

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2012

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
California State University, Northridge Foundation

We have audited the accompanying statement of financial position of California State University, Northridge Foundation (a nonprofit organization) as of June 30, 2012 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from California State University, Northridge Foundation's 2011 financial statements and, in our report dated September 21, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Northridge Foundation as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included in the schedules of net assets; revenues, expenses and changes in net assets; and other information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Green Hasson & Janks LLP

September 21, 2012
Los Angeles, California

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

STATEMENT OF FINANCIAL POSITION

June 30, 2012

With Summarized Totals at June 30, 2011

| | 2012 | 2011 |
|--|---|---|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 2,279,235 | \$ 2,801,392 |
| Investments | 86,098,907 | 85,011,081 |
| Restricted Cash and Cash Equivalents | 601,649 | 863,236 |
| Pledges Receivable (Net) | 5,823,306 | 7,674,737 |
| Prepaid Expenses and Other Receivables | 102,599 | 1,011,330 |
| Gift Annuities Receivable (Net) | 162,314 | 160,711 |
| Beneficial Interest in Charitable Remainder Trusts | 593,067 | 855,953 |
| Other Assets | 884,300 | 884,300 |
| Collections | - | - |
| | TOTAL ASSETS | TOTAL ASSETS |
| | \$ 96,545,377 | \$ 99,262,740 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES: | | |
| Accounts Payable and Accrued Liabilities | \$ 130,060 | \$ 112,414 |
| Amounts Payable to the University | 5,043 | 114,029 |
| Amounts Payable to Other University | | |
| Auxiliary Organization | 21,389 | 8,989 |
| Deferred Revenue | 125,000 | 187,500 |
| | TOTAL LIABILITIES | TOTAL LIABILITIES |
| | 281,492 | 422,932 |
| NET ASSETS: | | |
| Unrestricted - Undesignated | 5,563,082 | 6,862,456 |
| Unrestricted - Board-Designated | 3,000,000 | 2,000,000 |
| Unrestricted - President's Special Fund | 163,212 | 148,501 |
| | TOTAL UNRESTRICTED NET ASSETS | TOTAL UNRESTRICTED NET ASSETS |
| | 8,726,294 | 9,010,957 |
| Temporarily Restricted | 49,494,766 | 52,098,385 |
| Permanently Restricted | 38,042,825 | 37,730,466 |
| | TOTAL NET ASSETS | TOTAL NET ASSETS |
| | 96,263,885 | 98,839,808 |
| | TOTAL LIABILITIES AND NET ASSETS | TOTAL LIABILITIES AND NET ASSETS |
| | \$ 96,545,377 | \$ 99,262,740 |

The Accompanying Notes are an Integral Part of These Financial Statements

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

STATEMENT OF ACTIVITIES
Year Ended June 30, 2012
With Summarized Totals for the Year Ended June 30, 2011

| | 2012 | | | | 2011 Total |
|--|---------------------|---------------------------|---------------------------|----------------------|----------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | |
| REVENUE AND SUPPORT: | | | | | |
| SUPPORT: | | | | | |
| Contributions | \$ 46,390 | \$ 5,068,035 | \$ 696,671 | \$ 5,811,096 | \$ 8,929,874 |
| Contributed Goods | - | 316,626 | - | 316,626 | 244,669 |
| Change in Value of Gift Annuities Receivable | - | (2,255) | - | (2,255) | 58,344 |
| Change in Value of Beneficial Interest in Charitable Remainder Trusts | - | 276,816 | - | 276,816 | - |
| TOTAL SUPPORT | 46,390 | 5,659,222 | 696,671 | 6,402,283 | 9,232,887 |
| OTHER REVENUE: | | | | | |
| Program Income | - | 522,263 | - | 522,263 | 379,508 |
| Investment Income (Loss) (Net) | (728,740) | (1,664,371) | - | (2,393,111) | 14,640,221 |
| Royalties | 63,386 | - | - | 63,386 | 119,998 |
| Other | 68,851 | 542,250 | - | 611,101 | 563,486 |
| TOTAL OTHER REVENUE | (596,503) | (599,858) | - | (1,196,361) | 15,703,213 |
| TOTAL REVENUE AND SUPPORT | (550,113) | 5,059,364 | 696,671 | 5,205,922 | 24,936,100 |
| Net Assets Released from Purpose Restrictions | 8,010,287 | (8,010,287) | - | - | - |
| Donor Reclassifications | 37,008 | 347,304 | (384,312) | - | - |
| TOTAL REVENUE AND SUPPORT AND NET ASSETS RELEASED FROM RESTRICTIONS | 7,497,182 | (2,603,619) | 312,359 | 5,205,922 | 24,936,100 |
| EXPENSES: | | | | | |
| PROGRAM SERVICES: | | | | | |
| Scholarships | 1,035,921 | - | - | 1,035,921 | 890,236 |
| Support for Performing Arts Center | 1,775,000 | - | - | 1,775,000 | 2,057,568 |
| University Departmental Support | 3,835,018 | - | - | 3,835,018 | 4,533,868 |
| Public Awareness | 343,834 | - | - | 343,834 | 341,618 |
| TOTAL PROGRAM SERVICES | 6,989,773 | - | - | 6,989,773 | 7,823,290 |
| SUPPORTING SERVICES: | | | | | |
| General and Administrative | 736,164 | - | - | 736,164 | 152,389 |
| Fundraising | 55,908 | - | - | 55,908 | 18,293 |
| TOTAL SUPPORTING SERVICES | 792,072 | - | - | 792,072 | 170,682 |
| TOTAL EXPENSES | 7,781,845 | - | - | 7,781,845 | 7,993,972 |
| CHANGE IN NET ASSETS | (284,663) | (2,603,619) | 312,359 | (2,575,923) | 16,942,128 |
| Net Assets - Beginning of Year | 9,010,957 | 52,098,385 | 37,730,466 | 98,839,808 | 81,897,680 |
| NET ASSETS - END OF YEAR | \$ 8,726,294 | \$ 49,494,766 | \$ 38,042,825 | \$ 96,263,885 | \$ 98,839,808 |

