

California State University, Northridge Foundation

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2021

CohnReznick 
ADVISORY • ASSURANCE • TAX

California State University, Northridge Foundation

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Independent Auditor's Report

The Board of Directors
California State University, Northridge Foundation
(A California State University Auxiliary Organization)

Report on the Financial Statements

We have audited the accompanying financial statements of California State University, Northridge Foundation, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Northridge Foundation as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited California State University, Northridge Foundation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 22-29 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2021 on our consideration of California State University, Northridge 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 of California State University, Northridge 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 California State University, Northridge Foundation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CohnReznick LLP".

Los Angeles, California
September 14, 2021

California State University, Northridge Foundation

Statement of Financial Position
June 30, 2021
With Summarized Totals at June 30, 2020

Assets

	2021	2020
Cash and cash equivalents	\$ 51,829,197	\$ 6,645,129
Investments	222,882,766	175,141,123
Pledges receivable, net	19,873,130	17,035,038
Prepaid expenses	463,132	426,939
Other receivables	49,665	16,503
Gift annuities receivable, net	414,182	413,716
Beneficial interest in charitable remainder trusts	1,981,309	1,667,572
Collections and other assets	<u>3,400,971</u>	<u>3,354,838</u>
 Total	 <u>\$ 300,894,352</u>	 <u>\$ 204,700,858</u>

Liabilities and Net Assets

Liabilities		
Accounts payable and accrued liabilities	\$ 655,515	\$ 267,156
Amounts payable to other University auxiliary organizations	<u>145,354</u>	<u>137,486</u>
 Total liabilities	 <u>800,869</u>	 <u>404,642</u>
 Commitments and contingencies		
 Net assets		
Without donor restrictions		
Undesignated	72,982,354	19,820,297
Designated	<u>15,628,651</u>	<u>15,501,515</u>
 With donor restrictions	 <u>88,611,005</u>	 <u>35,321,812</u>
 Total net assets	 <u>211,482,478</u>	 <u>168,974,404</u>
 Total	 <u>\$ 300,894,352</u>	 <u>\$ 204,700,858</u>

See Notes to Financial Statements.

California State University, Northridge Foundation

Statement of Activities
Year Ended June 30, 2021
With Summarized Totals for the Year Ended June 30, 2020

	2021		2020	
	Without donor restrictions	With donor restrictions	Total	Total
Revenue and support				
Support				
Contributions	\$ 40,000,000	\$ 25,091,667	\$ 65,091,667	\$ 13,765,730
In-kind contributions	178,798	-	178,798	453,956
Gifts of art and artifacts retained	43,100	-	43,100	86,001
Change in value of gift annuities	-	466	466	69,240
Change in value of beneficial interest in charitable remainder trusts	-	313,737	313,737	51,193
Total support	<u>40,221,898</u>	<u>25,405,870</u>	<u>65,627,768</u>	<u>14,426,120</u>
Other revenue				
Program income	960,235	-	960,235	784,672
Investment income, net	15,664,109	24,662,954	40,327,063	5,006,848
Other income	<u>71,057</u>	<u>-</u>	<u>71,057</u>	<u>304,511</u>
Total other revenue	<u>16,695,401</u>	<u>24,662,954</u>	<u>41,358,355</u>	<u>6,096,031</u>
Total revenue and support	<u>56,917,299</u>	<u>50,068,824</u>	<u>106,986,123</u>	<u>20,522,151</u>
Net assets released from restrictions				
Due to time or purpose	<u>7,560,750</u>	<u>(7,560,750)</u>	<u>-</u>	<u>-</u>
Total revenue and support and net assets released from restrictions	<u>64,478,049</u>	<u>42,508,074</u>	<u>106,986,123</u>	<u>20,522,151</u>
Expenses				
Program services				
Scholarships	2,503,171	-	2,503,171	2,019,519
Academic support	3,298,581	-	3,298,581	4,717,890
Institutional support	2,945,311	-	2,945,311	4,315,720
Capital projects	216,950	-	216,950	484,497
University programs	<u>52,134</u>	<u>-</u>	<u>52,134</u>	<u>311,600</u>
Total program services	<u>9,016,147</u>	<u>-</u>	<u>9,016,147</u>	<u>11,849,226</u>
Supporting services				
General and administrative	1,533,150	-	1,533,150	790,305
Fundraising	<u>639,559</u>	<u>-</u>	<u>639,559</u>	<u>637,533</u>
Total expenses	<u>11,188,856</u>	<u>-</u>	<u>11,188,856</u>	<u>13,277,064</u>
Change in net assets	53,289,193	42,508,074	95,797,267	7,245,087
Net assets, beginning	<u>35,321,812</u>	<u>168,974,404</u>	<u>204,296,216</u>	<u>197,051,129</u>
Net assets, end	<u>\$ 88,611,005</u>	<u>\$211,482,478</u>	<u>\$300,093,483</u>	<u>\$204,296,216</u>

