

California State University, Northridge Foundation

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

June 30, 2022

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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of California State University, Northridge Foundation, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of California State University, Northridge Foundation as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California State University, Northridge Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Northridge Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 California State University, Northridge Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Northridge Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited California State University, Northridge Foundation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 22-30 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 19, 2022 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.

CohnReznick LLP

Los Angeles, California
September 19, 2022

California State University, Northridge Foundation

**Statement of Financial Position
June 30, 2022
With Summarized Totals at June 30, 2021**

Assets

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 22,341,525	\$ 51,829,197
Investments	241,616,210	222,882,766
Pledges receivable, net	39,912,981	19,873,130
Prepaid expenses	372,753	463,132
Other receivables	90,472	49,665
Gift annuities receivable, net	404,833	414,182
Beneficial interest in charitable remainder trusts	974,827	1,981,309
Collections and other assets	<u>2,689,562</u>	<u>3,400,971</u>
 Total	 <u>\$ 308,403,163</u>	 <u>\$ 300,894,352</u>

Liabilities and Net Assets

Liabilities		
Accounts payable and accrued liabilities	\$ 579,585	\$ 655,515
Amounts payable to other University auxiliary organizations	<u>110,635</u>	<u>145,354</u>
 Total liabilities	 <u>690,220</u>	 <u>800,869</u>
 Commitments and contingencies		
Net assets		
Without donor restrictions		
Undesignated	24,065,982	72,982,354
Designated	<u>56,139,977</u>	<u>15,628,651</u>
	80,205,959	88,611,005
With donor restrictions	<u>227,506,984</u>	<u>211,482,478</u>
 Total net assets	 <u>307,712,943</u>	 <u>300,093,483</u>
 Total	 <u>\$ 308,403,163</u>	 <u>\$ 300,894,352</u>

See Notes to Financial Statements.

California State University, Northridge Foundation

**Statement of Activities
Year Ended June 30, 2022
With Summarized Totals for the Year Ended June 30, 2021**

	2022		2021	
	Without donor restrictions	With donor restrictions	Total	Total
Revenue and support				
Support				
Contributions	\$ 181,442	\$ 44,335,918	\$ 44,517,360	\$ 65,091,667
In-kind contributions	503,980	-	503,980	178,798
Gifts of art and artifacts retained	25,097	-	25,097	43,100
Loss on disposal of gifts of art	(610,552)	-	(610,552)	-
Change in value of gift annuities	-	(9,349)	(9,349)	466
Change in value of beneficial interest in charitable remainder trusts	-	(1,006,482)	(1,006,482)	313,737
Total support	<u>99,967</u>	<u>43,320,087</u>	<u>43,420,054</u>	<u>65,627,768</u>
Other revenue (loss)				
Program income	1,235,750	-	1,235,750	960,235
Investment income (loss), net	(8,915,757)	(14,037,753)	(22,953,510)	40,327,063
Other income	120,000	-	120,000	71,057
Total other revenue (loss)	<u>(7,560,007)</u>	<u>(14,037,753)</u>	<u>(21,597,760)</u>	<u>41,358,355</u>
Total revenue (loss) and support	<u>(7,460,040)</u>	<u>29,282,334</u>	<u>21,822,294</u>	<u>106,986,123</u>
Net assets released from restrictions				
Due to time or purpose	<u>13,257,828</u>	<u>(13,257,828)</u>	<u>-</u>	<u>-</u>
Total revenue and support and net assets released from restrictions	<u>5,797,788</u>	<u>16,024,506</u>	<u>21,822,294</u>	<u>106,986,123</u>
Expenses				
Program services				
Scholarships	2,275,956	-	2,275,956	2,503,171
Academic support	4,654,389	-	4,654,389	3,298,581
Institutional support	3,057,430	-	3,057,430	2,945,311
Capital projects	428,751	-	428,751	216,950
University programs	1,565,512	-	1,565,512	52,134
Total program services	<u>11,982,038</u>	<u>-</u>	<u>11,982,038</u>	<u>9,016,147</u>
Supporting services				
General and administrative	1,455,056	-	1,455,056	1,533,150
Fundraising	765,740	-	765,740	639,559
Total expenses	<u>14,202,834</u>	<u>-</u>	<u>14,202,834</u>	<u>11,188,856</u>
Change in net assets	<u>(8,405,046)</u>	<u>16,024,506</u>	<u>7,619,460</u>	<u>95,797,267</u>
Net assets, beginning	<u>88,611,005</u>	<u>211,482,478</u>	<u>300,093,483</u>	<u>204,296,216</u>
Net assets, end	<u>\$ 80,205,959</u>	<u>\$227,506,984</u>	<u>\$307,712,943</u>	<u>\$ 300,093,483</u>

See Notes to Financial Statements.

