

California State University, Northridge Foundation

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

June 30, 2023

California State University, Northridge Foundation

Index

| | <u>Page</u> |
|---|-------------|
| Independent Auditor's Report | 2 |
| Financial Statements | |
| Statement of Financial Position | 5 |
| Statement of Activities | 6 |
| Statement of Functional Expenses | 7 |
| Statement of Cash Flows | 8 |
| Notes to Financial Statements | 9 |
| Supplementary Information | |
| Schedule of Net Position | 23 |
| Schedule of Revenues, Expenses and Changes in Net Position | 24 |
| Other Information | 25 |
| 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 <i>Government Auditing Standards</i> | 33 |

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, 2023, 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, 2023, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 19, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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 23 to 32 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 21, 2023 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.



Los Angeles, California
September 21, 2023

California State University, Northridge Foundation

**Statement of Financial Position
June 30, 2023
With Summarized Totals at June 30, 2022**

Assets

| | <u>2023</u> | <u>2022</u> |
|--|----------------------------------|----------------------------------|
| Cash and cash equivalents | \$ 33,513,904 | \$ 22,341,525 |
| Investments | 270,010,116 | 241,616,210 |
| Pledges receivable, net | 25,984,027 | 39,912,981 |
| Prepaid expenses | 554,732 | 372,753 |
| Other receivables | 61,623 | 90,472 |
| Gift annuities receivable, net | 390,929 | 404,833 |
| Beneficial interest in charitable remainder trusts | 727,050 | 974,827 |
| Collections and other assets | <u>2,697,441</u> | <u>2,689,562</u> |
| Total | <u><u>\$ 333,939,822</u></u> | <u><u>\$ 308,403,163</u></u> |

Liabilities and Net Assets

| | | |
|---|----------------------------------|----------------------------------|
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 1,195,749 | \$ 579,585 |
| Amounts payable to other University auxiliary organizations | <u>133,884</u> | <u>110,635</u> |
| Total liabilities | <u>1,329,633</u> | <u>690,220</u> |
| Commitments and contingencies | | |
| Net assets | | |
| Without donor restrictions | | |
| Undesignated | 22,892,289 | 24,065,982 |
| Designated | <u>62,727,258</u> | <u>56,139,977</u> |
| | 85,619,547 | 80,205,959 |
| With donor restrictions | <u>246,990,642</u> | <u>227,506,984</u> |
| Total net assets | <u>332,610,189</u> | <u>307,712,943</u> |
| Total | <u><u>\$ 333,939,822</u></u> | <u><u>\$ 308,403,163</u></u> |

See Notes to Financial Statements.

California State University, Northridge Foundation

**Statement of Activities
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022**

| | 2023 | | | 2022 |
|--|-------------------------------|----------------------------|----------------|----------------|
| | Without donor restrictions | With donor restrictions | Total | Total |
| Revenue and support | | | | |
| Support | | | | |
| Contributions | \$ 18,644 | \$ 17,878,874 | \$ 17,897,518 | \$ 44,517,360 |
| In-kind contributions | 796,021 | - | 796,021 | 503,980 |
| Gifts of art and artifacts retained | - | - | - | 25,097 |
| Loss on disposal of gifts of art | - | - | - | (610,552) |
| Change in value of gift annuities | - | (13,904) | (13,904) | (9,349) |
| Change in value of beneficial interest in charitable remainder trusts | - | (247,777) | (247,777) | (1,006,482) |
| Total support | 814,665 | 17,617,193 | 18,431,858 | 43,420,054 |
| Other revenue (loss) | | | | |
| Program income | 1,403,038 | - | 1,403,038 | 1,235,750 |
| Investment income (loss), net | 14,117,564 | 11,835,319 | 25,952,883 | (22,953,510) |
| Other income | 120,677 | - | 120,677 | 120,000 |
| Total other revenue (loss) | 15,641,279 | 11,835,319 | 27,476,598 | (21,597,760) |
| Total revenue (loss) and support | 16,455,944 | 29,452,512 | 45,908,456 | 21,822,294 |
| Net assets released from restrictions | | | | |
| Due to time or purpose | 9,968,854 | (9,968,854) | - | - |
| Total revenue and support and net assets released from restrictions | 26,424,798 | 19,483,658 | 45,908,456 | 21,822,294 |
| Expenses | | | | |
| Program services | | | | |
| Scholarships | 2,555,101 | - | 2,555,101 | 2,275,956 |
| Academic support | 7,579,785 | - | 7,579,785 | 4,654,389 |
| Institutional support | 5,930,078 | - | 5,930,078 | 3,057,430 |
| Capital projects | 459,100 | - | 459,100 | 428,751 |
| University programs | 2,232,462 | - | 2,232,462 | 1,565,512 |
| Total program services | 18,756,526 | - | 18,756,526 | 11,982,038 |
| Supporting services | | | | |
| General and administrative | 1,258,806 | - | 1,258,806 | 1,455,056 |
| Fundraising | 995,878 | - | 995,878 | 765,740 |
| Total expenses | 21,011,210 | - | 21,011,210 | 14,202,834 |
| Change in net assets | 5,413,588 | 19,483,658 | 24,897,246 | 7,619,460 |
| Net assets, beginning | 80,205,959 | 227,506,984 | 307,712,943 | 300,093,483 |
| Net assets, end | \$ 85,619,547 | \$ 246,990,642 | \$ 332,610,189 | \$ 307,712,943 |