See Notes to Financial Statements.

California State University, Northridge Foundation

**Statement of Functional Expenses
Year Ended June 30, 2021
With Summarized Totals for the Year Ended June 30, 2020**

	2021											2020	
	Program services						Supporting services						
	Scholarships	Academic support	Institutional support	Capital projects	University programs	Total	General and administrative	Fundraising	Total				
Advertising and marketing	\$ -	\$ 49,182	\$ 268,271	\$ -	\$ -	\$ 317,453	\$ -	\$ -	\$ 317,453	\$ -	\$ 516,885		
Bad debt expense	-	-	-	-	-	-	858,018	-	858,018	-	-		
Bank charges	-	-	-	-	-	-	100,450	-	100,450	-	76,591		
Contractual services	-	284,427	636,714	-	5,514	926,655	63,198	230,033	1,219,886		1,099,015		
Contributed goods	-	149,802	28,996	-	-	178,798	-	-	178,798		113,956		
Dues and subscriptions	-	29,601	243,656	150	9,688	283,095	3,876	17,090	304,061		334,474		
Equipment	-	66,543	7,524	206,939	1,491	282,497	-	-	282,497		1,105,968		
Facility and equipment rentals	-	64,176	142,188	-	-	206,364	-	-	206,364		228,812		
Hospitality	-	131,246	137,516	-	15,321	284,083	4,200	68,998	357,281		1,088,768		
Office supplies	-	180,731	277,607	361	14	458,713	48,502	34,467	541,682		103,670		
Other expense	-	58,220	46,712	-	-	104,932	5,231	600	110,763		339,267		
Printing and postage	-	15,649	128,033	-	4,624	148,306	19,263	139,034	306,603		294,160		
Program costs	-	52,915	270,031	9,500	12,660	345,106	-	100	345,206		1,379,824		
Salaries and benefits	-	1,939,553	729,372	-	-	2,668,925	427,412	148,674	3,245,011		3,988,841		
Scholarships	2,503,171	232,800	24,250	-	-	2,760,221	3,000	-	2,763,221		2,309,248		
Travel	-	43,736	4,441	-	2,822	50,999	-	563	51,562		297,585		
	\$ 2,503,171	\$ 3,298,581	\$ 2,945,311	\$ 216,950	\$ 52,134	\$ 9,016,147	\$ 1,533,150	\$ 639,559	\$ 11,188,856		\$ 13,277,064		

See Notes to Financial Statements.

California State University, Northridge Foundation

Statement of Cash Flows
Year Ended June 30, 2021
With Summarized Totals for the Year Ended June 30, 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 95,797,267	\$ 7,245,087
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debt expense (recovery)	858,018	(17,149)
Change in discount of pledges receivable	484,526	(92,341)
Net realized and unrealized gain on investments	(37,229,569)	(736,437)
Contributions restricted for investment in perpetuity	(13,083,952)	(6,571,246)
Change in value of gift annuities receivable	(466)	(69,240)
Change in value of beneficial interest in charitable remainder trusts	(313,737)	(51,193)
Changes in operating assets and liabilities		
Pledges receivable	(4,180,636)	5,103,143
Prepaid expenses	(36,193)	6,270
Other receivables	(33,162)	8,497
Collections and other assets	(46,133)	(84,579)
Accounts payable and accrued liabilities	388,359	166,531
Amounts payable to other University auxiliary organizations	7,868	(17,289)
Net cash provided by operating activities	<u>42,612,190</u>	<u>4,890,054</u>
Cash flows from investing activities		
Purchases of investments	(90,401,003)	(53,560,433)
Proceeds from sale of investments	<u>79,888,929</u>	<u>44,648,330</u>
Net cash used in investing activities	<u>(10,512,074)</u>	<u>(8,912,103)</u>
Cash flows from financing activities		
Contributions restricted for investment in perpetuity	<u>13,083,952</u>	<u>6,571,246</u>
Net change in cash and cash equivalents	45,184,068	2,549,197
Cash and cash equivalents, beginning	<u>6,645,129</u>	<u>4,095,932</u>
Cash and cash equivalents, end	<u>\$ 51,829,197</u>	<u>\$ 6,645,129</u>

