cash balance decrease in 2019 is partly due to the timing of an investment strategy in 2018 and lower investment earnings.



**CSULB 49ER FOUNDATION  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
JUNE 30, 2020 AND 2019**

**Economic Factors That Will Affect the Future**

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

The CSULB 49er Foundation had its best fundraising year ever for the fiscal year ending June 30, 2020. The University posted nearly \$39.1 million in outright gifts and commitments, almost all of which are designated for specific programs, projects, scholarships, and other restricted purposes.

While the impacts of COVID-19 have not been felt in fundraising efforts for FY19-20, and current expectations of donor pipeline are strong enough to anticipate continued fundraising at or above existing level, the true impacts of COVID-19 on the CSULB 49er Foundation operations and capacity are unknown, and could play out over several years, potentially impacted by State budget cuts. However, prudent planning by the Chief Executive Officer has secured multi-year vendor agreements in FY 19-20 with encumbered revenue for marketing and philanthropic service providers to ensure continuity of services through FY 23-24.

The CSULB 49er Foundation Outside Chief Investment Officer (OCIO) believes current market volatility due to the COVID-19 virus, which lowered the portfolio up to 15% at peak losses, would be a short-term impact. In the short term the market is going to cause large losses, but the OCIO leveraged reinvestment opportunities which are expected to become the new market leaders when the crisis is over. While markets may be volatile for over a year, the OCIO recommends that we stay with our current strategies.

**Significant Developments**

In FY19-20 the CSULB 49er Foundation procured a new audit firm, CLA, after an extensive proposal process. The change in firms is the first significant change since the inception of the CSULB 49er Foundation.

In FY 19-20 the CSULB 49er Foundation completed a campaign feasibility study. The study identifies current capacity to complete a campaign to raise \$275 million through FY 23-24.

The CSULB 49er Foundation experienced its first Chancellor's Office policies and procedures audit independent of the Research Foundation. The auditors provided three observations that need to be addressed relative to fundraising event management and reporting, campus service agreement finalizations, and documenting of security policies for the Advance donor database. The Chief Executive Officer of the 49er Foundation had already instituted annual policy reviews by each Committee with oversight of those policies, however, the CSULB 49er Foundation Audit committee will include a review of implemented audit finding policy changes.

**CSULB 49ER FOUNDATION  
STATEMENTS OF NET POSITION  
JUNE 30, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,864,501	\$ 3,486,112
Short-Term Investments	35,037,001	24,233,162
Accounts Receivable, Net	1,184,892	238,998
Pledges Receivable, Net	3,064,489	7,281,038
Prepaid Expenses and Other Assets	21,077	78,129
Total Current Assets	41,171,960	35,317,439
<b>NONCURRENT ASSETS</b>		
Receivable - Split-Interest Agreements	14,166	103,064
Pledges Receivable, Net	4,172,844	3,406,728
Long-Term Investments	22,857	22,052
Endowment Investments	85,609,003	79,351,657
Total Noncurrent Assets	89,818,870	82,883,501
Total Assets	\$ 130,990,830	\$ 118,200,940
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 258,337	\$ 117,642
Other Liabilities	687,971	998,885
Total Liabilities	946,308	1,116,527
<b>DEFERRED INFLOW OF RESOURCES</b>		
Split-Interest Agreements	14,166	103,064
<b>NET POSITION</b>		
Restricted for:		
Nonexpendable:		
Scholarships and Fellowships	38,966,295	36,785,363
Instructional Department Use	28,136,835	26,502,109
Other	8,380,713	4,652,938
Expendable:		
Scholarships and Fellowships	7,125,425	9,563,669
Instructional Department Use	14,423,693	13,191,157
Other	21,662,826	15,319,548
Unrestricted	11,334,569	10,966,565
Total Net Position	130,030,356	116,981,349
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 130,990,830	\$ 118,200,940

See accompanying Notes to Financial Statements.