See Notes to Financial Statements.

California State University, Northridge Foundation

**Statement of Functional Expenses
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022**

| | 2023 | | | | | | | | | | 2022 |
|--------------------------------|------------------|------------------|-----------------------|------------------|---------------------|---------------|----------------------------|-------------|---------------|---------------|------|
| | Program services | | | | | | Supporting services | | | | |
| | Scholarships | Academic support | Institutional support | Capital projects | University programs | Total | General and administrative | Fundraising | Total | | |
| Advertising and marketing | \$ - | \$ 38,924 | \$ 126,578 | \$ - | \$ 10,080 | \$ 175,582 | \$ 1,378 | \$ - | \$ 176,960 | \$ 147,067 | |
| Bad debt expense | - | - | - | - | - | - | 242,226 | - | 242,226 | 634,163 | |
| Bank charges | - | - | - | - | - | - | 107,367 | - | 107,367 | 99,275 | |
| Contractual services | - | 1,031,559 | 741,989 | - | 159,053 | 1,932,601 | 123,886 | 413,752 | 2,470,239 | 1,585,636 | |
| Contributed goods | - | 770,835 | 2,530 | - | 22,656 | 796,021 | - | - | 796,021 | 503,980 | |
| Dues and subscriptions | - | 42,425 | 178,638 | - | 64,297 | 285,360 | 14,690 | 3,123 | 303,173 | 264,966 | |
| Equipment | - | 500,328 | 139,825 | 459,100 | 48,340 | 1,147,593 | 416 | 2,080 | 1,150,089 | 542,920 | |
| Facility and equipment rentals | - | 257,748 | 40,324 | - | 101,938 | 400,010 | 29,815 | 75,016 | 504,841 | 281,609 | |
| Hospitality | - | 752,798 | 530,671 | - | 131,532 | 1,415,001 | 62,577 | 153,294 | 1,630,872 | 970,608 | |
| Office supplies | - | 277,824 | 32,162 | - | 14,718 | 324,704 | 11,828 | 1,625 | 338,157 | 640,542 | |
| Other expense | - | 1,076 | 746 | - | 24,740 | 26,562 | 5,467 | - | 32,029 | 165,587 | |
| Printing and postage | - | 68,498 | 162,686 | - | 3,347 | 234,531 | 12,591 | 51,799 | 298,921 | 460,423 | |
| Program costs | - | 354,220 | 1,906,645 | - | 969,951 | 3,230,816 | 22,933 | 2,875 | 3,256,624 | 1,325,374 | |
| Salaries and benefits | - | 2,651,219 | 1,975,183 | - | 607,983 | 5,234,385 | 613,896 | 285,214 | 6,133,495 | 3,840,635 | |
| Scholarships | 2,555,101 | 542,716 | 17,875 | - | 5,400 | 3,121,092 | 4,000 | 1,500 | 3,126,592 | 2,549,936 | |
| Travel | - | 289,615 | 74,226 | - | 68,427 | 432,268 | 5,736 | 5,600 | 443,604 | 190,113 | |
| | \$ 2,555,101 | \$ 7,579,785 | \$ 5,930,078 | \$ 459,100 | \$ 2,232,462 | \$ 18,756,526 | \$ 1,258,806 | \$ 995,878 | \$ 21,011,210 | \$ 14,202,834 | |

See Notes to Financial Statements.