See Notes to Financial Statements.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2021

Note 1 - Business activity and summary of significant accounting policies

Business activity

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 (the "University") with a goal of furthering the purposes and objectives of the University. The Foundation's main function is to administer the receipt and disbursement of gifts, grants, 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.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets; without donor restrictions and with donor restrictions, which are described as follows:

Net Assets Without Donor Restrictions - Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve through a board-designated endowment.

Net Assets Without Donor Restrictions - Designated - The Foundation's Board of Directors has adopted a policy regarding operating reserves and annually reviews the policy and amount. As of June 30, 2021, the Foundation's Board of Directors has designated \$5,038,263 as an operating fund reserve as mandated by the Board of Trustees of the California State University. As of June 30, 2021, the Foundation's Board of Directors has designated \$4,839,550 for institutional support (see Note 9). As of June 30, 2021, net assets without donor restrictions of \$5,750,838 is included in the endowment.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At June 30, 2021, the Foundation has \$211,482,478 of net assets with donor restrictions (see Note 9).

Contributions

Unconditional promises to give are recorded as pledges receivable when the promise is received. Unconditional promises to give with payments due in future periods are reported as restricted support.

California State University, Northridge Foundation

Notes to Financial Statements

June 30, 2021

Contributions received are recorded as support without donor restrictions or support with donor restrictions depending on the existence or nature of any donor restrictions. Contributions with a donor-imposed time restriction or purpose restriction, which limit the use of the donated assets are reported as contributions with donor restrictions if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions of assets which donors have stipulated must be maintained in perpetuity, with only the income earned thereon available for current use, are classified as contributions with donor restrictions perpetual. Contributions for which donors have not stipulated restrictions, as well as contributions for which donors have stipulated restrictions but which are met within the same reporting period, are reported as net assets without donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. As of June 30, 2021, the Foundation did not have any conditional contributions.

Gifts of land, buildings and equipment are reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulation, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and all highly liquid investments with an initial maturity at date of purchase of three months or less.

Investments

Investments are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the statement of activities as investment income (loss).

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 Foundation's Board of Directors.

Fair value measurements

The Foundation values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

California State University, Northridge Foundation

Notes to Financial Statements

June 30, 2021

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Pledges receivable

Pledges receivable are stated at unpaid balances, less an allowance for doubtful accounts and a discount on those pledges receivable due in greater than one year. The Foundation provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Foundation's policy to charge off uncollectible receivables when management determines the receivable will not be collected.

Gift annuities receivable

The Foundation is the beneficiary of 19 charitable gift annuities administered on the Foundation's behalf by the California State University Foundation, an auxiliary of the California State University Office of the Chancellor. These annuities represent the assets received in the form of contributions in exchange for distributions of a fixed amount for a specific period of time to the donor or other beneficiaries. At June 30, 2021, the fair market value of the donated assets was \$850,446, the annuitant liability was \$436,264 and the net receivable due from the California State University Foundation at June 30, 2021 was \$414,182. The present value of the estimated future payments is calculated using discount rates ranging from 5.6% to 8.6% and applicable mortality tables.

Beneficial interest in charitable remainder trusts

The Foundation has been designated as the beneficiary of assets held in four 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, 2021 was 1.2%. 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.

Other receivables

The Foundation is the irrevocable beneficiary or owner of other assets, including two life insurance policies in which the Foundation is both the owner and beneficiary. The life insurance policies are presented at their cash surrender value.