**CSULB 49ER FOUNDATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>REVENUES</b>		
Operating Revenues	\$ 798,470	\$ 902,089
<b>EXPENSES</b>		
Operating Expenses:		
Public Service	59,624	26,202
Academic Support	3,737,127	3,567,024
Student Services	854,629	2,044,215
Institutional Support	4,633,341	3,402,881
Student Grants and Scholarships	3,971,918	4,116,504
Total Operating Expenses	13,256,639	13,156,826
<b>OPERATING LOSS</b>	(12,458,169)	(12,254,737)
<b>NONOPERATING REVENUES</b>		
Gifts, Noncapital	13,538,811	14,307,628
Investment Income, Net	611,823	869,235
Endowment Income, Net	2,293,628	3,910,515
Total Nonoperating Revenues	16,444,262	19,087,378
<b>INCOME BEFORE OTHER ADDITIONS</b>	3,986,093	6,832,641
<b>ADDITIONS TO NONEXPENDABLE ENDOWMENTS</b>	7,993,299	2,113,770
<b>INCREASE IN NET POSITION BEFORE SPECIAL ITEM</b>	11,979,392	8,946,411
<b>SPECIAL ITEM</b>		
Transfer of Net Position from CSULB Alumni Association	1,069,615	558,454
<b>INCREASE IN NET POSITION</b>	13,049,007	9,504,865
Net Position - Beginning of Year	116,981,349	107,476,484
<b>NET POSITION - END OF YEAR</b>	\$ 130,030,356	\$ 116,981,349

See accompanying Notes to Financial Statements.

**CSULB 49ER FOUNDATION  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to or on Behalf of the University Departments	\$ (6,084,425)	\$ (6,275,241)
Payments to Employees	(3,313,463)	(2,075,834)
Payments to Students	(3,971,918)	(4,116,504)
Other Receipts	(147,424)	590,406
Net Cash Used by Operating Activities	(13,517,230)	(11,877,173)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Gifts Received for Other than Capital Purposes	16,989,244	10,251,107
Transfer from the CSULB Alumni Association	-	558,454
Net Cash Provided by Noncapital Financing Activities	16,989,244	10,809,561
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sales and Maturities of Investments	44,909,561	20,777,149
Investment Income, Net	611,823	869,235
Endowment Income, Net	2,293,628	3,910,515
Additions to Nonexpendable Endowments	7,993,299	2,113,770
Transfer from the CSULB Alumni Association	1,069,615	-
Purchase of Investments	(61,971,551)	(30,016,053)
Net Cash Used by Investing Activities	(5,093,625)	(2,345,384)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,621,611)	(3,412,996)
Cash and Cash Equivalents - Beginning of Year	3,486,112	6,899,108
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,864,501	\$ 3,486,112

See accompanying Notes to Financial Statements.

**CSULB 49ER FOUNDATION  
STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (12,458,169)	\$ (12,254,737)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Accounts Receivable, Net	(856,996)	(282,608)
Prepaid Expenses and Other Assets	57,052	(29,075)
Accounts Payable	140,695	(25,382)
Other Liabilities	(399,812)	714,629
Net Cash Used by Operating Activities	\$ (13,517,230)	\$ (11,877,173)

*See accompanying Notes to Financial Statements.*

**CSULB 49ER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

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

**Basis of Presentation**

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

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

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

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

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

**CSULB 49ER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

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

**Net investments in capital assets**

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The 49er Foundation had no capital assets as of June 30, 2020 and 2019.

**Restricted**

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

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

**Unrestricted**

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

**Reporting Entity**

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

**Use of Estimates and Assumptions**

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

**Cash and Cash Equivalents**

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

**CSULB 49ER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Custodial Credit Risk**

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

**Investments**

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

**Accounts Receivable**

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

**Split-Interest Agreements - Receivable**

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

**Pledges Receivable**

The 49er Foundation receives pledges and bequests of financial support from corporations, foundations, and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements, including time requirements, have been met. In the absence of such promise, revenue is recognized when the gift is received. Endowment pledges do not meet eligibility requirements and are not recorded as assets until the related gift is received. An allowance for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts (approximately \$186,000 and \$1,016,000 at June 30, 2020 and 2019, respectively). The determination includes such factors as prior collection history, type of gift, and nature of fund-raising.