The Accompanying Notes are an Integral Part of These Financial Statements

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

STATEMENT OF CASH FLOWS
Year Ended June 30, 2012
With Summarized Totals for the Year Ended June 30, 2011

| | 2012 | 2011 |
|--|----------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in Net Assets | \$ (2,575,923) | \$ 16,942,128 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Amortization | - | 66,637 |
| Loss on Uncollectable Pledges and Other Receivables | 626,955 | 229,008 |
| Realized and Unrealized (Gains) Losses on Investments | 4,641,624 | (12,824,087) |
| Contributed Stock | (105,726) | (125,948) |
| Contributions Restricted for Investment in Perpetuity | (696,671) | (1,602,295) |
| Change in Value of Gift Annuities Receivable | 2,255 | (58,344) |
| Change in Value of Beneficial Interest in Charitable Remainder Trusts | (276,816) | - |
| (Increase) Decrease in: | | |
| Pledges Receivable | 1,479,476 | (349,152) |
| Bequests Receivable | - | 230,665 |
| Prepaid Expenses and Other Receivables | 653,731 | (904,281) |
| Gift Annuities Receivable | (3,858) | 21,935 |
| Beneficial Interest in Charitable Remainder Trusts | 539,702 | 906,697 |
| Increase (Decrease) in: | | |
| Accounts Payable and Accrued Liabilities | 17,646 | (87,683) |
| Amounts Payable to the University | (108,986) | 108,852 |
| Amounts Payable to Other University Auxiliary Organization | 12,400 | (66,386) |
| Deferred Revenue | (62,500) | (136,250) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 4,143,309 | 2,351,496 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of Investments | (5,150,211) | (3,719,851) |
| Net Proceeds from Sale and Maturities of Investments | 1,775,000 | 2,058,175 |
| Interest and Dividends Reinvested | (2,248,513) | (1,815,918) |
| NET CASH USED IN INVESTING ACTIVITIES | (5,623,724) | (3,477,594) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Contributions Restricted for Investment in Perpetuity | 696,671 | 1,602,295 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (783,744) | 476,197 |
| Cash and Cash Equivalents - Beginning of Year | 3,664,628 | 3,188,431 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 2,880,884 | \$ 3,664,628 |
| Cash and Cash Equivalents | \$ 2,279,235 | \$ 2,801,392 |
| Restricted Cash and Cash Equivalents | 601,649 | 863,236 |
| TOTAL CASH AND CASH EQUIVALENTS | \$ 2,880,884 | \$ 3,664,628 |

The Accompanying Notes are an Integral Part of These Financial Statements

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 1 - ORGANIZATION

California State University, Northridge Foundation (the Foundation) is a nonprofit 501(c)(3) California corporation that serves as an auxiliary organization to California State University, Northridge with a goal of furthering the purposes and objectives of the University. The Foundation's main function is to administer the receiving and disbursing of gifts, grants, contracts, bequests, and trusts from various donors to different departments of the University. The Foundation also assists the University in various activities, including accumulation and managing life income, annuity and student scholarship funds and administering funds for various educational related functions, special programs and other activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) ACCOUNTING

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the Foundation are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

- **Unrestricted - Undesignated.** These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving income from investments less expenses incurred in providing program related services, raising contributions and performing administrative functions.
- **Unrestricted - Board-Designated.** The Board has designated \$3,000,000 as an operating fund reserve mandated by the Financial Standard and Fiscal Viability Guidelines and policy statement of the Chancellor of California State University, Northridge.
- **Unrestricted - President's Special Fund.** The Board of Directors has designated a portion of unrestricted net assets for the purpose of special projects of the President of California State University, Northridge. The Foundation has \$163,212 of President's Special Fund net assets at June 30, 2012.
- **Temporarily Restricted.** The Foundation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from purpose or time restrictions. The Foundation has \$49,494,766 of temporarily restricted net assets at June 30, 2012.

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) ACCOUNTING (continued)

- **Permanently Restricted.** These net assets are from donors who stipulate that resources are to be maintained permanently, but permit the Foundation to expend all of the income (or other economic benefits) derived from the donated assets. The Foundation has \$38,042,825 of permanently restricted net assets at June 30, 2012.

(c) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less at the time of purchase. The carrying value of cash and cash equivalents at June 30, 2012 approximates its fair value.

The Foundation maintains its cash and cash equivalents in bank deposit accounts and other investment accounts, which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

(d) INVESTMENTS

Investments in equity and debt securities with readily determinable market values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Interest and dividend income is recorded when earned.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Investments are made according to the investment policies, guidelines, and objectives adopted by the Foundation's Board of Directors. These guidelines provide for investments in equities, fixed income, and other securities with performance measured against appropriate indices. The investments are generally managed by outside investment managers contracted by the Foundation. Market values of such investments and credit ratings of bond issuers are routinely reviewed by the Board of Directors.

(e) PLEDGES RECEIVABLE

Unconditional contributions, including pledges recorded at estimated net realizable value, are recognized as revenues when pledges are made. The Foundation reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Discounts for pledges (pledges due over one year) are recorded as reductions to contribution revenue and pledges receivable. Discounts increase contribution revenue when the pledge is received. At June 30, 2012, the Foundation evaluated the collectibility of pledges receivable. Pledges receivable at June 30, 2012 are net of an allowance for uncollectible pledges of \$300,000.

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) GIFT ANNUITIES RECEIVABLE

On behalf of the Foundation, the University has received donations of assets in exchange for distributions of a fixed amount for a specific period of time to the donor or other beneficiaries. The fair market value of the donated assets at June 30, 2012 was \$473,572, the annuitant liability, adjusted to reflect changes in life expectancies, was \$311,258. The net receivable due from the University at June 30, 2012 was \$162,314.