Collections

The collections, which were acquired through contributions since the Foundation's inception, are recognized as assets on the statement of financial position within other assets. The Foundation's collections are made up of art and 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. During the year ended June 30, 2021, the Foundation received art which was appraised at \$43,100 and reflected as revenue on the statement of activities as gifts of art and artifacts retained. At June 30, 2021, total collections of \$3,386,739 were included in collections and other assets.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2021

In-kind contributions

The Foundation records various types of in-kind contributions. Contributions of tangible assets are recognized at fair value when received. Contributed services are recognized at fair value 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. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses. For the year ended June 30, 2021, the Foundation recorded in-kind contributions of \$178,798, of which \$140,455 was transferred to the University.

Income taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue Taxation Code of California. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Foundation has no unrecognized tax benefits at June 30, 2021. The Foundation's federal income tax returns for fiscal years 2020, 2019 and 2018, remain open. The Foundation's state income tax returns for fiscal years 2020, 2019, 2018, and 2017 remain open. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If applicable, the Foundation recognizes interest and penalties associated with tax matters as part of income tax expense and includes accrued interest and penalties with the related tax liability in the statement of financial position.

Functional allocation of expenses

The costs of providing services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited based on the restrictions and intentions of the donors utilizing the following framework:

Scholarships - expenditures related to distribution of funds to University students in pursuit of their undergraduate or graduate education.

Academic support - expenditures related to the University's colleges and the affiliated academic departments, programs, institutes, and centers. This also includes expenditures related to the Oviatt Library and the activities related to faculty research.

Institutional support - expenditures related to the University's support services related to student affairs, information technology, alumni relations, community relations, and other campus-wide activities.

Capital projects - expenditures related to projects and equipment to further the University's mission and goals.

University programs - expenditures related to programs of the University complementary to its mission, including intercollegiate athletics.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2021

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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, 2020, from which the summarized information was derived.

Adoption of new accounting pronouncements

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers ("Topic 606")* in May 2014, providing new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers reflects the consideration to which the foundation expects to be entitled in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenues. The Foundation adopted ASU 2014-09 on July 1, 2020 using the modified retrospective method of transition for all contracts that were not completed as of that date.

The Foundation's revenue for reporting periods ended after June 30, 2020 is presented under the new guidance, while financial results for prior periods will continue to be reported in accordance with the prior guidance and the Foundation's historical accounting policy. The Foundation has not experienced significant changes to the pattern of revenue recognition for its contracts, the identification of contracts and performance obligations or the measurement of variable consideration. The adoption of the new standard did not have a material impact of the Foundation's financial position, activities, net assets or cash flows as of the adoption date.

In March 2019, FASB issued ASU 2019-03, *Updating the Definition of Collections ("Topic 958")* to improve the definition of collection. Current GAAP state that an entity need not recognize contributions of works of art, historical treasures, and similar assets, if the donated items are added to collections and meet three conditions. One condition states that an entity must be subject to an organizational policy that requires that the proceeds from sales of collection items be used to acquire other items for collections. The amendments in this ASU modify that condition so that the proceeds can also be used to support the direct care of existing collections. As of July 1, 2020, the Foundation implemented the provisions of ASU 2019-03 applicable to its Collections on a modified prospective basis. Accordingly, there is no effect on net assets in connection with the Foundation's implementation of ASU 2019-03.

Subsequent events

The Foundation has evaluated subsequent events through September 14, 2021, which is the date the financial statements were available to be issued.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2021

Note 2 - Liquidity and availability

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, receivables and investments.

At June 30, 2021, the Foundation had the following financial assets and liquidity resources available over the next 12 months:

Cash and cash equivalents	\$ 51,829,197
Pledges receivable, due within one year	4,228,456
Investments	222,882,766
Other receivables	<u>49,665</u>
	278,990,084
Endowment	(163,517,427)
Limited partnerships, non endowment	<u>(4,053,774)</u>
	<u>\$ 111,418,883</u>

Note 3 - Concentrations of credit risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk include cash and cash equivalents. The Foundation maintains its cash and cash equivalents and investments with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits which are currently \$250,000 per institution.

The Foundation's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Foundation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes.