California State University, Northridge Foundation
Statement of Cash Flows
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022

| | <u>2023</u> | <u>2022</u> |
|--|-----------------------------|-----------------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 24,897,246 | \$ 7,619,460 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Bad debt expense | 242,226 | 634,163 |
| Change in discount of pledges receivable | 592,964 | 303,672 |
| Net realized and unrealized (gain) loss on investments | (21,195,004) | 30,313,532 |
| Contributions restricted for investment in perpetuity | (1,354,415) | (5,948,289) |
| Loss on disposal of gifts of art | - | 610,552 |
| Change in value of gift annuities receivable | 13,904 | 9,349 |
| Change in value of beneficial interest in charitable remainder trusts | 247,777 | 1,006,482 |
| Changes in operating assets and liabilities | | |
| Pledges receivable | 13,093,764 | (20,977,686) |
| Prepaid expenses | (181,979) | 90,379 |
| Other receivables | 28,849 | (40,807) |
| Collections and other assets | (7,879) | (27,891) |
| Accounts payable and accrued liabilities | 616,164 | (75,930) |
| Amounts payable to other University auxiliary organizations | <u>23,249</u> | <u>(34,719)</u> |
| Net cash provided by operating activities | <u>17,016,866</u> | <u>13,482,267</u> |
| Cash flows from investing activities | | |
| Proceeds from sale of gifts of art | - | 128,748 |
| Purchases of investments | (66,103,134) | (125,473,101) |
| Proceeds from sale of investments | <u>58,904,232</u> | <u>76,426,125</u> |
| Net cash used in investing activities | <u>(7,198,902)</u> | <u>(48,918,228)</u> |
| Cash flows from financing activities | | |
| Contributions restricted for investment in perpetuity | <u>1,354,415</u> | <u>5,948,289</u> |
| Net change in cash and cash equivalents | 11,172,379 | (29,487,672) |
| Cash and cash equivalents, beginning | <u>22,341,525</u> | <u>51,829,197</u> |
| Cash and cash equivalents, end | <u><u>\$ 33,513,904</u></u> | <u><u>\$ 22,341,525</u></u> |

See Notes to Financial Statements.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2023

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, 2023, the Foundation's Board of Directors has designated \$7,339,100 as an operating fund reserve as mandated by the Board of Trustees of the California State University. As of June 30, 2023, the Foundation's Board of Directors has designated \$12,128,716 for institutional support (see Note 9). As of June 30, 2023, net assets without donor restrictions of \$43,259,442 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, 2023, the Foundation has \$246,990,642 of net assets with donor restrictions (see Note 9).

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2023

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 to the donor, are not recognized until the conditions on which they depend have been substantially met. As of June 30, 2023, 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, 2023

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, 2023, the fair market value of the donated assets was \$762,761, the annuitant liability was \$371,832 and the net receivable due from the California State University Foundation at June 30, 2023 was \$390,929. 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 two 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, 2023 was 4.2%. 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. At June 30, 2023, total collections of \$2,673,052 were included in collections and other assets.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2023

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, 2023. The Foundation's federal income tax returns for fiscal years 2022, 2021 and 2020, remain open. The Foundation's state income tax returns for fiscal years 2022, 2021, 2020, and 2019 remain open. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Management has analyzed the tax positions taken by the Foundation and has concluded that, as of June 30, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

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, 2023

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, 2022, from which the summarized information was derived.

Adoption of new accounting pronouncement

In February 2016, the Financial Accounting Standards Boards issued Accounting Standards Update ("ASU") 2016-02, *Leases* ("Topic 842"), which establishes the principles to report transparent and economical neutral information about the assets and liabilities that arise from leases. This guidance results in a more faithful representation of the rights and obligations arising from operating and capital leases in the statements of financial position and to disclose qualitative and quantitative information about lease transactions, such as information about variable lease payments and option to renew and terminate leases. The Foundation has elected to apply the deferrals provided by ASU 2020-05, and thereafter adopted Topic 842 for fiscal years beginning after December 15, 2021 on a modified retrospective basis with a cumulative effect transition adjustment as of the beginning of the period that includes initial adoption of the standard. The Foundation evaluated the potential impact of adoption, and due to the Foundation not having significant operating leases at June 30, 2023 and 2022, there was no impact on the financial statements.