**CSULB 49ER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflow of Resources**

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

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

**Income Taxes**

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

**Reclassifications**

Certain reclassifications to the comparative information have been made to conform to the current year presentation. The reclassifications has no effect on the previously reported net position or changes in net position.

**Future Accounting Pronouncements**

**Statement No. 87 – Leases**

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

**CSULB 49ER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 PLEDGES RECEIVABLE**

Pledges receivable are recorded in the statement of net position at estimated net realizable value. Pledges receivable were discounted as of June 30, 2020 using interest rates ranging from 1.15% to 3.36%, which approximated the 49er Foundation's rate of return on treasury notes at the time the pledge is made. Pledges receivable as of June 30, 2020 are summarized as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 3,143,066
2022	2,172,015
2023	991,287
2024	922,497
2025	277,500
Thereafter	<u>242,089</u>
Subtotal	7,748,454
Less: Allowance for Uncollectible Pledges	(185,573)
Less: Present Value Discounts	<u>(325,548)</u>
Total	7,237,333
Less: Current Portion of Pledges Receivable	<u>(3,064,489)</u>
Long-Term Portion of Pledges Receivable	<u><u>\$ 4,172,844</u></u>

**NOTE 3 INVESTMENTS**

At June 30, 2020 and 2019, the 49er Foundation's investment portfolio consists primarily of investments held in the investment pool, as well as interest-bearing accounts.

**Investment Policy**

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

**Interest Rate Risk**

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

**Credit Risk**

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

**CSULB 49ER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 3 INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk**

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

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

The following is a summary of investments:

	<u>2020</u>	<u>2019</u>
Investments at Fair Value as Determined by Quoted Market Price or Estimated Fair Value:		
Local Agency Investment fund (LAIF)	\$ 7,556,128	\$ 1,943,675
Corporate Bonds	2,519,617	1,893,232
Mutual Funds	40,167,382	37,249,476
Government Securities	4,167,214	3,141,055
Equity Securities	40,238,589	38,858,154
Exchange Traded Funds (ETFs)	24,744,109	20,499,227
Alternatives	1,252,965	
Other Investments	22,857	22,052
Total	<u>120,668,861</u>	<u>103,606,871</u>
Less: Short-Term Portion of Investments	(35,037,001)	(24,233,162)
Less: Long-Term Portion of Investments	<u>(22,857)</u>	<u>(22,052)</u>
Endowment Investments	<u>\$ 85,609,003</u>	<u>\$ 79,351,657</u>

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

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

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

*Level 3* – inputs are unobservable inputs for the asset.

**CSULB 49ER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 3 INVESTMENTS (CONTINUED)**

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

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

Fair Value Measurements at June 30, 2019					
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV (a)
LAIF	\$ 1,943,675	\$ -	\$ -	\$ -	\$ 1,943,675
Corporate Bonds	1,893,232	-	1,893,232	-	-
Mutual Funds	37,249,476	37,249,476	-	-	-
Government Securities	3,141,055	3,141,055	-	-	-
Equity Securities	38,858,154	38,858,154	-	-	-
Exchange Traded Funds	20,499,227	20,499,227	-	-	-
Other Investment Funds	22,052	-	22,052	-	-
Total	\$ 103,606,871	\$ 99,747,912	\$ 1,915,284	\$ -	\$ 1,943,675

(a) 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.

**CSULB 49ER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 3 INVESTMENTS (CONTINUED)**

Investment income is summarized as follows

	<u>2020</u>	<u>2019</u>
Interest and Dividend Income	\$ 3,240,184	\$ 2,417,764
Net Unrealized Gains	1,884,105	1,680,958
Net Realized Gains	(1,760,470)	1,115,480
Fees	(458,368)	(434,452)
Total	<u>\$ 2,905,451</u>	<u>\$ 4,779,750</u>

**NOTE 4 OPERATING EXPENSES BY FUNCTION**

Operating expenses are reported by natural classification in the Statement of Revenues, Expenses and Changes in Net Position. A schedule of expenses by function is shown below:

	<u>Compensation and Benefits</u>	<u>Supplies and Services</u>	<u>Scholarship and Fellowship</u>	<u>Total</u>
<u>June 30, 2020</u>				
Public Service	\$ -	\$ 59,624	\$ -	\$ 59,624
Academic Support	1,735,677	2,001,450	-	3,737,127
Student Services	68,192	786,437	-	854,629
Institutional Support	1,509,594	3,123,747	-	4,633,341
Student Grants and Scholarships	-	-	3,971,918	3,971,918
Total Operating Expenses	<u>\$ 3,313,463</u>	<u>\$ 5,971,258</u>	<u>\$ 3,971,918</u>	<u>\$ 13,256,639</u>

	<u>Compensation and Benefits</u>	<u>Supplies and Services</u>	<u>Scholarship and Fellowship</u>	<u>Total</u>
<u>June 30, 2019</u>				
Public Service	\$ 575	\$ 25,627	\$ -	\$ 26,202
Academic Support	1,462,272	2,104,752	-	3,567,024
Student Services	38,290	2,005,925	-	2,044,215
Institutional Support	574,696	2,828,185	-	3,402,881
Student Grants and Scholarships	-	-	4,116,504	4,116,504
Total Operating Expenses	<u>\$ 2,075,833</u>	<u>\$ 6,964,489</u>	<u>\$ 4,116,504</u>	<u>\$ 13,156,826</u>

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

**CSULB 49ER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 5 TRANSACTIONS WITH RELATED ENTITIES**

As described in Note 1, the 49er Foundation is an auxiliary organization affiliated with the University and the California State University (CSU) System statewide. The 49er Foundation is also affiliated with CSULB Research Foundation (Research Foundation), an auxiliary organization of the University and CSU. The accompanying financial statements include transactions with related parties as of and for the years ended June 30, 2020 and 2019, as follows:

	<u>2020</u>	<u>2019</u>
Payments to the University for Salaries of University Personnel Working on Contracts, Grants, and Other Programs	\$ 2,871,005	\$ 1,470,303
Payments to the University for Other than Salaries of University Personnel	7,227,328	7,281,801
Payments Received from the University for Services, Space, and Programs	721,260	291,445
Payments to the CSULB Research Foundation for Salaries and Other Expenses	782,758	1,018,129
Gifts-in-Kind to the University from Discretely Presented Component Units	710,302	360,640
Gifts (Cash or Assets) to the University from Discretely Presented Component Units	4,973,426	4,309,166
Amounts Due to the University	739,988	879,314
Amounts Due to the Research Foundation	47,120	113,802
Amounts Due to Other CSU Business Units	585	5,769
Amounts Receivable from the University	62,044	212,045
Amounts Due from the Research Foundation	1,122,848	7,434

**CSULB 49ER FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 6 TRANSFER OF NET POSITION**

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

**NOTE 7 RISK AND UNCERTAINTIES**

**Coronavirus Disease (COVID-19)**

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

## **SUPPLEMENTARY INFORMATION**



**CSULB 49ER FOUNDATION  
SCHEDULE OF NET POSITION  
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)  
JUNE 30, 2020**

**Assets:**

**Current assets:**

Cash and cash equivalents	\$	1,864,501
Short-term investments		35,037,001
Accounts receivable, net		1,184,892
Capital lease receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		3,064,489
Prepaid expenses and other current assets		21,077
<b>Total current assets</b>		<b>41,171,960</b>

**Noncurrent assets:**

Restricted cash and cash equivalents		-
Accounts receivable, net		14,166
Capital lease receivable, net of current portion		-
Notes receivable, net of current portion		-
Student loans receivable, net		-
Pledges receivable, net		4,172,844
Endowment investments		85,609,003
Other long-term investments		22,857
Capital assets, net		-
Other assets		-
<b>Total noncurrent assets</b>		<b>89,818,870</b>
<b>Total assets</b>	<b>\$</b>	<b>130,990,830</b>

**Deferred outflows of resources:**

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

See the accompanying notes to the supplementary information

**CSULB 49ER FOUNDATION  
SCHEDULE OF NET POSITION  
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)  
JUNE 30, 2020**