At June 30, 2021, three donors accounted for approximately 69% of the Foundation's total pledges receivable. For the year ended June 30, 2021, one donor accounted for approximately 61% of the Foundation's contributions.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2021

Note 4 - Investments

At June 30, 2021, investments consist of the following:

Equities			
Domestic	\$ 80,338,864	36	%
International	31,346,023	14	
Emerging markets	5,641,929	3	
Fixed income			
Mutual fund	22,714,115	10	
Treasury security	24,890,964	11	
Corporate bonds	24,212,392	11	
Mutual fund	8,935,749	4	
Limited partnerships	<u>24,459,266</u>	<u>11</u>	
Real estate, at cost	222,539,302	100	
	<u>343,464</u>	<u>-</u>	
Total	\$ 222,882,766	100	%

At June 30, 2021, the Foundation has real estate which is accounted for as a cost method investment. The Foundation's investment in real estate was initially recorded at its fair value at the time it was contributed to the Foundation.

At June 30, 2021, the Foundation has the following investments in limited partnerships that calculate net asset value ("NAV") per share:

Investment strategy	NAV	Redemption terms	Redemption restrictions	Redemption restrictions in place at year-end	Unfunded commitments
Global multi-asset	<u>\$ 24,459,266</u>	Annually	None	None	<u>\$ -</u>

The limited partnerships have annual redemption privileges, which provide the investor with the opportunity to liquidate their investment one year following notification with the understanding that some of the underlying investments will take longer than one year for liquidation. During the year ended June 30, 2018, the Foundation requested liquidation of a limited partnership and began to receive distributions in January 2019. As of June 30, 2021, this partnership's carrying value is \$10,217,703 and liquidation is expected to take in excess of five years.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2021

Note 5 - Fair value measurements

At June 30, 2021, financial assets that are carried at fair value are classified in the table below in one of the three categories as described in Note 1:

	Level 1	Level 2	Level 3	Investments measured at NAV	Total
Equities	\$ 117,326,816	\$ -	\$ -	\$ -	\$ 117,326,816
Fixed income	22,714,115	49,103,356	-	-	71,817,471
Mutual fund	8,935,749	-	-	-	8,935,749
Limited partnership	-	-	-	24,459,266	24,459,266
 Total investments	 148,976,680	 49,103,356	 -	 24,459,266	 222,539,302
 Gift annuities receivable	 -	 414,182	 -	 -	 414,182
 Beneficial interest in charitable remainder trusts	 -	 1,981,309	 -	 -	 1,981,309
 Total	 <u>\$ 148,976,680</u>	 <u>\$ 51,498,847</u>	 <u>\$ -</u>	 <u>\$ 24,459,266</u>	 <u>\$ 224,934,793</u>

Financial assets valued using Level 1 inputs are based on quoted market prices within active markets and are valued on a recurring basis. Financial assets valued using Level 2 inputs are valued based on investment yields. The fair value of limited partnerships is determined using the NAV of shares held by the Foundation at the value reported by the general partner, which can lag for 45 days. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards.

The fair value of gift annuities receivable is determined based on the annuitant liability adjusted to reflect changes in life expectancies (see Note 1). The fair value of beneficial interest in charitable remainder trusts is determined based on the value of the underlying assets provided by the trustee. Valuation provided by fund administrators consider variables such as the financial performance of underlying investments, recent sales prices of underlying investments and other pertinent information. In addition, actual market exchanges at year-end provide additional observable market inputs of the exit price.

The Foundation reviews valuations and assumptions provided by investment fund managers for reasonableness and believe that the carrying amounts of these financial instruments are reasonable estimates of fair value. For the year ended June 30, 2021, there have been no changes in the valuation methodologies.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Foundation's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstance that caused the transfer. There were no transfers during the year ended June 30, 2021.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2021

Note 6 - Pledges receivable

At June 30, 2021, pledges receivable consists of unconditional promises to give and have been recorded at their present values. Those receivables that are due in future periods have been discounted to their present values, using a discount rate of 3%. The receivables are recorded as follows:

	With Donor Restrictions			Total
	Time or purpose restricted	Perpetually restricted		
Due in one year	\$ 2,174,513	\$ 2,053,943	\$ 4,228,456	
Due in two to five years	2,171,508	5,768,658	7,940,166	
Due in greater than five years	4,000	13,011,385	13,015,385	
Total	<u>\$ 4,350,021</u>	<u>\$ 20,833,986</u>	<u>25,184,007</u>	
Less discount to net present value			(5,041,408)	
Less allowance for uncollectible pledges			(269,469)	
			<u>\$ 19,873,130</u>	

Note 7 - Related party transactions

University departmental support 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, 2021, and included in program services expense, amounted to \$140,455.