Subsequent events

The Foundation has evaluated subsequent events through September 21, 2023, which is the date the financial statements were available to be issued.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2023

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, 2023, the Foundation had the following financial assets and liquidity resources available over the next 12 months:

| | |
|---|-----------------------|
| Cash and cash equivalents | \$ 33,513,904 |
| Pledges receivable, due within one year | 14,158,339 |
| Investments | 270,010,116 |
| Other receivables | 61,623 |
| | <hr/> |
| | 317,743,982 |
| Endowment | (206,677,431) |
| Limited partnerships, non endowment | (9,285,900) |
| | <hr/> |
| | <u>\$ 101,780,651</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, 2023, two donors accounted for approximately 61% of the Foundation's total pledges receivable. For the year ended June 30, 2023, one donor accounted for approximately 29% of the Foundation's contributions.

California State University, Northridge Foundation

**Notes to Financial Statements
June 30, 2023**

Note 4 - Investments

At June 30, 2023, investments consist of the following:

| | | |
|----------------------|-----------------------------|-----------------------------|
| Equities | | |
| Domestic | \$ 107,553,900 | 40 % |
| International | 34,855,709 | 13 |
| Emerging markets | 3,984,004 | 1 |
| Fixed income | | |
| Mutual fund | 29,867,236 | 11 |
| Floating-rate | 2,945,043 | 1 |
| Treasury security | 18,090,458 | 7 |
| Corporate bonds | 33,548,869 | 12 |
| Mutual fund | 10,159,658 | 4 |
| Limited partnerships | 29,005,239 | 11 |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 270,010,116</u> | <u>100 %</u> |

At June 30, 2023, the Foundation has the following investments in limited partnerships that calculate net asset value ("NAV") per share:

| <u>Investment strategy</u> | <u>NAV</u> | <u>Redemption terms</u> | <u>Redemption restrictions</u> | <u>Redemption restrictions in place at year-end</u> | <u>Unfunded commitments</u> |
|--------------------------------|----------------------|-----------------------------|------------------------------------|---|---------------------------------|
| Global multi-asset | <u>\$ 29,005,239</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, 2023, this partnership's carrying value is \$8,006,152 and liquidation is expected to take in excess of five years.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2023

Note 5 - Fair value measurements

At June 30, 2023, 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 | \$ 146,393,613 | \$ - | \$ - | \$ - | \$ 146,393,613 |
| Fixed income | 32,812,279 | 51,639,327 | - | - | 84,451,606 |
| Mutual fund | 10,159,658 | - | - | - | 10,159,658 |
| Limited partnership | - | - | - | 29,005,239 | 29,005,239 |
| Total investments | 189,365,550 | 51,639,327 | - | 29,005,239 | 270,010,116 |
| Gift annuities receivable | - | 390,929 | - | - | 390,929 |
| Beneficial interest in charitable remainder trusts | - | 727,050 | - | - | 727,050 |
| Total | <u>\$ 189,365,550</u> | <u>\$ 52,757,306</u> | <u>\$ -</u> | <u>\$ 29,005,239</u> | <u>\$ 271,128,095</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 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.

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, 2023, 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, 2023.

California State University, Northridge Foundation

**Notes to Financial Statements
June 30, 2023**

Note 6 - Pledges receivable

At June 30, 2023, 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 4.5%. The receivables are recorded as follows:

| | With Donor Restrictions | | |
|--|-------------------------------|---------------------------|----------------------|
| | Time or purpose restricted | Perpetually restricted | Total |
| Due in one year | \$ 12,555,452 | \$ 1,602,887 | \$ 14,158,339 |
| Due in two to five years | 2,249,793 | 3,935,964 | 6,185,757 |
| Due in greater than five years | 467,000 | 11,505,000 | 11,972,000 |
| Total | <u>\$ 15,272,245</u> | <u>\$ 17,043,851</u> | 32,316,096 |
| Less discount to net present value | | | (5,938,044) |
| Less allowance for uncollectible pledges | | | <u>(394,025)</u> |
| | | | <u>\$ 25,984,027</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, 2023, and included in program services expense, amounted to \$446,650.

During the year ended June 30, 2023, amounts paid to the University were as follows:

| | |
|--------------------------|--------------|
| Salaries and benefits | \$ 4,516,014 |
| Scholarships | 3,142,325 |
| Other goods and services | 1,175,913 |

During the year ended June 30, 2023, amounts received from the University for services, rent and programs totaled \$299,824.