<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Accounts payable	\$	258,337
Accrued salaries and benefits		-
Accrued compensated absences, current portion		-
Unearned revenues		-
Capital lease obligations, current portion		-
Long-term debt obligations, current portion		-
Claims liability for losses and loss adjustment expenses, current portion		-
Depository accounts		-
Other liabilities		687,971
<b>Total current liabilities</b>		<b>946,308</b>
<b>Noncurrent liabilities:</b>		
Accrued compensated absences, net of current portion		-
Unearned revenues		-
Grants refundable		-
Capital lease obligations, net of current portion		-
Long-term debt obligations, net of current portion		-
Claims liability for losses and loss adjustment expenses, net of current portion		-
Depository accounts		-
Net other postemployment benefits liability		-
Net pension liability		-
Other liabilities		-
<b>Total noncurrent liabilities</b>		<b>-</b>
<b>Total liabilities</b>	<b>\$</b>	<b>946,308</b>
<b>Deferred inflows of resources:</b>		
Service concession arrangements	\$	-
Net pension liability		-
Net OPEB liability		-
Unamortized gain on debt refunding		-
Nonexchange transactions		-
Others		14,166
<b>Total deferred inflows of resources</b>	<b>\$</b>	<b>14,166</b>
<b>Net position:</b>		
Net investment in capital assets	\$	-
Restricted for:		
Nonexpendable – endowments		75,483,843
Expendable:		
Scholarships and fellowships		7,125,425
Research		-
Loans		-
Capital projects		-
Debt service		-
Others		36,086,519
Unrestricted		11,334,569
<b>Total net position</b>	<b>\$</b>	<b>130,030,356</b>

See the accompanying notes to the supplementary information

**CSULB 49ER FOUNDATION**  
**SCHEDULE OF REVENUE, EXPENSES, AND NET POSITION**  
**(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)**  
**JUNE 30, 2020**

**Revenues:**

**Operating revenues:**

Student tuition and fees, gross	\$	-
Scholarship allowances (enter as negative)		-
<b>Grants and contracts, noncapital:</b>		
Federal		-
State		-
Local		-
Nongovernmental		-
Sales and services of educational activities		-
Sales and services of auxiliary enterprises, gross		-
Scholarship allowances (enter as negative)		-
Other operating revenues		798,470
<b>Total operating revenues</b>		<b>798,470</b>

**Expenses:**

**Operating expenses:**

Instruction		-
Research		-
Public service		59,624
Academic support		3,737,127
Student services		854,629
Institutional support		4,633,341
Operation and maintenance of plant		-
Student grants and scholarships		3,971,918
Auxiliary enterprise expenses		-
Depreciation and amortization		-
<b>Total operating expenses</b>		<b>13,256,639</b>
<b>Operating income (loss)</b>		<b>(12,458,169)</b>

**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		13,538,811
Investment income (loss), net		611,823
Endowment income (loss), net		2,293,628
Interest expense		-
Other nonoperating revenues (expenses) - excl. interagency transfers		1,069,615
<b>Net nonoperating revenues (expenses)</b>		<b>17,513,877</b>
<b>Income (loss) before other revenues (expenses)</b>		<b>5,055,708</b>

State appropriations, capital		-
Grants and gifts, capital		-
Additions (reductions) to permanent endowments		7,993,299
<b>Increase (decrease) in net position</b>		<b>13,049,007</b>

**Net position:**

Net position at beginning of year, as previously reported		116,981,349
Restatements		-
<b>Net position at beginning of year, as restated</b>		<b>116,981,349</b>
<b>Net position at end of year</b>		<b>130,030,356</b>