(g) BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS

The Foundation has been designated as the beneficiary of assets held in six charitable remainder trusts administered by other trustees. A receivable is recorded at the present value of the amount held by the trustee that is expected to be received by the Foundation. The Foundation uses an interest rate commensurate with the risks involved to discount the contribution receivable. The discount rate used during the year ended June 30, 2012 was 2.8%. The amortization of this discount and changes in actuarial assumptions are reflected in the statement of activities as a change in value of beneficial interest in charitable remainder trusts.

(h) COLLECTIONS

The collections, which were acquired through contributions since the Foundation's inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes. There were no collection items acquired or deaccessioned during the year ended June 30, 2012.

The Foundation's collections are made up of rare Chinese artifacts that are held for educational, research, scientific, and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections are subject to a policy that requires proceeds from deaccessioning to be used to acquire other items for collections.

(i) DEFERRED REVENUE

In a prior year, the Foundation received a contribution that is conditional upon a continuing operating agreement between the donor and the University. The term of the operating agreement is eight years, and should the agreement be terminated prior to expiration, any unamortized portion of the contribution will be required to be returned to the donor. Due to the conditional nature of this contribution, only the amortized portion in the amount of \$62,500 has been recognized as contribution revenue during the year ended June 30, 2012, with the unamortized balance of \$125,000 included in deferred revenue.

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) CONTRIBUTED GOODS AND SERVICES

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. For the year ended June 30, 2012, the Foundation recorded in-kind contributions of \$316,626 (See Note 5).

The Foundation has an arrangement with the University whereby the Foundation receives support from the University to assist in the payment of salaries, use of office space and certain administrative expenses. In return, the Foundation provides services to the University primarily related to fundraising support, management of donated funds, and departmental support. These amounts are not included in the financial statements of the Foundation; however for the year ended June 30, 2012, University support for the Foundation totaled \$353,548.

(k) INCOME TAXES

The Foundation is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

(l) FUNCTIONAL ALLOCATION OF EXPENSES

The direct costs of providing the Foundation's programs and other activities which are identifiable have been allocated to the related programs or supporting services. Indirect or shared costs are allocated among program and supporting services by the method that best measures the relative degree of benefit.

(m) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates.

(n) COMPARATIVE TOTALS

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2012, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through September 21, 2012, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Foundation has implemented the fair value accounting standard for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

The following table presents information about the Foundation's assets that are measured at fair value on a recurring basis at June 30, 2012 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

| | Year Ended June 30, 2012 | Fair Value Measurements Using | | |
|---|-----------------------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| U.S. Equities | \$ 45,207,311 | \$ 4,072,037 | \$ 41,135,274 | \$ - |
| U.S. Fixed Income | 29,352,258 | - | 29,352,258 | - |
| Real Estate | 2,520,663 | 2,520,663 | - | - |
| Commodities | 4,135,569 | 4,135,569 | - | - |
| Hedge Fund of Funds | 4,883,106 | - | - | 4,883,106 |
| TOTAL INVESTMENTS | 86,098,907 | 10,728,269 | 70,487,532 | 4,883,106 |
| Gift Annuities Receivable (Net) | 162,314 | - | - | 162,314 |
| Beneficial Interest in Charitable Remainder Trusts | 593,067 | - | - | 593,067 |
| TOTAL | \$ 86,854,288 | \$ 10,728,269 | \$ 70,487,532 | \$ 5,638,487 |

The fair values of investments within Level 1 were obtained based on quoted market prices at the closing of the last business day of the fiscal year.

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 3 - FAIR VALUE MEASUREMENTS (continued)

The fair values of marketable securities within Level 2 were obtained based on data points that are observable, such as quoted prices in active markets, interest rates and yield curves.

Equity investments within Level 1 and 2 are in proprietary funds with strategies ranging from small to large cap value and international securities. Investments are valued using the net asset value (NAV) provided by the fund managers. Redemptions occur by contract and there are no unfunded commitments at June 30, 2012.

The fair value of the investments within Level 3 was based on the NAV of units held by the Foundation. The NAV is determined by the asset managers based on the value of underlying investments within the funds, with reference to liquidity restrictions. The fair values of the gift annuities receivable and the beneficial interest in charitable remainder trusts within Level 3 were determined as described in Note 2(f) and Note 2(g).

The Foundation recognizes transfers at the beginning of each reporting period. Transfers between Level 1 and 2 generally relate to whether a market becomes active or inactive. The transfers between level 2 and 3 investments relate to whether significant relevant observable inputs are available for the fair value measurement in their entirety and when redemption rules become more or less restrictive. There were no transfers between levels during the year ended June 30, 2012.

The table below sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the year ended June 30, 2012.

| | Fair Value Measurements Using Significant Unobservable Inputs (Level 3) | | | Total |
|---------------------------------|--|------------------------------|--|---------------------|
| | Unrestricted | Temporarily Restricted | Temporarily Restricted | |
| | Investment in Hedge Fund of Funds | Gift Annuities Receivable | Beneficial Interest in Charitable Remainder Trusts | |
| Beginning Balance | \$ 4,688,784 | \$ 160,711 | \$ 855,953 | \$ 5,705,448 |
| Change in Value | - | (2,255) | 276,816 | 274,561 |
| Additions | - | 3,858 | - | 3,858 |
| Proceeds from Maturity of Trust | - | - | (539,702) | (539,702) |
| Sales | (32,656) | - | - | (32,656) |
| Purchases | 406,488 | - | - | 406,488 |
| Unrealized Losses | (179,510) | - | - | (179,510) |
| ENDING BALANCE | \$ 4,883,106 | \$ 162,314 | \$ 593,067 | \$ 5,638,487 |

Hedge fund of funds are invested in a number of strategies including, but not limited to, equity long/short, arbitrage and event driven, fixed income, commodity and currency trading. Investments are valued using the NAV provided by the fund managers. All lock-up periods on the funds have expired and redemptions can be made monthly. There are no unfunded commitments at June 30, 2012.