California State University, Northridge Foundation

**Statement of Functional Expenses
Year Ended June 30, 2022
With Summarized Totals for the Year Ended June 30, 2021**

	2022										2021
	Program services					Supporting services					
	Scholarships	Academic support	Institutional support	Capital projects	University programs	Total	General and administrative	Fundraising	Total		
Advertising and marketing	\$ -	\$ 18,632	\$ 126,647	\$ -	\$ 418	\$ 145,697	\$ -	\$ 1,370	\$ 147,067	\$ 317,453	
Bad debt expense	-	-	-	-	-	-	634,163	-	634,163	858,018	
Bank charges	-	-	-	-	-	-	99,275	-	99,275	100,450	
Contractual services	-	465,969	553,342	1,273	211,012	1,231,596	67,173	286,867	1,585,636	1,219,886	
Contributed goods	-	486,050	735	-	17,195	503,980	-	-	503,980	178,798	
Dues and subscriptions	-	39,487	152,206	600	51,830	244,123	14,614	6,229	264,966	304,061	
Equipment	-	308,834	103,293	31,489	98,247	541,863	1,057	-	542,920	282,497	
Facility and equipment rentals	-	183,089	12,877	-	85,643	281,609	-	-	281,609	206,364	
Hospitality	-	322,205	459,617	-	12,453	794,275	24,868	151,465	970,608	357,281	
Office supplies	-	245,610	302,906	-	36,032	584,548	40,515	15,479	640,542	541,682	
Other expense	-	55,068	4,784	50,956	48,878	159,686	5,590	311	165,587	110,763	
Printing and postage	-	16,264	262,293	1,550	6,975	287,082	19,853	153,488	460,423	306,603	
Program costs	-	197,600	389,485	342,658	392,499	1,322,242	-	3,132	1,325,374	345,206	
Salaries and benefits	-	1,977,671	626,841	-	545,790	3,150,302	543,948	146,385	3,840,635	3,245,011	
Scholarships	2,275,956	229,296	36,684	-	4,000	2,545,936	4,000	-	2,549,936	2,763,221	
Travel	-	108,614	25,720	225	54,540	189,099	-	1,014	190,113	51,562	
	<u>\$ 2,275,956</u>	<u>\$ 4,654,389</u>	<u>\$ 3,057,430</u>	<u>\$ 428,751</u>	<u>\$ 1,565,512</u>	<u>\$ 11,982,038</u>	<u>\$ 1,455,056</u>	<u>\$ 765,740</u>	<u>\$ 14,202,834</u>	<u>\$ 11,188,856</u>	

See Notes to Financial Statements.

California State University, Northridge Foundation

**Statement of Cash Flows
Year Ended June 30, 2022
With Summarized Totals for the Year Ended June 30, 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ 7,619,460	\$ 95,797,267
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debt expense	634,163	858,018
Change in discount of pledges receivable	303,672	484,526
Net realized and unrealized (gain) loss on investments	30,313,532	(37,229,569)
Contributions restricted for investment in perpetuity	(5,948,289)	(13,083,952)
Loss on disposal of gifts of art	610,552	-
Change in value of gift annuities receivable	9,349	(466)
Change in value of beneficial interest in charitable remainder trusts	1,006,482	(313,737)
Changes in operating assets and liabilities		
Pledges receivable	(20,977,686)	(4,180,636)
Prepaid expenses	90,379	(36,193)
Other receivables	(40,807)	(33,162)
Collections and other assets	(27,891)	(46,133)
Accounts payable and accrued liabilities	(75,930)	388,359
Amounts payable to other University auxiliary organizations	(34,719)	7,868
	<u>13,482,267</u>	<u>42,612,190</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Proceeds from sale of gifts of art	128,748	-
Purchases of investments	(125,473,101)	(90,401,003)
Proceeds from sale of investments	76,426,125	79,888,929
	<u>(48,918,228)</u>	<u>(10,512,074)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Contributions restricted for investment in perpetuity	5,948,289	13,083,952
	<u>(29,487,672)</u>	45,184,068
Net change in cash and cash equivalents		
Cash and cash equivalents, beginning	<u>51,829,197</u>	<u>6,645,129</u>
Cash and cash equivalents, end	<u>\$ 22,341,525</u>	<u>\$ 51,829,197</u>