See the accompanying notes to the supplementary information

**CSULB 49ER FOUNDATION  
OTHER INFORMATION  
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)  
JUNE 30, 2020**

**1 Cash and cash equivalents:**

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

**Noncurrent restricted cash and cash equivalents**

Current cash and cash equivalents

**Total**

	\$ -
	-
	1,864,501
	<b>\$ 1,864,501</b>

**2.1 Composition of investments:**

Investment Type	Current	Noncurrent	Fair Value
Money market funds			-
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities	4,167,214		4,167,214
Municipal bonds			-
Corporate bonds	2,519,617		2,519,617
Asset backed securities			-
Mortgage backed securities			-
Commercial paper			-
Mutual funds	10,908,790	29,258,592	40,167,382
Exchange traded funds	6,428,813	18,315,296	24,744,109
Equity securities	3,456,439	36,782,150	40,238,589
Alternative investments:			
Private equity (including limited partnerships)		1,252,965	1,252,965
Hedge funds			-
Managed futures			-
Real estate investments (including REITs)			-
Commodities			-
Derivatives			-
Other alternative investment			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)	7,556,128		7,556,128
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			
International bond		22,857	22,857
Total Other investments	-	22,857	22,857
<b>Total investments</b>	<b>35,037,001</b>	<b>85,631,860</b>	<b>120,668,861</b>
Less endowment investments (enter as negative number)		(85,609,003)	(85,609,003)
<b>Total investments, net of endowments</b>	<b>\$ 35,037,001</b>	<b>22,857</b>	<b>35,059,858</b>

See the accompanying notes to the supplementary information

**CSULB 49ER FOUNDATION  
OTHER INFORMATION  
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)  
JUNE 30, 2020**

**2.2 Fair value hierarchy in investments:**

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -				
Repurchase agreements	-				
Certificates of deposit	-				
U.S. agency securities	-				
U.S. treasury securities	4,167,214	4,167,214			
Municipal bonds	-				
Corporate bonds	2,519,617		2,519,617		
Asset backed securities	-				
Mortgage backed securities	-				
Commercial paper	-				
Mutual funds	40,167,382	40,167,382			
Exchange traded funds	24,744,109	24,744,109			
Equity securities	40,238,589	40,238,589			
Alternative investments:					
Private equity (including limited partnerships)	1,252,965	1,252,965			
Hedge funds	-				
Managed futures	-				
Real estate investments (including REITs)	-				
Commodities	-				
Derivatives	-				
Other alternative investment	-				
Other external investment pools	-				
CSU Consolidated Investment Pool (formerly SWIFT)	-				
State of California Local Agency Investment Fund (LAIF)	7,556,128				7,556,128
State of California Surplus Money Investment Fund (SMIF)	-				
Other investments:					
International bond	22,857		22,857		
Total Other investments	\$ 22,857	-	22,857	-	-
<b>Total investments</b>	<b>120,668,861</b>	<b>110,570,259</b>	<b>2,542,474</b>	<b>-</b>	<b>7,556,128</b>

**2.3 Investments held by the University under contractual agreements:**

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

See the accompanying notes to the supplementary information

**CSULB 49ER FOUNDATION  
OTHER INFORMATION  
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)  
JUNE 30, 2020**

**3.1 Composition of capital assets:**

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

See the accompanying notes to the supplementary information

**CSULB 49ER FOUNDATION  
OTHER INFORMATION  
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)  
JUNE 30, 2020**

**3.2 Detail of depreciation and amortization expense:**

Depreciation and amortization expense related to capital assets  
Amortization expense related to other assets  
**Total depreciation and amortization**

\$ -

**4 Long-term liabilities:**

	Balance June 30, 2019	Prior Period Adjustments/ Reclassifications	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Current Portion	Noncurrent Portion
<b>1. Accrued compensated absences</b>	\$ -		-			\$ -		-
<b>2. Claims liability for losses and loss adjustment expenses</b>	-		-			-		-
<b>3. Capital lease obligations:</b>								
Gross balance	-		-			-	-	-
Unamortized net premium/(discount)	-		-			-	-	-
<b>Total capital lease obligations</b>	<u>\$ -</u>	-	-	-	-	-	-	-
<b>4. Long-term debt obligations:</b>								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -		-			\$ -	-	-
4.2 Commercial paper	-		-			-		-
4.3 Notes payable (SRB related)	-		-			-		-
4.4 Others:	-		-			-		-
	-		-			-		-
	-		-			-		-
	-		-			-		-
Total others	<u>-</u>	-	-	-	-	-	-	-
<b>Sub-total long-term debt</b>	<u>\$ -</u>	-	-	-	-	\$ -	-	-
4.5 Unamortized net bond premium/(discount)	-		-			-	-	-
<b>Total long-term debt obligations</b>	<u>-</u>	-	-	-	-	-	-	-
<b>Total long-term liabilities</b>	<u>\$ -</u>	-	-	-	-	\$ -	-	\$ -