The Foundation receives contributed services from the University for various administrative duties. For the year ended June 30, 2023, the value of such contributed services is approximately \$428,285, 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, 2023**

During the year ended June 30, 2023, the Foundation paid \$1,647,892 to The University Corporation for salaries and benefits and other goods and services across campus, \$70,049 to Associated Students, California State University, Northridge, Inc. for the support of student clubs and organizations and \$73,338 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 2023, are amounts payable to other University auxiliary organizations as follows:

| | | |
|--|----|-----------------------|
| The University Corporation | \$ | 120,329 |
| University Student Union California State University, Northridge | | <u>13,555</u> |
| | \$ | <u><u>133,884</u></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.

California State University, Northridge Foundation

Notes to Financial Statements June 30, 2023

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, 2023:

| | |
|--------------------------------------|----------------------|
| General reserve | \$ 7,339,100 |
| University relations and advancement | 1,380,677 |
| Reputation and Visibility Initiative | 1,821,150 |
| Matador Challenge Fund | 8,861,522 |
| Office of the President | 65,367 |
| Endowment | <u>43,259,442</u> |
| | <u>\$ 62,727,258</u> |

Net assets with donor restrictions

At June 30, 2023, net assets with donor restrictions consist of the following:

| | |
|-----------------------|-----------------------|
| Time or purpose | |
| Scholarships | \$ 30,773,024 |
| Academic support | 74,257,613 |
| Institutional support | 11,486,485 |
| University programs | 4,263,499 |
| Capital projects | <u>9,781,491</u> |
| | <u>130,562,112</u> |
| Perpetual | |
| Scholarships | 41,696,205 |
| Academic support | 48,000,325 |
| Institutional support | 10,599,594 |
| University programs | 16,069,041 |
| Capital projects | <u>63,365</u> |
| | <u>116,428,530</u> |
| | <u>\$ 246,990,642</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, 2023

(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, 2023, 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, 2023 was \$5,333,975.

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

| | Without donor restrictions | With donor restrictions | | Total |
|------------------|----------------------------|----------------------------|------------------------|-----------------------|
| | | Time or purpose restricted | Perpetually restricted | |
| Donor restricted | \$ - | \$ 46,989,459 | \$ 116,428,530 | \$ 163,417,989 |
| Board designated | 43,259,442 | - | - | 43,259,442 |
| Total funds | <u>\$ 43,259,442</u> | <u>\$ 46,989,459</u> | <u>\$ 116,428,530</u> | <u>\$ 206,677,431</u> |

California State University, Northridge Foundation

**Notes to Financial Statements
June 30, 2023**

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

| | Without donor restrictions | With donor restrictions | | Total |
|------------------------------|-------------------------------|-------------------------------|---------------------------|-----------------------|
| | | Time or purpose restricted | Perpetually restricted | |
| Balance, beginning | \$ 38,997,900 | \$ 34,743,696 | \$ 115,074,115 | \$ 188,815,711 |
| Contributions | - | - | 1,354,415 | 1,354,415 |
| Reinvestment | - | 5,672,057 | - | 5,672,057 |
| Investment income, net | 4,333,904 | 11,835,319 | - | 16,169,223 |
| Appropriated for expenditure | (72,362) | (5,261,613) | - | (5,333,975) |
| Balance, end | <u>\$ 43,259,442</u> | <u>\$ 46,989,459</u> | <u>\$ 116,428,530</u> | <u>\$ 206,677,431</u> |

The endowment assets are held as follows at June 30, 2023:

| | Without donor restrictions | With donor restrictions | | Total |
|---------------------------|-------------------------------|-------------------------------|---------------------------|-----------------------|
| | | Time or purpose restricted | Perpetually restricted | |
| Cash and cash equivalents | \$ 8,860,320 | \$ - | \$ - | \$ 8,860,320 |
| Investments | 34,399,122 | 46,989,459 | 105,067,579 | 186,456,160 |
| Pledges receivable | - | - | 11,360,951 | 11,360,951 |
| Total funds | <u>\$ 43,259,442</u> | <u>\$ 46,989,459</u> | <u>\$ 116,428,530</u> | <u>\$ 206,677,431</u> |

At June 30, 2023, the Foundation had original donor restricted endowment gifts of \$1,786,780 with a market value of \$1,768,826 which resulted in underwater endowments of \$17,954.