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 3 - FAIR VALUE MEASUREMENTS (continued)

Net investment loss for the year ended June 30, 2012 consists of the following:

| | | |
|------------------------------------|-----------|---------------------------|
| Net Realized and Unrealized Losses | \$ | (4,641,624) |
| Interest and Dividends | | 2,716,725 |
| Investment Management Expense | | <u>(468,212)</u> |
| INVESTMENT LOSS (NET) | \$ | <u>(2,393,111)</u> |

Included in investments at June 30, 2012 is \$34,520,206 of investments restricted in perpetuity.

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable at June 30, 2012 are due to be received as follows:

| | Temporarily Restricted | Permanently Restricted | Total |
|--|----------------------------|----------------------------|----------------------------|
| Due in 1 Year | \$ 971,095 | \$ 2,930,401 | \$ 3,901,496 |
| Due in 2-5 Years | 1,404,694 | 730,904 | 2,135,598 |
| Due in over 5 Years | 300,000 | - | 300,000 |
| TOTAL | <u>\$ 2,675,789</u> | <u>\$ 3,661,305</u> | 6,337,094 |
| Less: | | | |
| Allowance for Uncollectible Pledges Receivable | | | (300,000) |
| Discount to Reflect Present Value of Pledges Receivable (Discount Rate at 5%) | | | <u>(213,788)</u> |
| PLEDGES RECEIVABLE (NET) | | | <u>\$ 5,823,306</u> |

NOTE 5 - UNIVERSITY DEPARTMENTAL SUPPORT EXPENSE

University departmental support expense is dependent on the annual requirements of the various University faculties and departments and on contributed goods received during the year. Contributed goods that have a value that will depreciate, or that have a short useful life, are transferred to the University. Contributed goods with a cultural or artistic life are retained by the Foundation. Contributed goods transferred to the University during the year ended June 30, 2012, and included in University departmental support expense, amounted to \$316,626.

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 6 - NET ASSETS

(a) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2012 consist of the following:

| | |
|--|-----------------------------|
| Departmental Programs | \$ 22,352,678 |
| Scholarships | 12,879,358 |
| Capital Projects | 2,586,059 |
| Research | 1,065,697 |
| Other | <u>10,610,974</u> |
| TOTAL TEMPORARILY RESTRICTED NET ASSETS | <u>\$ 49,494,766</u> |

(b) PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at June 30, 2012 totaled \$38,042,825, which includes contributions restricted by donors for investment in perpetuity. The earnings from the investments are available for the general support of the Foundation's programs and operations, unless otherwise designated by the donor. Restricted cash and cash equivalents of \$601,649 at June 30, 2012 are part of the permanent endowment investment portfolio.

NOTE 7 - ENDOWMENTS

The Foundation's endowments consist of funds established for a variety of purposes. Endowment funds are established by donor-restricted gifts and bequests to either provide a permanent endowment, which is to provide a permanent source of income to the Foundation, or a term endowment, which is to provide income for a specified period to the Foundation (See Note 6). Beneficial interests in charitable remainder trusts and gift annuities are not considered part of the Foundation's endowments, nor are Board designated net assets, since they are designated for particular programs or capital projects. Endowment pledges receivable are not considered part of the Foundation's endowments until collected.

The Foundation's management understands California State law as (1) requiring the preservation of the fair value of the original gifts as of the gift date of the donor restricted endowment funds, absent donor stipulations to the contrary and (2) allowing the spending of income and gains on permanently restricted endowments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity.

The primary long-term financial objective for the Foundation's endowments is to preserve the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation and costs of portfolio management. Performance of the overall endowment against this objective is measured over an investment horizon of five to seven years. The endowments are also managed to optimize the long run total rate of return on invested assets, assuming a prudent level of risk. The goal for this rate of return is one that funds the Foundation's existing spending policy and allows sufficient reinvestment to grow the endowment principal at a rate that exceeds inflation (as measured by the Consumer Price Index). Over the short term, the return for each element of the endowment portfolio should match or exceed each of the returns for the broader capital markets in which assets are invested.

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 7 - ENDOWMENTS (continued)

At times, the fair value of assets associated with these endowment funds may fall below the level that the donors require the Foundation to retain as funds of perpetual duration. These deficiencies result from unfavorable market fluctuations. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were \$1,962 at June 30, 2012.

The Foundation's Board of Directors has developed a spending policy that distributes a specific payout rate of the endowment base to support the Foundation's programs. Such a policy allows for a greater predictability of spendable income for budgeting purposes and for gradual steady growth for the support of operations by the endowments. In addition, this policy minimizes the probability of invading the principal over the long term. The Foundation's Board of Directors annually approves the spending rate and for the year ended June 30, 2012 the spending rate was 4% of the market value of those endowments without deficiencies or deficits as described above.