During the year ended June 30, 2021, amounts paid to the University were as follows:

Salaries and benefits	\$ 1,586,621
Scholarships	2,852,443
Other goods and services	790,434

During the year ended June 30, 2021, amounts received from the University for services, rent and programs totaled \$107,127.

The Foundation receives contributed services from the University for various administrative duties. For the year ended June 30, 2021, the value of such contributed services is approximately \$320,605, which is not included in the accompanying statement of activities. If the contributed services were recorded, the amount would be recorded as contributions without donor restrictions and administrative expense without donor restrictions.

The Foundation allocates funds annually to the office of the President for operational expenses and for institutional priorities. These funds, which are \$50,000, are utilized at the discretion of the University President.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2021

During the year ended June 30, 2021, the Foundation paid \$1,693,441 to The University Corporation for salaries and benefits and other goods and services across campus.

Note 8 - Commitments and contingencies

From time to time, the Foundation may have claims against it arising from its normal operations. Currently, there are no claims or litigation against the Foundation.

Coronavirus

In December 2019, a novel strain of the coronavirus ("COVID-19") was reported. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closures. As a result of mandates issued by government officials, the campus of California State University Northridge and the Foundation transitioned to virtual learning and programming in late March 2020. For the fall semester of 2021, the campus returned to in-person and online instruction, following LA County guidelines and public health protocols. While continuing to navigate the uncertainty of the pandemic, the Foundation expects this matter to temporarily impact the Foundation's financial condition. The extent of the financial impact and duration cannot be reasonably estimated at this time.

Note 9 - Net assets

Designated net assets without donor restrictions

Included in the Foundation's net assets without donor restrictions are amounts available as internally designated reserves for the following purposes as of June 30, 2021:

General reserve	\$ 5,038,263
University relations and advancement	2,736,637
Reputation and Visibility Initiative	2,006,486
Community Relations	18,387
Office of the President	78,040
Endowment	<u>5,750,838</u>
	<u><u>\$ 15,628,651</u></u>

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2021

Net assets with donor restrictions

At June 30, 2021, net assets with donor restrictions consist of the following:

Time or purpose	
Scholarships	\$ 33,704,252
Academic support	49,639,033
Institutional support	15,114,314
University programs	620,417
Capital projects	<u>3,278,636</u>
	<u>102,356,652</u>
Perpetual	
Scholarships	38,536,508
Academic support	42,384,254
Institutional support	28,112,625
University programs	49,274
Capital projects	<u>43,165</u>
	<u>109,125,826</u>
	<u>\$ 211,482,478</u>

Note 10 - Endowments

The Foundation's endowment consists of individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

The Foundation's management and Board of Directors have interpreted the State of California Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as perpetually restricted net assets: (a) the original value of gifts donated to the perpetually restricted endowment, (b) the original value of subsequent gifts to the perpetually restricted endowment, and (c) accumulations to the perpetually restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as net assets restricted for time or purpose until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the Foundation and donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2021

Investment return objectives, risk parameters and strategies

The Foundation has adopted investment and spending policies, approved by the Foundation's Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by endowments while seeking to maintain the purchasing power of the endowment assets. 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). The endowment net assets without donor restrictions reflect the cumulative returns that have been designated by the board to be reinvested in the endowment. Over the short term, the goal is for 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.

Spending policy

The Foundation's Board of Directors has developed a spending policy to distribute accumulated earnings on an annual basis to further the purposes of the individual donor-designated funds. The intent of this policy is to provide a stable spending distribution to allow university departments to effectively manage programs funded by endowment funds, while maintaining the purchasing power of the endowment funds' assets. The Foundation's Board of Directors annually approves the spending rate, which is distributed quarterly. For the year ended June 30, 2021, the spending rate was 4% of the market value of those endowments without deficiencies or deficits as described above. The amount distributed for program use for the year ended June 30, 2021 was \$4,079,155.