Note 11 - In-kind contributions

For the year ended June 30, 2023, the Foundation recorded in-kind contributions of \$796,021, of which \$631,700 was transferred to the University. In-kind contributions recognized within the statement of activities included the following:

| | |
|--|-------------------|
| Art, books and publications and collectibles | \$ 4,832 |
| Clothing and Household Goods | 1,210 |
| Academic Supplies | 310,577 |
| Collectibles | 446,652 |
| Gifts cards and certificates | <u>32,750</u> |
| | <u>\$ 796,021</u> |

All in-kind contributions received by the Foundation for the year ended June 30, 2023 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, 2023
(for inclusion in the California State University)

Assets:

Current assets:

| | |
|---|--------------------|
| Cash and cash equivalents | \$ 24,653,584 |
| Short-term investments | 84,905,038 |
| Accounts receivable, net | 61,623 |
| Lease receivable, current portion | - |
| P3 receivable, current portion | - |
| Notes receivable, current portion | - |
| Pledges receivable, net | 25,984,027 |
| Prepaid expenses and other current assets | 554,732 |
| Total current assets | 136,159,004 |

Noncurrent assets:

| | |
|--|--------------------|
| Restricted cash and cash equivalents | 8,860,320 |
| Accounts receivable, net | 1,117,979 |
| Lease receivable, net of current portion | - |
| P3 receivable, net of current portion | - |
| Notes receivable, net of current portion | - |
| Student loans receivable, net | - |
| Pledges receivable, net | - |
| Endowment investments | 185,105,078 |
| Other long-term investments | - |
| Capital assets, net | 2,673,052 |
| Other assets | 24,389 |
| Total noncurrent assets | 197,780,818 |

Total assets

333,939,822

Deferred outflows of resources:

| | |
|---|----------|
| Unamortized loss on debt refunding | - |
| Net pension liability | - |
| Net OPEB liability | - |
| Leases | - |
| P3 | - |
| Others | - |
| Total deferred outflows of resources | - |

Liabilities:

Current liabilities:

| | |
|---|------------------|
| Accounts payable | 1,329,633 |
| Accrued salaries and benefits | - |
| Accrued compensated absences, current portion | - |
| Unearned revenues | - |
| Lease liabilities, current portion | - |
| SBITA liabilities - current portion | - |
| P3 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 | 1,329,633 |

Noncurrent liabilities:

| | |
|--|----------|
| Accrued compensated absences, net of current portion | - |
| Unearned revenues | - |
| Grants refundable | - |
| Lease liabilities, net of current portion | - |
| SBITA liabilities, net of current portion | - |
| P3 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

1,329,633

Deferred inflows of resources:

| | |
|--|----------|
| P3 service concession arrangements | - |
| Net pension liability | - |
| Net OPEB liability | - |
| Unamortized gain on debt refunding | - |
| Nonexchange transactions | - |
| Lease | - |
| P3 | - |
| Others | - |
| Total deferred inflows of resources | - |

Net position:

| | |
|----------------------------------|-----------------------|
| Net investment in capital assets | - |
| Restricted for: | |
| Nonexpendable - endowments | 116,428,530 |
| Expendable: | |
| Scholarships and fellowships | 30,773,024 |
| Research | - |
| Loans | - |
| Capital projects | 9,781,491 |
| Debt service | - |
| Others | 90,007,597 |
| Unrestricted | 85,619,547 |
| Total net position | \$ 332,610,189 |

California State University, Northridge Foundation
Schedule of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2023
(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 | <u>-</u> |

Expenses:

Operating expenses:

| | |
|------------------------------------|---------------------|
| Instruction | - |
| Research | - |
| Public service | 2,232,462 |
| Academic support | 7,579,785 |
| Student services | - |
| Institutional support | 7,385,056 |
| Operation and maintenance of plant | - |
| Student grants and scholarships | 2,555,101 |
| Auxiliary enterprise expenses | 1,258,806 |
| Depreciation and amortization | - |
| Total operating expenses | <u>21,011,210</u> |
| Operating income (loss) | <u>(21,011,210)</u> |