**Endowment Net Asset
Composition by Type of Fund
at June 30, 2012**

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|------------------|--------------|---------------------------|---------------------------|---------------|
| Donor-Restricted | | \$ | | |
| | \$ (1,962) | 20,077,823 | \$34,520,206 | \$ 54,596,067 |

**Changes in Endowment Net
Assets for the Year Ended
June 30, 2012**

| | | | | |
|--|------------|--------------|--------------|--------------|
| Endowment Net Assets - | | | | |
| Beginning of Year | \$ (6,665) | \$25,864,248 | \$32,826,721 | \$58,684,304 |
| Contributions | - | 36,310 | 696,671 | 732,981 |
| Donor Reclassifications | - | 1,331,227 | (14,421) | 1,316,806 |
| Collection of Permanently Restricted Pledges Receivable | - | - | 1,011,235 | 1,011,235 |
| Endowment Assets Appropriated for Expenditure | - | (5,484,579) | - | (5,484,579) |
| Investment Income (Loss) (Net) | 4,703 | (1,669,383) | - | (1,664,680) |

ENDOWMENT NET

ASSETS - END OF YEAR

| | | | |
|------------|--------------|--------------|--------------|
| \$ (1,962) | \$20,077,823 | \$34,520,206 | \$54,596,067 |
|------------|--------------|--------------|--------------|

The endowment net assets are held as follows at June 30 2012:

| | Investments | Restricted Cash | Total |
|---|----------------------|-------------------|----------------------|
| Endowment Portfolio | \$ 53,994,418 | \$ 601,649 | \$ 54,596,067 |
| Non-Endowment and Short-Term Portfolio | 32,104,489 | - | 32,104,489 |
| TOTAL | \$ 86,098,907 | \$ 601,649 | \$ 86,700,556 |

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 8 - LEGAL PROCEEDINGS

In the ordinary course of conducting its business, the Foundation may become involved in various lawsuits. Some of these proceedings may result in judgments being assessed against the Foundation, which, from time to time, may have an impact on its change in net assets. The Foundation does not believe that these proceedings, individually or in the aggregate, are material to the accompanying financial statements.

**CALIFORNIA STATE UNIVERSITY,
NORTHRIDGE FOUNDATION**

SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2012

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION

Schedule of Net Assets

June 30, 2012

(For Inclusion in the Consolidated Financial Statements of California State University, Northridge)

Assets:

Current assets:

| | | |
|------------------------------------|----|-------------------|
| Cash and cash equivalents | \$ | 2,279,235 |
| Short-term investments | | 32,104,489 |
| Accounts receivable, net | | - |
| Leases receivable, current portion | | - |
| Notes receivable, current portion | | - |
| Pledges receivable, net | | 3,901,496 |
| Prepaid expenses and other assets | | 102,599 |
| Total current assets | | <u>38,387,819</u> |

Noncurrent assets:

| | | |
|---|--|-------------------|
| Restricted cash and cash equivalents | | 601,649 |
| Accounts receivable, net | | 755,381 |
| Leases receivable, net of current portion | | - |
| Notes receivable, net of current portion | | - |
| Student loans receivable, net | | - |
| Pledges receivable, net | | 1,921,810 |
| Endowment investments | | 53,994,418 |
| Other long-term investments | | - |
| Capital assets, net | | - |
| Other assets | | 884,300 |
| Total noncurrent assets | | <u>58,157,558</u> |
| Total assets | | <u>96,545,377</u> |

Liabilities:

Current liabilities:

| | | |
|---|--|----------------|
| Accounts payable | | 156,492 |
| Accrued salaries and benefits payable | | - |
| Accrued compensated absences– current portion | | - |
| Deferred revenue | | 62,500 |
| Capitalized lease obligations – current portion | | - |
| Long-term debt obligations – current portion | | - |
| Self-insurance claims liability - current portion | | - |
| Depository accounts | | - |
| Other liabilities | | - |
| Total current liabilities | | <u>218,992</u> |

Noncurrent liabilities:

| | | |
|---|--|----------------|
| Accrued compensated absences, net of current portion | | - |
| Deferred revenue | | 62,500 |
| Grants refundable | | - |
| Capitalized lease obligations, net of current portion | | - |
| Long-term debt obligations, net of current portion | | - |
| Self-insurance claims liabilities, net of current portion | | - |
| Depository accounts | | - |
| Other postemployment benefits obligation | | - |
| Other liabilities | | - |
| Total noncurrent liabilities | | <u>62,500</u> |
| Total liabilities | | <u>281,492</u> |

Net assets:

| | | |
|---|----|-------------------|
| Invested in capital assets, net of related debt | | - |
| Restricted for: | | |
| Nonexpendable – endowments | | 38,042,825 |
| Expendable: | | |
| Scholarships and fellowships | | 12,879,358 |
| Research | | 1,065,697 |
| Loans | | - |
| Capital projects | | 2,586,059 |
| Debt service | | - |
| Other | | 32,963,652 |
| Unrestricted | | 8,726,294 |
| Total net assets | \$ | <u>96,263,885</u> |

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION

Schedule of Revenues, Expenses, and Changes in Net Assets

Year Ended June 30, 2012

(For Inclusion in the Consolidated Financial Statements of California State University, Northridge)

Revenues:

Operating revenues:

| | | |
|---|----|----------|
| Student tuition and fees (net of scholarship allowances of \$ _____) | \$ | - |
| Grants and contracts, noncapital: | | |
| Federal | | - |
| State | | - |
| Local | | - |
| Nongovernmental | | - |
| Sales and services of educational activities | | - |
| Sales and services of auxiliary enterprises (net of scholarship allowances of \$ _____) | | - |
| Other operating revenues | | - |
| Total operating revenues | | <u>-</u> |

Expenses:

Operating expenses:

| | |
|------------------------------------|--------------------|
| Instruction | 195,941 |
| Research | 428,777 |
| Public service | 300,825 |
| Academic support | 380,862 |
| Student services | 683,839 |
| Institutional support | 4,755,680 |
| Operation and maintenance of plant | - |
| Student grants and scholarships | 1,035,921 |
| Auxiliary enterprise expenses | - |
| Depreciation and amortization | - |
| Total operating expenses | <u>7,781,845</u> |
| Operating income (loss) | <u>(7,781,845)</u> |