See Notes to Financial Statements.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2022

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, 2022, the Foundation's Board of Directors has designated \$5,876,896 as an operating fund reserve as mandated by the Board of Trustees of the California State University. As of June 30, 2022, the Foundation's Board of Directors has designated \$11,265,181 for institutional support (see Note 9). As of June 30, 2022, net assets without donor restrictions of \$38,997,900 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, 2022, the Foundation has \$227,506,984 of net assets with donor restrictions (see Note 9).

California State University, Northridge Foundation

Notes to Financial Statements

June 30, 2022

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. 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, 2022, 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, 2022

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 18 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, 2022, the fair market value of the donated assets was \$797,392, the annuitant liability was \$392,559 and the net receivable due from the California State University Foundation at June 30, 2022 was \$404,833. 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, 2022 was 3.6%. 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, 2022, the Foundation received art which was appraised at \$25,097 and reflected as revenue on the statement of activities as gifts of art and artifacts retained. At June 30, 2022, total collections of \$2,673,052 were included in collections and other assets.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2022

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.

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, 2022. The Foundation's federal income tax returns for fiscal years 2021, 2020 and 2019, remain open. The Foundation's state income tax returns for fiscal years 2021, 2020, 2019, and 2018 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. Supporting services are allocated based on the purpose of the expenditures and time spent by personnel for the operational activities. Program services are allocated 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 University 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, 2022

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, 2021, from which the summarized information was derived.

Adoption of new accounting pronouncement

For the year ended June 30, 2022, the Foundation adopted Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard provides guidance on the presentation of contributed nonfinancial assets in the statement of activities and additional disclosure requirements for each type of contributed nonfinancial asset. The ASU provides transparency on the measurement of the contributed nonfinancial assets of the Foundation and will not change existing recognition and measurement requirements. The Foundation has implemented the provisions of ASU 2020-07 applicable to all contributed nonfinancial assets, which has been applied retrospectively to all periods presented.

Subsequent events

The Foundation has evaluated subsequent events through September 19, 2022, which is the date the financial statements were available to be issued.

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, 2022, the Foundation had the following financial assets and liquidity resources available over the next 12 months:

Cash and cash equivalents	\$	22,341,525
Pledges receivable, due within one year		15,133,515
Investments		241,616,210
Other receivables		90,472
		<hr/>
		279,181,722
Endowment		(188,815,711)
Limited partnerships, non endowment		(8,569,188)
		<hr/>
	\$	<u>81,796,823</u>

California State University, Northridge Foundation

**Notes to Financial Statements
June 30, 2022**

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, 2022, two donors accounted for approximately 64% of the Foundation's total pledges receivable. For the year ended June 30, 2022, one donor accounted for approximately 56% of the Foundation's contributions.

Note 4 - Investments

At June 30, 2022, investments consist of the following:

Equities			
Domestic	\$	89,898,765	37 %
International		30,700,665	13
Emerging markets		3,746,702	2
Fixed income			
Mutual fund		17,853,187	7
Floating-rate		7,995,132	3
Treasury security		19,141,326	8
Corporate bonds		35,172,330	15
Mutual fund		9,773,802	4
Limited partnerships		26,990,837	11
		<u>241,272,746</u>	<u>100</u>
Real estate, at cost		343,464	-
		<u>241,616,210</u>	<u>100 %</u>

At June 30, 2022, 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.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2022

At June 30, 2022, 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	\$ 26,990,837	Annually	None	None	\$ -

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, 2022, this partnership's carrying value is \$9,593,377 and liquidation is expected to take in excess of five years.