See the accompanying notes to the supplementary information

**CSULB 49ER FOUNDATION  
OTHER INFORMATION  
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)  
JUNE 30, 2020**

5 Capital lease obligations schedule:

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

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2021			-			-			-
2022			-			-			-
2023			-			-			-
2024			-			-			-
2025			-			-			-
2026 - 2030			-			-			-
2031 - 2035			-			-			-
2036 - 2040			-			-			-
2041 - 2045			-			-			-
2046 - 2050			-			-			-
Thereafter			-			-			-
<b>Total minimum payments</b>	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
<b>Present value of future minimum payments</b>									-
Unamortized net premium/(discount)									-
<b>Total long-term debt obligations</b>									-
Less: current portion									-
<b>Long-term debt obligations, net of current portion</b>									-

See the accompanying notes to the supplementary information



**CSULB 49ER FOUNDATION  
OTHER INFORMATION  
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)  
JUNE 30, 2020**

**7 Transactions with related entities:**

Payments to University for salaries of University personnel working on contracts, grants, and other programs	2,871,005
Payments to University for other than salaries of University personnel	7,227,328
Payments received from University for services, space, and programs	721,260
Gifts-in-kind to the University from discretely presented component units	710,302
Gifts (cash or assets) to the University from discretely presented component units	4,973,426
Accounts (payable to) University (enter as negative number)	(739,988)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	62,044
Other amounts receivable from University (enter as positive number)	-

**8 Restatements**

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

		Debit/(Credit)
Restatement #1	Enter transaction description	
		-
Restatement #2	Enter transaction description	
		-

**CSULB 49ER FOUNDATION  
OTHER INFORMATION  
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)  
JUNE 30, 2020**

**9 Natural classifications of operating expenses:**

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	59,624	-	59,624
Academic support	1,322,340	356,079	57,258	-	-	2,001,450	-	3,737,127
Student services	67,097	1,095	-	-	-	786,437	-	854,629
Institutional support	1,422,230	69,947	17,417	-	-	3,123,747	-	4,633,341
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	3,971,918	-	-	3,971,918
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>\$ 2,811,667</b>	<b>427,121</b>	<b>74,675</b>	<b>-</b>	<b>3,971,918</b>	<b>5,971,258</b>	<b>-</b>	<b>13,256,639</b>

**10 Deferred outflows/inflows of resources:**

**1. Deferred Outflows of Resources**

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

**2. Deferred Inflows of Resources**

Deferred inflows - service concession arrangements	
Deferred inflows - net pension liability	
Deferred inflows - net OPEB liability	
Deferred inflows - unamortized gain on debt refunding(s)	
Deferred inflows - nonexchange transactions	
Deferred inflows - others:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	14,166

Total deferred inflows - others	14,166
<b>Total deferred inflows of resources</b>	<b>\$ 14,166</b>

See the accompanying notes to the supplementary information

**CSULB 49ER FOUNDATION  
OTHER INFORMATION  
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)  
JUNE 30, 2020**

**NOTE 1 – SUPPLEMENTARY SCHEDULES**

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



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

Board of Directors  
CSULB 49er Foundation  
Long Beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the basic financial statements of CSULB 49er Foundation, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise CSULB 49er Foundation's basic financial statements, and have issued our report thereon dated October 15, 2020.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CSULB 49er Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Glendora, California  
October 15, 2020

**CSULB 49ER FOUNDATION  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2020**

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**Section I – Summary of Auditors’ Results**

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***Financial Statements***

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

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**Section II – Financial Statement Findings**

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

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**Section III – Status of Prior Year Financial Statement Findings**

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There were no findings related to the basic financial statements.