Nonoperating revenues (expenses):

| | |
|--|--------------------|
| State appropriations, noncapital | - |
| Federal financial aid grants, noncapital | - |
| State financial aid grants, noncapital | - |
| Local financial aid grants, noncapital | - |
| Nongovernmental and other financial aid grants, noncapital | - |
| Other federal nonoperating grants, noncapital | - |
| Gifts, noncapital | 5,708,111 |
| Investment income (loss), net | (2,393,111) |
| Endowment income (loss), net | - |
| Interest Expenses | - |
| Other nonoperating revenues (expenses) | <u>1,194,251</u> |
| Net nonoperating revenues (expenses) | <u>4,509,251</u> |
| Income (loss) before other additions | <u>(3,272,594)</u> |

State appropriations, capital

Grants and gifts, capital

| | |
|--|--------------------|
| Additions (reductions) to permanent endowments | <u>696,671</u> |
| Increase (decrease) in net assets | <u>(2,575,923)</u> |

Net assets:

| | |
|---|-----------------------------|
| Net assets at beginning of year, as previously reported | 98,839,808 |
| Restatements | - |
| Net assets at beginning of year, as restated | <u>98,839,808</u> |
| Net assets at end of year | \$ <u><u>96,263,885</u></u> |

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION

Other Information

June 30, 2012

(For Inclusion in the Consolidated Financial Statements of California State University, Northridge)

1 Restricted cash and cash equivalents at June 30, 2012:

| | |
|---|-------------------|
| Portion of restricted cash and cash equivalents related to endowments | \$ 601,649 |
| All other restricted cash and cash equivalents | |
| Total restricted cash and cash equivalents | <u>\$ 601,649</u> |

2.1 Composition of investments at June 30, 2012:

| | Current Unrestricted | Current Restricted | Total Current | Noncurrent Unrestricted | Noncurrent Restricted | Total Noncurrent | Total |
|--|---------------------------------|-------------------------------|----------------------|------------------------------------|----------------------------------|-------------------------|---------------------|
| State of California Surplus Money Investment Fund (SMIF) | \$ - | - | - | - | - | - | - |
| State of California Local Agency Investment Fund (LAIF) | - | - | - | - | - | - | - |
| Wachovia Short Term Fund | - | - | - | - | - | - | - |
| Wachovia Medium Term Fund | - | - | - | - | - | - | - |
| Wachovia Equity Fund | - | - | - | - | - | - | - |
| US Bank SWIFT pool | - | - | - | - | - | - | - |
| Common Fund - Short Term Fund | - | - | - | - | - | - | - |
| Common Fund - Others | - | - | - | - | - | - | - |
| Debt securities | - | - | - | - | - | - | - |
| Equity securities | 21,229,126 | - | 21,229,126 | - | 35,517,523 | 35,517,523 | 56,746,649 |
| Fixed income securities (Treasury notes, GNMA's) | 10,875,363 | - | 10,875,363 | - | 18,476,895 | 18,476,895 | 29,352,258 |
| Land and other real estate | - | - | - | - | - | - | - |
| Certificates of deposit | - | - | - | - | - | - | - |
| Notes receivable | - | - | - | - | - | - | - |
| Mutual funds | - | - | - | - | - | - | - |
| Money Market funds | - | - | - | - | - | - | - |
| Collateralized mortgage obligations: | | | | | | | |
| Inverse floaters | - | - | - | - | - | - | - |
| Interest-only strips | - | - | - | - | - | - | - |
| Agency pass-through | - | - | - | - | - | - | - |
| Private pass-through | - | - | - | - | - | - | - |
| Other major investments: | | | | | | | |
| Add description | - | - | - | - | - | - | - |
| Add description | - | - | - | - | - | - | - |
| Add description | - | - | - | - | - | - | - |
| Add description | - | - | - | - | - | - | - |
| Add description | - | - | - | - | - | - | - |
| Add description | - | - | - | - | - | - | - |
| Total investments | <u>32,104,489</u> | - | <u>32,104,489</u> | - | <u>53,994,418</u> | <u>53,994,418</u> | <u>86,098,907</u> |
| Less endowment investments (enter as negative number) | | | | | <u>(53,994,418)</u> | <u>(53,994,418)</u> | <u>(53,994,418)</u> |
| Total investments | <u>32,104,489</u> | - | <u>32,104,489</u> | - | - | - | <u>32,104,489</u> |

2.2 Investments held by the University under contractual agreements at June 30, 2012:

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2012 : | - | - | - | - | - | - | - |
|---|---|---|---|---|---|---|---|

2.3 Restricted current investments at June 30, 2012 related to:

| | Amount |
|--|---------------|
| Add description | \$ - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Total restricted current investments at June 30, 2012 | <u>\$ -</u> |

2.4 Restricted noncurrent investments at June 30, 2012 related to:

| | Amount |
|---|----------------------|
| Endowment investment | \$ 53,994,418 |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Add description | - |
| Total restricted noncurrent investments at June 30, 2012 | <u>\$ 53,994,418</u> |

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION
Other Information
June 30, 2012
(For Inclusion in the Consolidated Financial Statements of California State University, Northridge)