Note 5 - Fair value measurements

At June 30, 2022, 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	\$ 124,346,132	\$ -	\$ -	\$ -	\$ 124,346,132
Fixed income	25,848,319	54,313,656	-	-	80,161,975
Mutual fund	9,773,802	-	-	-	9,773,802
Limited partnership	-	-	-	26,990,837	26,990,837
Total investments	159,968,253	54,313,656	-	26,990,837	241,272,746
Gift annuities receivable	-	404,833	-	-	404,833
Beneficial interest in charitable remainder trusts	-	974,827	-	-	974,827
Total	\$ 159,968,253	\$ 55,693,316	\$ -	\$ 26,990,837	\$ 242,652,406

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 90 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.

California State University, Northridge Foundation

**Notes to Financial Statements
June 30, 2022**

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, 2022, 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, 2022.

Note 6 - Pledges receivable

At June 30, 2022, 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 4%. The receivables are recorded as follows:

	With Donor Restrictions		
	Time or purpose restricted	Perpetually restricted	Total
Due in one year	\$ 12,476,323	\$ 2,657,192	\$ 15,133,515
Due in two to five years	12,803,418	5,464,680	18,268,098
Due in greater than five years	440,500	12,007,080	12,447,580
	<u>\$ 25,720,241</u>	<u>\$ 20,128,952</u>	45,849,193
Less discount to net present value			(5,345,080)
Less allowance for uncollectible pledges			<u>(591,132)</u>
			<u><u>\$ 39,912,981</u></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, 2022, and included in program services expense, amounted to \$50,533.

California State University, Northridge Foundation

Notes to Financial Statements
June 30, 2022

During the year ended June 30, 2022, amounts paid to the University were as follows:

Salaries and benefits	\$	2,231,929
Scholarships		2,550,497
Other goods and services		861,773

During the year ended June 30, 2022, amounts received from the University for services, rent and programs totaled \$247,256.

The Foundation receives contributed services from the University for various administrative duties. For the year ended June 30, 2022, the value of such contributed services is approximately \$354,818, 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.

During the year ended June 30, 2022, the Foundation paid \$1,583,931 to The University Corporation for salaries and benefits and other goods and services across campus, \$96,445 to Associated Students, California State University, Northridge, Inc. for the support of student clubs and organizations and \$16,804 to University Student Union California State University, Northridge for instructional equipment and various event and program costs.

Included in the accompanying statement of financial position at June 30 2022, are amounts payable to other University auxiliary organizations as follows:

The University Corporation	\$	104,658
Associated Students, California State University, Northridge, Inc.		450
University Student Union California State University, Northridge		<u>5,527</u>
	\$	<u>110,635</u>

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. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. Therefore, the extent of the financial impact and duration cannot be reasonably estimated at this time.

California State University, Northridge Foundation

Notes to Financial Statements
June 30, 2022

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, 2022:

General reserve	\$ 5,876,896
University relations and advancement	2,697,757
Reputation and Visibility Initiative	2,500,894
Matador Challenge Fund	6,000,000
Office of the President	66,530
Endowment	<u>38,997,900</u>
	<u>\$ 56,139,977</u>

Net assets with donor restrictions

At June 30, 2022, net assets with donor restrictions consist of the following:

Time or purpose	
Scholarships	\$ 25,392,471
Academic support	70,641,514
Institutional support	11,165,863
University programs	3,517,868
Capital projects	<u>1,715,153</u>
	<u>112,432,869</u>
Perpetual	
Scholarships	39,367,863
Academic support	53,256,299
Institutional support	8,175,604
University programs	14,221,085
Capital projects	<u>53,264</u>
	<u>115,074,115</u>
	<u>\$ 227,506,984</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

California State University, Northridge Foundation

**Notes to Financial Statements
June 30, 2022**

(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.

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, 2022, 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, 2022 was \$4,477,101.

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	Without donor restrictions	With donor restrictions		Total
		Time or purpose restricted	Perpetually restricted	
Donor restricted	\$ -	\$ 34,743,696	\$ 115,074,115	\$ 149,817,811
Board designated	38,997,900	-	-	38,997,900
Total funds	\$ 38,997,900	\$ 34,743,696	\$ 115,074,115	\$ 188,815,711