Nonoperating revenues (expenses):

| | |
|--|-------------------|
| State appropriations, noncapital | - |
| Federal financial aid grants, noncapital | - |
| State financial aid grants, noncapital | - |
| Local financial aid grants, noncapital | - |
| Nongovernmental and other financial aid grants, noncapital | - |
| Other federal nonoperating grants, noncapital | - |
| Gifts, noncapital | 17,077,443 |
| Investment income (loss), net | 14,117,564 |
| Endowment income (loss), net | 11,835,319 |
| Interest expense | - |
| Other nonoperating revenues (expenses) | 1,523,715 |
| Net nonoperating revenues (expenses) | <u>44,554,041</u> |
| Income (loss) before other revenues (expenses) | <u>23,542,831</u> |

| | |
|---|-----------------------|
| State appropriations, capital | - |
| Grants and gifts, capital | - |
| Additions (reductions) to permanent endowments | 1,354,415 |
| Increase (decrease) in net position | <u>24,897,246</u> |
| Net position: | |
| Net position at beginning of year, as previously reported | 307,712,943 |
| Restatements | - |
| Net position at beginning of year, as restated | <u>307,712,943</u> |
| Net position at end of year | <u>\$ 332,610,189</u> |

California State University, Northridge Foundation
Other Information
June 30, 2023
(for inclusion in the California State University)

1 Cash and cash equivalents:

| | |
|---|-----------------------------|
| Portion of restricted cash and cash equivalents related to endowments | \$ 8,860,320 |
| All other restricted cash and cash equivalents | - |
| Noncurrent restricted cash and cash equivalents | <u>8,860,320</u> |
| Current cash and cash equivalents | <u>24,653,584</u> |
| Total | <u><u>\$ 33,513,904</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 | 8,965,040 | 14,452,406 | 23,417,446 |
| Municipal bonds | - | - | - |
| Corporate bonds | 11,814,360 | 21,753,110 | 33,567,470 |
| Asset-backed securities | - | - | - |
| Mortgage-backed securities | - | - | - |
| Commercial paper | - | - | - |
| Supranational | - | - | - |
| Mutual funds | 2,871,895 | 7,287,763 | 10,159,658 |
| Exchange-traded funds | 49,000,865 | 121,892,459 | 170,893,324 |
| Equity securities | 2,966,978 | - | 2,966,978 |
| Alternative investments: | | | |
| Private equity (including limited partnerships) | 2,049,150 | 4,051,335 | 6,100,485 |
| Hedge funds | 4,025,193 | 8,352,281 | 12,377,474 |
| Managed futures | - | - | - |
| Real estate investments (including REITs) | 447,330 | 1,073,839 | 1,521,169 |
| Commodities | - | - | - |
| Derivatives | - | - | - |
| Other alternative investments | 2,764,227 | 6,241,885 | 9,006,112 |
| 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: | | | |
| None | - | - | - |
| Total other investments | - | - | - |
| Total investments | <u>84,905,038</u> | <u>185,105,078</u> | <u>270,010,116</u> |
| Less endowment investments (enter as negative number) | - | (185,105,078) | (185,105,078) |
| Total investments, net of endowments | <u><u>\$ 84,905,038</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 84,905,038</u></u> |

See Independent Auditor's Report.

California State University, Northridge Foundation
Other Information
June 30, 2023
(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 | 23,417,446 | - | 23,417,446 | - | - |
| Municipal bonds | - | - | - | - | - |
| Corporate bonds | 33,567,470 | - | 33,567,470 | - | - |
| Asset-backed securities | - | - | - | - | - |
| Mortgage-backed securities | - | - | - | - | - |
| Commercial paper | - | - | - | - | - |
| Supranational | - | - | - | - | - |
| Mutual funds | 10,159,658 | 10,159,658 | - | - | - |
| Exchange-traded funds | 170,893,324 | 170,893,324 | - | - | - |
| Equity securities | 2,966,978 | 2,966,978 | - | - | - |
| Alternative investments: | | | | | |
| Private equity (including limited partnerships) | 6,100,485 | - | - | - | 6,100,485 |
| Hedge funds | 12,377,474 | - | - | - | 12,377,474 |
| Managed futures | - | - | - | - | - |
| Real estate investments (including REITs) | 1,521,169 | - | - | - | 1,521,169 |
| Commodities | - | - | - | - | - |
| Derivatives | - | - | - | - | - |
| Other alternative investments | 9,006,112 | - | - | - | 9,006,112 |
| 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: | | | | | |
| None | - | - | - | - | - |
| Total other investments | - | - | - | - | - |
| Total investments | \$ 270,010,116 | \$ 184,019,960 | \$ 56,984,916 | \$ - | \$ 29,005,240 |