3.1 Composition of capital assets at June 30, 2012:

| | Balance June 30, 2011 | Prior period Adjustments | Reclassifications | Balance June 30, 2011 (restated) | Additions | Reductions | Transfers of Completed CWIP | Balance June 30, 2012 |
|--|--------------------------|-----------------------------|-------------------|--|-----------|------------|-----------------------------------|--------------------------|
| Nondepreciable/nonamortizable capital assets: | | | | | | | | |
| Land and land improvements | \$ - | - | - | - | - | - | - | - |
| Works of art and historical treasures | - | - | - | - | - | - | - | - |
| Construction work in progress (CWIP) | - | - | - | - | - | - | - | - |
| Intangible assets: | | | | | | | | |
| Rights and easements | - | - | - | - | - | - | - | - |
| Patents, copyrights and trademarks | - | - | - | - | - | - | - | - |
| Internally generated intangible assets in progress | - | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Other intangible assets: | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| Total intangible assets | - | - | - | - | - | - | - | - |
| Total nondepreciable/nonamortizable capital assets | - | - | - | - | - | - | - | - |
| Depreciable/amortizable capital assets: | | | | | | | | |
| Buildings and building improvements | - | - | - | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - |
| Leasehold improvements | - | - | - | - | - | - | - | - |
| Personal property: | | | | | | | | |
| Equipment | - | - | - | - | - | - | - | - |
| Library books and materials | - | - | - | - | - | - | - | - |
| Intangible assets: | | | | | | | | |
| Software and websites | 828,979 | - | - | 828,979 | - | - | - | 828,979 |
| Rights and easements | - | - | - | - | - | - | - | - |
| Patents, copyright and trademarks | - | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Other intangible assets: | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| Total intangible assets | 828,979 | - | - | 828,979 | - | - | - | 828,979 |
| Total depreciable/amortizable capital assets | 828,979 | - | - | 828,979 | - | - | - | 828,979 |
| Total capital assets | 828,979 | - | - | 828,979 | - | - | - | 828,979 |
| Less accumulated depreciation/amortization: | | | | | | | | |
| Buildings and building improvements | - | - | - | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - |
| Leasehold improvements | - | - | - | - | - | - | - | - |
| Personal property: | | | | | | | | |
| Equipment | - | - | - | - | - | - | - | - |
| Library books and materials | - | - | - | - | - | - | - | - |
| Intangible assets: | | | | | | | | |
| Software and websites | (828,979) | - | - | (828,979) | - | - | - | (828,979) |
| Rights and easements | - | - | - | - | - | - | - | - |
| Patents, copyright and trademarks | - | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Other intangible assets: | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| Total intangible assets | (828,979) | - | - | (828,979) | - | - | - | (828,979) |
| Total accumulated depreciation/amortization | (828,979) | - | - | (828,979) | - | - | - | (828,979) |
| Total capital assets, net | \$ - | - | - | - | - | - | - | - |

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2012:

| | |
|---|------|
| Depreciation and amortization expense related to capital assets | \$ - |
| Amortization expense related to other assets | - |
| Total depreciation and amortization | \$ - |

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION
 Other Information
 June 30, 2012
 (For Inclusion in the Consolidated Financial Statements of California State University, Northridge)

4 Long-term liabilities activity schedule:

| | Balance June 30, 2011 | Prior period adjustments | Reclassifications | Balance June 30, 2011 (restated) | Additions | Reductions | Balance June 30, 2012 | Current portion | Long-term portion |
|---|--------------------------|-----------------------------|-------------------|--|-----------|------------|--------------------------|--------------------|----------------------|
| Accrued compensated absences | \$ — | — | — | — | — | — | — | — | — |
| Capitalized lease obligations: | | | | | | | | | |
| Gross balance | — | — | — | — | — | — | — | — | — |
| Unamortized premium / (discount) on capitalized lease obligations | — | — | — | — | — | — | — | — | — |
| Total capitalized lease obligations | — | — | — | — | — | — | — | — | — |
| Long-term debt obligations: | | | | | | | | | |
| Revenue Bonds | — | — | — | — | — | — | — | — | — |
| Other bonds (non-Revenue Bonds) | — | — | — | — | — | — | — | — | — |
| Commercial Paper | — | — | — | — | — | — | — | — | — |
| Other: | | | | | | | | | |
| Add description | — | — | — | — | — | — | — | — | — |
| Add description | — | — | — | — | — | — | — | — | — |
| Add description | — | — | — | — | — | — | — | — | — |
| Add description | — | — | — | — | — | — | — | — | — |
| Add description | — | — | — | — | — | — | — | — | — |
| Add description | — | — | — | — | — | — | — | — | — |
| Total long-term debt obligations | — | — | — | — | — | — | — | — | — |
| Unamortized bond premium / (discount) | — | — | — | — | — | — | — | — | — |
| Unamortized loss on refunding | — | — | — | — | — | — | — | — | — |
| Total long-term debt obligations, net | — | — | — | — | — | — | — | — | — |
| Total long-term liabilities | \$ — | — | — | — | — | — | — | — | — |

5 Future minimum lease payments - capital lease obligations:

| Year ending June 30: | Principal | Interest | Principal and Interest |
|---|-----------|----------|---------------------------|
| 2013 | - | - | — |
| 2014 | - | - | — |
| 2015 | - | - | — |
| 2016 | - | - | — |
| 2017 | - | - | — |
| 2018 - 2022 | - | - | — |
| 2023 - 2027 | - | - | — |
| 2028 - 2032 | - | - | — |
| 2033 - 2037 | - | - | — |
| 2038 - 2042 | - | - | — |
| 2043 - 2047 | - | - | — |
| 2048 - 2052 | - | - | — |
| 2053 - 2057 | - | - | — |
| 2058 - 2062 | - | - | — |
| Total minimum lease payments | — | — | — |
| Less amounts representing interest | | — | — |
| Present value of future minimum lease payments | | — | — |
| Less: current portion | | — | — |
| Capitalized lease obligation, net of current portion | | \$ — | — |

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION
Other Information
June 30, 2012
(For Inclusion in the Consolidated Financial Statements of California State University, Northridge)