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	With donor restrictions			
	Without donor restrictions	Time or purpose restricted	Perpetually restricted	Total
Donor restricted	\$ -	\$ 48,640,763	\$ 109,125,826	\$ 157,766,589
Board designated	<u>5,750,838</u>	-	-	<u>5,750,838</u>
Total funds	\$ 5,750,838	\$ 48,640,763	\$ 109,125,826	\$ 163,517,427

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	With donor restrictions			
	Without donor restrictions	Time or purpose restricted	Perpetually restricted	Total
Balance, beginning	\$ 5,750,838	\$ 28,056,964	\$ 96,041,874	\$ 129,849,676
Contributions	-	-	13,083,952	13,083,952
Investment income, net	-	24,662,954	-	24,662,954
Appropriated for expenditure	<u>-</u>	<u>(4,079,155)</u>	<u>-</u>	<u>(4,079,155)</u>
Balance, end	\$ 5,750,838	\$ 48,640,763	\$ 109,125,826	\$ 163,517,427

California State University, Northridge Foundation

Notes to Financial Statements
June 30, 2021

The endowment assets are held as follows at June 30, 2021:

	Without donor restrictions	With donor restrictions			Total
		Time or purpose restricted	Perpetually restricted		
Cash and cash equivalents	\$ -	\$ -	\$ 1,315,095	\$ 1,315,095	
Investments	5,750,838	48,640,763	91,921,460	146,313,061	
Pledges receivable	-	-	15,889,271	15,889,271	
Total funds	<u>\$ 5,750,838</u>	<u>\$ 48,640,763</u>	<u>\$ 109,125,826</u>	<u>\$ 163,517,427</u>	

Subsequent to June 30, 2021, the Foundation designated \$40,000,000 of a gift received during the year ended June 30, 2021, to the board designated endowment fund.

Supplementary Information

California State University, Northridge Foundation
Schedule of Net Position
June 30, 2021
(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 50,514,102
Short-term investments	76,569,705
Accounts receivable, net	49,665
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	19,873,130
Prepaid expenses and other current assets	463,132
Total current assets	147,469,734
Noncurrent assets:	
Restricted cash and cash equivalents	1,315,095
Accounts receivable, net	2,395,491
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	146,313,061
Other long-term investments	-
Capital assets, net	3,386,739
Other assets	14,232
Total noncurrent assets	153,424,618
Total assets	300,894,352
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
Total deferred outflows of resources	-
Liabilities:	
Current liabilities:	
Accounts payable	800,869
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	-
Total current liabilities	800,869
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	800,869
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Others	-
Total deferred inflows of resources	-
Net position:	
Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	109,125,826
Expendable:	
Scholarships and fellowships	33,704,252
Research	-
Loans	-
Capital projects	3,278,636
Debt service	-
Others	65,373,764
Unrestricted	88,611,005
Total net position	\$ 300,093,483

See Independent Auditor's Report.

California State University, Northridge Foundation
Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2021
(for inclusion in the California State University)

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	- -
Total operating revenues	- -
Expenses:	
Operating expenses:	
Instruction	- -
Research	83,597
Public service	1,178,741
Academic support	2,982,184
Student services	377,414
Institutional support	2,056,601
Operation and maintenance of plant	216,950
Student grants and scholarships	2,763,221
Auxiliary enterprise expenses	1,530,148
Depreciation and amortization	- -
Total operating expenses	11,188,856
Operating income (loss)	(11,188,856)
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	52,119,804
Investment income (loss), net	15,664,109
Endowment income (loss), net	24,662,954
Interest expense	- -
Other nonoperating revenues (expenses) - excl. interagency transfers	1,455,306
Net nonoperating revenues (expenses)	93,902,173
Income (loss) before other revenues (expenses)	82,713,317
 State appropriations, capital	- -
Grants and gifts, capital	- -
Additions (reductions) to permanent endowments	13,083,952
Increase (decrease) in net position	95,797,269
Net position:	
Net position at beginning of year, as previously reported	204,296,214
Restatements	- -
Net position at beginning of year, as restated	204,296,214
Net position at end of year	\$ 300,093,483

See Independent Auditor's Report.

