

CSULB 49E

**CSULB 49ER FOUNDATION
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YEARS ENDED JUNE 30, 2020 AND 2019**

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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.

Board of Directors
CSULB 49er Foundation

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.

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

CliftonLarsonAllen LLP

Glendora, California
October 15, 2020

CSULB 49ER FOUNDATION

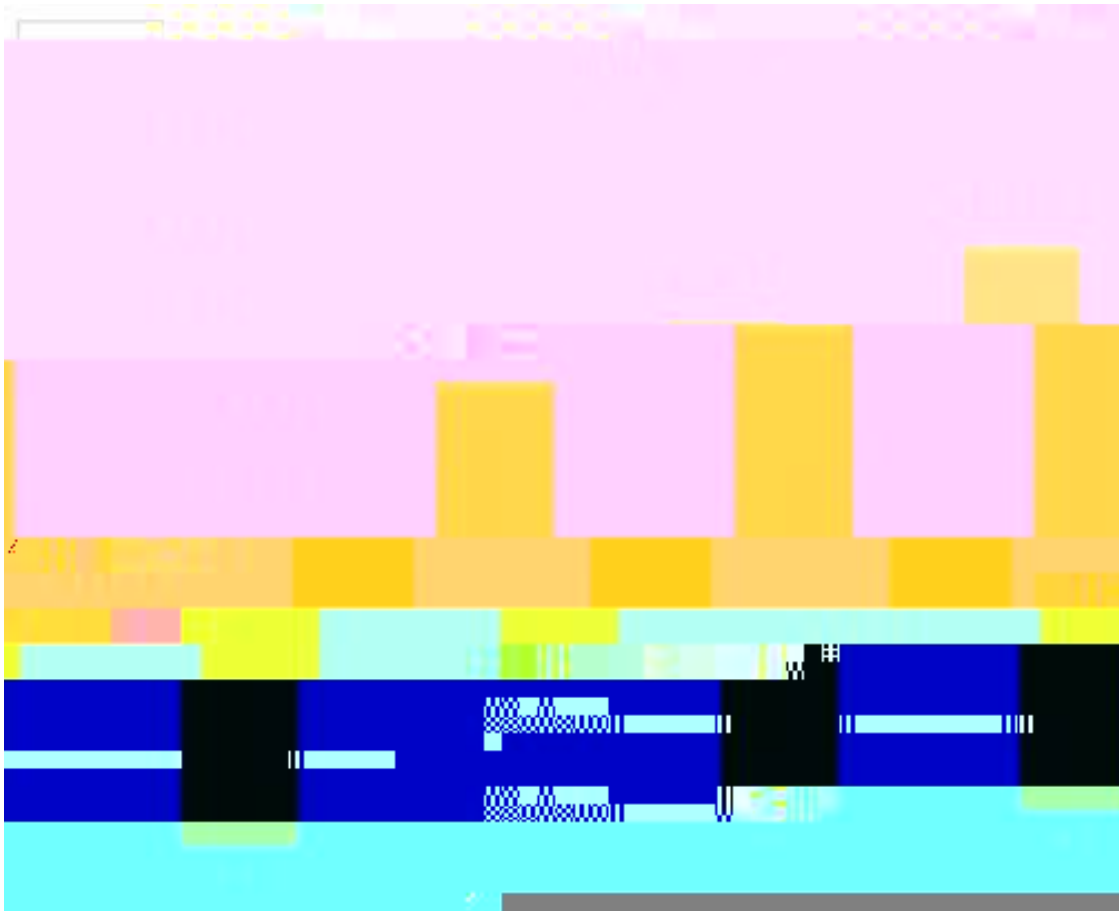
**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019**