California State University, Northridge Foundation

**Notes to Financial Statements
June 30, 2022**

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	Without donor restrictions	With donor restrictions		Total
		Time or purpose restricted	Perpetually restricted	
Balance, beginning	\$ 5,750,838	\$ 48,640,763	\$ 109,125,826	\$ 163,517,427
Contributions	-	-	5,948,289	5,948,289
Board designated	40,100,000	-	-	40,100,000
Reinvestment	-	4,617,787	-	4,617,787
Investment loss, net	(6,852,938)	(14,037,753)	-	(20,890,691)
Appropriated for expenditure	-	(4,477,101)	-	(4,477,101)
Balance, end	<u>\$ 38,997,900</u>	<u>\$ 34,743,696</u>	<u>\$ 115,074,115</u>	<u>\$ 188,815,711</u>

The endowment assets are held as follows at June 30, 2022:

	Without donor restrictions	With donor restrictions		Total
		Time or purpose restricted	Perpetually restricted	
Cash and cash equivalents	\$ 1,842,878	\$ -	\$ -	\$ 1,842,878
Investments	37,155,022	34,743,696	99,627,110	171,525,828
Pledges receivable	-	-	15,447,005	15,447,005
Total funds	<u>\$ 38,997,900</u>	<u>\$ 34,743,696</u>	<u>\$ 115,074,115</u>	<u>\$ 188,815,711</u>

At June 30, 2022, the Foundation had original donor restricted endowment gifts of \$44,362,369 with a market value of \$39,222,819 which resulted in underwater endowments of \$5,139,550.

Note 11 - In-kind contributions

For the year ended June 30, 2022, the Foundation recorded and retained gifts of art and artifacts of \$25,097, and in-kind contributions of \$503,980, of which \$50,533 was transferred to the University. In-kind contributions recognized within the statement of activities included the following:

Art, books and publications and collectibles	\$ 1,362
Clothing and Household Goods	816
Academic Supplies	484,608
Gifts cards and certificates	17,194
	<u>\$ 503,980</u>

All in-kind contributions received by the Foundation for the year ended June 30, 2022 were recorded at fair value and considered without donor restrictions, to be used by the Foundation as determined by the board of directors and management. The fair market value of academic supplies was determined through active markets of identical or similar items.

Supplementary Information

California State University, Northridge Foundation
Schedule of Net Position
June 30, 2022
(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 20,498,647
Short-term investments	70,090,382
Accounts receivable, net	90,472
Lease receivables, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	39,912,981
Prepaid expenses and other current assets	372,753
Total current assets	130,965,235
Noncurrent assets:	
Restricted cash and cash equivalents	1,842,878
Accounts receivable, net	1,379,660
Lease receivables, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	171,525,828
Other long-term investments	-
Capital assets, net	2,673,052
Other assets	16,510
Total noncurrent assets	177,437,928
Total assets	308,403,163
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
Others	-
Total deferred outflows of resources	-
Liabilities:	
Current liabilities:	
Accounts payable	690,220
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, 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	690,220
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, 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	690,220
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
Others	-
Total deferred inflows of resources	-
Net position:	
Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	115,074,115
Expendable:	
Scholarships and fellowships	25,392,471
Research	-
Loans	-
Capital projects	1,715,153
Debt service	-
Others	85,325,245
Unrestricted	80,205,959
Total net position	\$ 307,712,943

See Independent Auditor's Report.

California State University, Northridge Foundation
Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2022
(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	-
Public service	1,565,512
Academic support	4,654,389
Student services	-
Institutional support	4,251,921
Operation and maintenance of plant	-
Student grants and scholarships	2,275,956
Auxiliary enterprise expenses	1,455,056
Depreciation and amortization	-
Total operating expenses	14,202,834
Operating income (loss)	(14,202,834)
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	38,082,317
Investment income (loss), net	(8,915,757)
Endowment income (loss), net	(14,037,753)
Interest expense	-
Other nonoperating revenues (expenses)	745,198
Net nonoperating revenues (expenses)	15,874,005
Income (loss) before other revenues (expenses)	1,671,171
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	5,948,289
Increase (decrease) in net position	7,619,460
Net position:	
Net position at beginning of year, as previously reported	300,093,483
Restatements	-
Net position at beginning of year, as restated	300,093,483
Net position at end of year	\$ 307,712,943

See Independent Auditor's Report.