California State University, Northridge Foundation
Other Information
June 30, 2021
(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$ 1,315,095
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	1,315,095
Current cash and cash equivalents	50,514,102
Total	\$ 51,829,197

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	\$ -	-
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	8,344,570	16,546,394	24,890,964
Municipal bonds	-	-	-
Corporate bonds	7,575,278	16,637,114	24,212,392
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	2,900,212	6,048,698	8,948,910
Exchange traded funds	47,188,659	90,312,004	137,500,663
Equity securities	2,527,107	-	2,527,107
Alternative investments:			
Private equity (including limited partnerships)	893,921	1,834,540	2,728,461
Hedge funds	3,726,782	7,719,364	11,446,146
Managed futures	-	-	-
Real estate investments (including REITs)	510,802	1,226,207	1,737,009
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment	2,558,910	5,988,740	8,547,650
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
Real Estate Investment (Condominium)	343,464	-	343,464
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Total Other investments	343,464	-	343,464
Total investments	76,569,705	146,313,061	222,882,766
Less endowment investments (enter as negative number)		(146,313,061)	(146,313,061)
Total investments, net of endowments	\$ 76,569,705	-	\$ 76,569,705

See Independent Auditor's Report.

California State University, Northridge Foundation
Other Information
June 30, 2021
(for inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Total	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	24,890,964	-	24,890,964	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	24,212,392	-	24,212,392	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	8,948,910	8,948,910	-	-	-
Exchange traded funds	137,500,663	137,500,663	-	-	-
Equity securities	2,527,107	2,527,107	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	2,728,461	-	-	-	2,728,461
Hedge funds	11,446,146	-	-	-	11,446,146
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	1,737,009	-	-	-	1,737,009
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment	8,547,650	-	-	-	8,547,650
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
Real Estate Investment (Condominium)	343,464	-	-	343,464	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other investments	343,464	-	-	343,464	-
Total investments	\$ 222,882,766	\$ 148,976,680	\$ 49,103,356	\$ 343,464	\$ 24,459,266

2.3 Investments held by the University under contractual agreements:

Instruction: Amounts should agree with University's investments held on behalf of Discretely Presented Component Units.

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

California State University, Northridge Foundation
Other Information
June 30, 2021
(for inclusion in the California State University)

3.1 Composition of capital assets:

	Balance June 30, 2020	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2020 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2021
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ 3,343,639	\$ 43,100	\$ -	\$ -	\$ 3,386,739
Works of art and historical treasures	3,343,639	-	-	-	3,343,639	43,100	-	-	3,386,739
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
-	-	-	-	-	-	-	-	-	-
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California State University, Northridge Foundation
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4 Long-term liabilities:

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

5 Capital lease obligations schedule:

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

See Independent Auditor's Report.

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6 Long-term debt obligations schedule:

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

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 1,586,621
Payments to University for other than salaries of University personnel	3,642,877
Payments received from University for services, space, and programs	107,127
Gifts-in-kind to the University from discretely presented component units	140,455
Gifts (cash or assets) to the University from discretely presented component units	255,283
Accounts (payable to) University (enter as negative number)	-
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	-
Other amounts receivable from University (enter as positive number)	-

8 Restatements

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

Restatement #1	Enter transaction description	Debit/(Credit)
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Restatement #2	Enter transaction description	_____
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**California State University, Northridge Foundation
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9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research		13,399	4,027			66,171		83,597
Public service		336,897	101,258			740,586		1,178,741
Academic support		1,477,923	444,203			1,060,058		2,982,184
Student services		129,213	38,836			209,363		377,412
Institutional support		209,019	62,823			1,784,759		2,056,601
Operation and maintenance of plant	-	-	-	-	-	216,950		216,950
Student grants and scholarships	-	-	-	-	2,763,221			2,763,221
Auxiliary enterprise expenses	258,809	168,603	-	-	-	1,102,738		1,530,150
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	\$ 2,425,260	\$ 819,750	\$ -	\$ -	\$ 2,763,221	\$ 5,180,625	\$ -	\$ 11,188,856

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

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

2. Deferred Inflows of Resources

2. Deferred Inflows of Resources

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

11 Other nonoperating revenues (expenses)

Total other nonoperating revenues (expenses)	\$ 1,455,306
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See Independent Auditor's Report.

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Board of Directors
California State University, Northridge Foundation
(A California State University Auxiliary Organization)

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of California State University, Northridge Foundation, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated September 14, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

CohnReznick LLP

Los Angeles, California
September 14, 2021



Independent Member of Nexia International

cohnreznick.com