Statement of Net Position

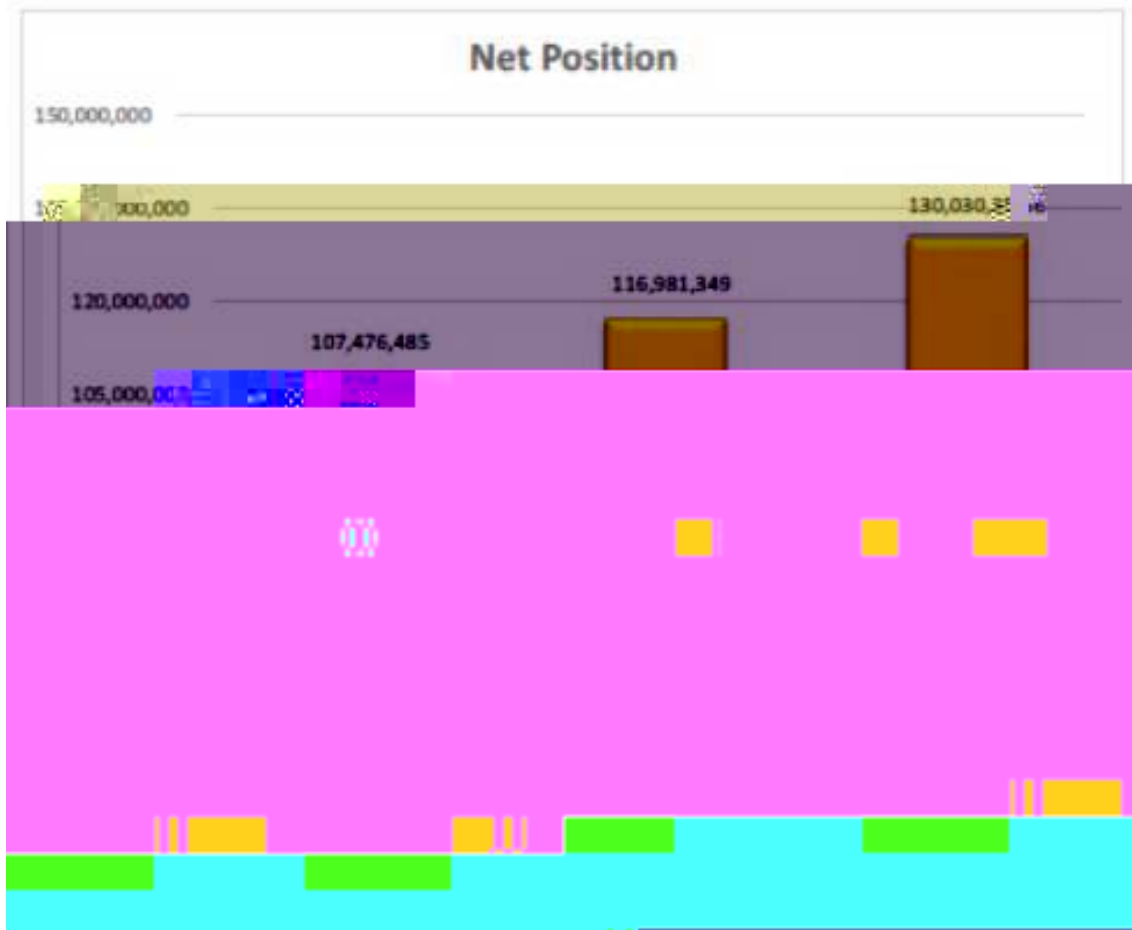
The statement of net position presents the financial position of the 49er Foundation at the end of the fiscal year and includes all assets, liabilities, and deferred inflows of resources. The difference between total assets, total liabilities, and total deferred inflows of resources – net position – 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:

	<u>2020</u>	<u>June 30, 2019</u>	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 PledU8t2,844	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>	107,949,290
Total Liabilities	946,308	1,116,527	427,280
Deferred Inflows of Resources	<u>14,166</u>	103,064	45,526
	960,474	1,219,591	472,806
Net Position	\$ 130,030,356	\$ 116,981,349	\$ 107,476,484