6 Long-term debt obligation schedule

| | Revenue Bonds | | | All other long-term debt obligations | | | Total | | |
|----------------------|---------------|----------|------------------------|--------------------------------------|----------|------------------------|-----------|----------|------------------------|
| | Principal | Interest | Principal and Interest | Principal | Interest | Principal and Interest | Principal | Interest | Principal and Interest |
| Year ending June 30: | | | | | | | | | |
| 2013 | \$ - | - | - | - | - | - | - | - | - |
| 2014 | - | - | - | - | - | - | - | - | - |
| 2015 | - | - | - | - | - | - | - | - | - |
| 2016 | - | - | - | - | - | - | - | - | - |
| 2017 | - | - | - | - | - | - | - | - | - |
| 2018 - 2022 | - | - | - | - | - | - | - | - | - |
| 2023 - 2027 | - | - | - | - | - | - | - | - | - |
| 2028 - 2032 | - | - | - | - | - | - | - | - | - |
| 2033 - 2037 | - | - | - | - | - | - | - | - | - |
| 2038 - 2042 | - | - | - | - | - | - | - | - | - |
| 2043 - 2047 | - | - | - | - | - | - | - | - | - |
| 2048 - 2052 | - | - | - | - | - | - | - | - | - |
| 2053 - 2057 | - | - | - | - | - | - | - | - | - |
| 2058 - 2062 | - | - | - | - | - | - | - | - | - |
| Total | \$ - | - | - | - | - | - | - | - | - |

7 Calculation of net assets

| | Auxiliary Organizations | | Total |
|--|-------------------------|--------------|--------------|
| | GASB | FASB | Auxiliaries |
| 7.1 Calculation of net assets - Invested in capital assets, net of related debt | | | |
| Capital assets, net of accumulated depreciation | \$ - | - | - |
| Capitalized lease obligations - current portion | - | - | - |
| Capitalized lease obligations, net of current portion | - | - | - |
| Long-term debt obligations - current portion | - | - | - |
| Long-term debt obligations, net of current portion | - | - | - |
| Portion of outstanding debt that is unspent at year-end | - | - | - |
| Other adjustments: (please list) | | | |
| Add description | - | - | - |
| Add description | - | - | - |
| Add description | - | - | - |
| Add description | - | - | - |
| Add description | - | - | - |
| Net assets - invested in capital assets, net of related debt | \$ - | - | - |
| 7.2 Calculation of net assets - Restricted for nonexpendable - endowments | | | |
| Portion of restricted cash and cash equivalents related to endowments | \$ - | 601,649 | 601,649 |
| Endowment investments | - | 53,994,418 | 53,994,418 |
| Other adjustments: (please list) | | | |
| Temporarily Restricted Assets Investment in Endowment Investment | - | (20,161,565) | (20,161,565) |
| Endowment Pledges | - | 3,608,323 | 3,608,323 |
| Add description | - | - | - |
| Add description | - | - | - |
| Add description | - | - | - |
| Add description | - | - | - |
| Add description | - | - | - |
| Add description | - | - | - |
| Add description | - | - | - |
| Add description | - | - | - |
| Net assets - Restricted for nonexpendable - endowments per SNA | \$ - | 38,042,825 | 38,042,825 |

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8 Transactions with Related Entities

| | Amount |
|--|---------------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs | \$ 382,840 |
| Payments to University for other than salaries of University personnel | 564,290 |
| Payments received from University for services, space, and programs | 14,260 |
| Gifts-in-kind to the University from Auxiliary Organizations | 316,626 |
| Gifts (cash or assets) to the University from recognized Auxiliary Organizations | 47,125 |
| Accounts (payable to) University (enter as negative number) | (5,043) |
| Other amounts (payable to) University (enter as negative number) | — |
| Accounts receivable from University | 1,371 |
| Other amounts receivable from University | — |

9 Other Postemployment Benefits Obligation (OPEB)

| | | |
|--|----|---|
| Annual required contribution (ARC) | \$ | — |
| Contributions during the year | | — |
| Increase (decrease) in net OPEB obligation (NOO) | | — |
| NOO - beginning of year | | — |
| NOO - end of year | \$ | — |

10 Pollution remediation liabilities under GASB Statement No. 49:

| Description | Amount |
|---|--------|
| Add description | \$ — |
| Add description | — |
| Add description | — |
| Add description | — |
| Add description | — |
| Add description | — |
| Add description | — |
| Add description | — |
| Add description | — |
| Add description | — |
| Add description | — |
| Add description | — |
| Add description | — |
| Add description | — |
| Total pollution remediation liabilities | \$ — |
| Less: current portion | — |
| Pollution remediation liabilities, net of current portion | — |

11 The nature and amount of the prior period adjustment(s) recorded to beginning net assets

| | Net Asset | Amount |
|--|-----------|------------|
| | Class | Dr. (Cr.) |
| Net assets as of June 30, 2011, as previously reported | \$ | 98,839,808 |
| Prior period adjustments: | | |
| 1 (list description of each adjustment) | | — |
| 2 (list description of each adjustment) | | — |
| 3 (list description of each adjustment) | | — |
| 4 (list description of each adjustment) | | — |
| 5 (list description of each adjustment) | | — |
| 6 (list description of each adjustment) | | — |
| 7 (list description of each adjustment) | | — |
| 8 (list description of each adjustment) | | — |
| 9 (list description of each adjustment) | | — |
| 10 (list description of each adjustment) | | — |
| Net assets as of June 30, 2011, as restated | \$ | 98,839,808 |

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Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjustment:

| | <u>Debit</u> | <u>Credit</u> |
|---|--------------|---------------|
| Net asset class: _____ 1 (breakdown of adjusting journal entry) | \$ — | — |
| Net asset class: _____ 2 (breakdown of adjusting journal entry) | — | — |
| Net asset class: _____ 3 (breakdown of adjusting journal entry) | — | — |
| Net asset class: _____ 4 (breakdown of adjusting journal entry) | — | — |
| Net asset class: _____ 5 (breakdown of adjusting journal entry) | — | — |
| Net asset class: _____ 6 (breakdown of adjusting journal entry) | — | — |
| Net asset class: _____ 7 (breakdown of adjusting journal entry) | — | — |
| Net asset class: _____ 8 (breakdown of adjusting journal entry) | — | — |
| Net asset class: _____ 9 (breakdown of adjusting journal entry) | — | — |
| Net asset class: _____ 10 (breakdown of adjusting journal entry) | — | — |