California State University, Northridge Foundation
Other Information
June 30, 2022
(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$	1,842,878
All other restricted cash and cash equivalents		-
Noncurrent restricted cash and cash equivalents		<u><u>1,842,878</u></u>
Current cash and cash equivalents		<u>20,498,647</u>
Total	\$	<u><u>22,341,525</u></u>

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	6,484,030	12,657,296	19,141,326
Municipal bonds	-	-	-
Corporate bonds	9,065,333	26,106,997	35,172,330
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	2,751,333	7,116,047	9,867,380
Exchange traded funds	41,155,741	107,139,204	148,294,945
Equity securities	1,805,928	-	1,805,928
Alternative investments:			
Private equity (including limited partnerships)	1,537,482	3,014,511	4,551,993
Hedge funds	3,891,552	8,180,160	12,071,712
Managed futures	-	-	-
Real estate investments (including REITs)	536,013	1,286,728	1,822,741
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment	2,519,506	6,024,885	8,544,391
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	<u>343,464</u>	<u>-</u>	<u>343,464</u>
Total investments	<u>70,090,382</u>	<u>171,525,828</u>	<u>241,616,210</u>
Less endowment investments (enter as negative number)	-	(171,525,828)	(171,525,828)
Total investments, net of endowments	\$ 70,090,382	\$ -	\$ 70,090,382

See Independent Auditor's Report.

**California State University, Northridge Foundation
Other Information
June 30, 2022
(for inclusion in the California State University)**

Lease assets, net
Total capital assets, net

Composition of lease assets:	Balance June 30, 2021	Additions	Remeasurements	Reductions	Balance June 30, 2022
Non-depreciable/Non-amortizable lease assets:					
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-
Depreciable/Amortizable lease assets:					
Buildings and building improvements	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-
Infrastructure	-	-	-	-	-
Personal property:					
Equipment	-	-	-	-	-
Total depreciable/amortizable lease assets	-	-	-	-	-
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)					
Buildings and building improvements	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-
Infrastructure	-	-	-	-	-
Personal property:					
Equipment	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-
Total lease assets, net	\$ -	\$ -	\$ -	\$ -	\$ -

3.2 Detail of depreciation and amortization expense:

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

4 Long-term liabilities:

	Balance June 30, 2021	Prior Period Adjustments/Reclassifications	Balance June 30, 2021 (Restated)	Additions	Reductions	Balance June 30, 2022	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**California State University, Northridge Foundation
Other Information
June 30, 2022
(for inclusion in the California State University)**

5. Lease Liabilities

	-	-
	-	-
	-	-

Total long-term liabilities

Lease liabilities
Total

	Balance	Additions	Remeasurements	Reductions	June 30, 2022	Current Portion	Noncurrent Portion
	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

5 Lease Liabilities schedule:

	Lease Liabilities related to SRB			All other lease liabilities			Total lease liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum lease payments	-	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Total lease liabilities									-
Less: current portion									-
Lease liabilities, net of current portion									\$ -

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:									
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
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									\$ -

**California State University, Northridge Foundation
Other Information
June 30, 2022
(for inclusion in the California State University)**

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 2,231,929
Payments to University for other than salaries of University personnel	3,412,270
Payments received from University for services, space, and programs	247,256
Gifts-in-kind to the University from discretely presented component units	50,533
Gifts (cash or assets) to the University from discretely presented component units	997,101
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:

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

California State University, Northridge Foundation
Other Information
June 30, 2022
(for inclusion in the California State University)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
Research	-	-	-	-	-	-	-	-
Public service	427,280	118,510	-	-	-	1,019,722	-	1,565,512
Academic support	1,537,648	440,023	-	-	-	2,676,718	-	4,654,389
Student services	-	-	-	-	-	-	-	-
Institutional support	623,569	149,659	-	-	-	3,478,693	-	4,251,921
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	2,275,956	-	-	2,275,956
Auxiliary enterprise expenses	543,948	334,560	-	-	-	576,548	-	1,455,056
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	\$ 3,132,445	\$ 1,042,752	\$ -	\$ -	\$ 2,275,956	\$ 7,751,681	\$ -	\$ 14,202,834

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 - leases	-
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

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 - leases	-
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)

Other nonoperating revenues	\$ 745,198
Other nonoperating (expenses)	-
Total other nonoperating revenues (expenses)	\$ 745,198

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, 2022, 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 19, 2022.

Report on 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 and significant deficiencies may exist that have not been identified.

Report on 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 19, 2022



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