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



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

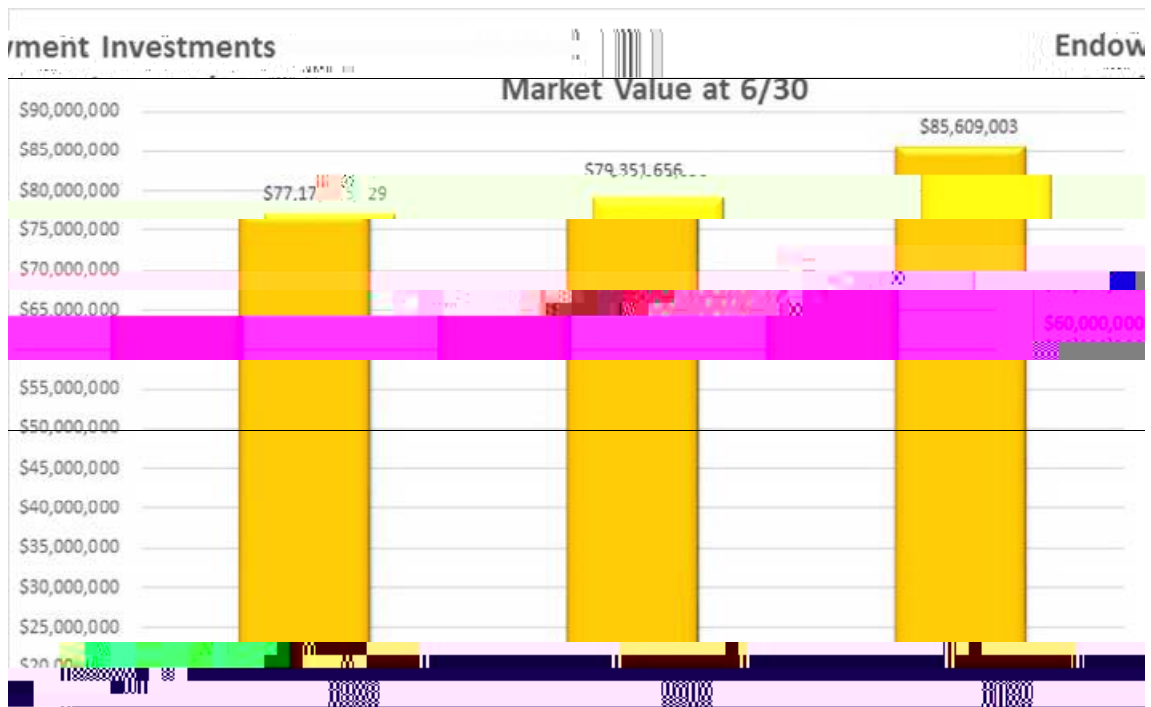


**CSULB 49ER FOUNDATION
MANAGEMENTS' DISCUSSION AND ANALYSIS
JUNE 30, 2020 AND 2019**

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.

**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

CSULB 49ER FOUNDATION

**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,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
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	<u>3,971,918</u>	<u>4,116,504</u>	<u>3,834,334</u>
 Total Operating Expenses	 <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**

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.

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

ASSETS	2020	2019
CURRENT ASSETS		
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

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
REVENUES		
Operating Revenues	\$ 798,470	\$ 902,089
EXPENSES		
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
OPERATING LOSS	(12,458,169)	(12,254,737)
NONOPERATING REVENUES		
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
INCOME BEFORE OTHER ADDITIONS	3,986,093	6,832,641
ADDITIONS TO NONEXPENDABLE ENDOWMENTS	7,993,299	2,113,770
INCREASE IN NET POSITION BEFORE SPECIAL ITEM	11,979,392	8,946,411
SPECIAL ITEM		
Transfer of Net Position from CSULB Alumni Association	1,069,615	558,454
INCREASE IN NET POSITION	13,049,007	9,504,865
Net Position - Beginning of Year	116,981,349	107,476,484
NET POSITION - END OF YEAR	\$ 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
CASH FLOWS FROM OPERATING ACTIVITIES		
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)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
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
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
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)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,621,611)	(3,412,996)
Cash and Cash Equivalents - Beginning of Year	3,486,112	6,899,108
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 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
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
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)	

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

**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

**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>	Amount
2021	\$ 3,143,066
2022	2,172,015
2023	991,287
2024	922,497
2025	277,500
Thereafter	242,089
Subtotal	7,748,454
Less: Allowance for Uncollectible Pledges	(185,573)
Less: Present Value Discounts	(325,54-n.7(TS)-5.2()TJ3.0331 -1

**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><u>\$ 85,609,003</u></u>	<u><u>\$ 79,351,657</u></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:

	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 Trad(fo20.1(-)J8.5e3)-12A-.04452 TD.0001 Tc0 Tw(40,238,589)Tj24,74					40,238,524,74

**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>		2019
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	<u>(458,368)</u>		<u>(434,452)</u>
Total	<u>\$ 2,905,451</u>	\$	4,779,750

CSULB 49ER FOUNDATION

**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

SUPPLEMENTARY INFORMATION

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

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

Liabilities:

Current liabilities:

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
Total current liabilities		946,308

Noncurrent liabilities:

Accrued compensated absences, net of current portion		-
Unearned revenues		-
Grants refundable		-
Capital lease obligations, net of current portion		-
Long-term debt obligations, net of current portion		-
Claims liability for losses and loss adjustment expenses, net of current portion		-
Depository accounts		-
Net other postemployment benefits liability		-
Net pension liability		-
Other liabilities		-
Total noncurrent liabilities		-
Total liabilities	\$	946,308

Deferred inflows of resources:

Service concession arrangements	\$	-
Net pension liability		-
Net OPEB liability		-
Unamortized gain on debt refunding		-
Nonexchange transactions		-
Others		14,166
Total deferred inflows of resources	\$	14,166

Net position:

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		1,334,569
Others		2274

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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)		-

Grants and contracts, noncapital:

Federal		-
State		-
Local		-
Nongovernmental		-
Sales and services of educational activities		-
Sales and services of auxiliary enterprises, gross		-
Scholarship allowances (enter as negative)		-
Other operating revenues		798,470
Total operating revenues		798,470

Expenses:

Operating expenses:

Instruction		-
Research		-
Public service		59,624
Academic support		3,737,127
Student services		854,629

**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	-	-
Total investments	\$ 120,668,861	110,570,259	2,542		

See the accompanying notes to the supplementary information

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

**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
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CSULB 49ER FOUNDATION

**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

	Debit/(Credit)
Restatement #1	

**CSULB 49ER FOUNDATION
OTHER INFORMATION
(FOR INCLUSION IN CALIFORNIA STATE UNIVERSITY)**



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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.



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

Section I – Summary of Auditors’ Results

Financial Statements

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

Section II – Financial Statement Findings

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

Section III – Status of Prior Year Financial Statement Findings

There were no findings related to the basic financial statements.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
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