2.3 Investments held by the University under contractual agreements:

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

California State University, Northridge Foundation
Other Information
June 30, 2023
(for inclusion in the California State University)

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

| | Balance June 30, 2022 | Reclassifications | Prior Period Additions | Prior Period Retirements | Balance June 30, 2022 (Restated) | Additions | Retirements | Transfer of completed CWIP/PWIP | Balance June 30, 2023 |
|---|--------------------------|-------------------|------------------------|--------------------------|-------------------------------------|-------------|-------------|------------------------------------|--------------------------|
| Non-depreciable/Non-amortizable capital assets: | | | | | | | | | |
| Land and land improvements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Works of art and historical treasures | 2,673,052 | - | - | - | 2,673,052 | - | - | - | 2,673,052 |
| 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: | | | | | | | | | |
| None | - | - | - | - | - | - | - | - | - |
| Total Other intangible assets | - | - | - | - | - | - | - | - | - |
| Total intangible assets | - | - | - | - | - | - | - | - | - |
| Total non-depreciable/non-amortizable capital assets | 2,673,052 | - | - | - | 2,673,052 | - | - | - | 2,673,052 |
| Depreciable/Amortizable capital assets: | | | | | | | | | |
| Buildings and building improvements | - | - | - | - | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - | - |
| Leasehold improvements | - | - | - | - | - | - | - | - | - |
| Personal property: | | | | | | | | | |
| Equipment | - | - | - | - | - | - | - | - | - |
| Library books and materials | - | - | - | - | - | - | - | - | - |
| Intangible assets: | | | | | | | | | |
| Software and websites | - | - | - | - | - | - | - | - | - |
| Rights and easements | - | - | - | - | - | - | - | - | - |
| Patents, copyrights and trademarks | - | - | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - | - |
| Other intangible assets: | | | | | | | | | |
| None | - | - | - | - | - | - | - | - | - |
| Total Other intangible assets | - | - | - | - | - | - | - | - | - |
| Total intangible assets | - | - | - | - | - | - | - | - | - |
| Total depreciable/amortizable capital assets | - | - | - | - | - | - | - | - | - |
| Total capital assets | 2,673,052 | - | - | - | 2,673,052 | - | - | - | 2,673,052 |
| Less accumulated depreciation/amortization: | | | | | | | | | |
| Buildings and building improvements | - | - | - | - | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - | - |
| Leasehold improvements | - | - | - | - | - | - | - | - | - |
| Personal property: | | | | | | | | | |
| Equipment | - | - | - | - | - | - | - | - | - |
| Library books and materials | - | - | - | - | - | - | - | - | - |
| Intangible assets: | | | | | | | | | |
| Software and websites | - | - | - | - | - | - | - | - | - |
| Rights and easements | - | - | - | - | - | - | - | - | - |
| Patents, copyrights and trademarks | - | - | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - | - | - |
| Other intangible assets: | | | | | | | | | |
| None | - | - | - | - | - | - | - | - | - |
| Total Other intangible assets | - | - | - | - | - | - | - | - | - |
| Total intangible assets | - | - | - | - | - | - | - | - | - |
| Total accumulated depreciation/amortization | - | - | - | - | - | - | - | - | - |
| Total capital assets, net excluding ROU assets | \$ 2,673,052 | \$ - | \$ - | \$ - | \$ 2,673,052 | \$ - | \$ - | \$ - | \$ 2,673,052 |

See Independent Auditor's Report.

California State University, Northridge Foundation
Other Information
June 30, 2023
(for inclusion in the California State University)

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:

| | Balance June 30, 2022 | Prior Period Reclassifications | Prior Period Additions | Prior Period Reductions | Balance June 30, 2022 (Restated) | Additions | Remeasurements | Reductions | Balance June 30, 2023 |
|---|--------------------------|--------------------------------|------------------------|-------------------------|-------------------------------------|-------------|----------------|-------------|--------------------------|
| Non-depreciable/Non-amortizable lease assets: | | | | | | | | | |
| Land and land improvements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total non-depreciable/non-amortizable lease assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Depreciable/Amortizable lease assets: | | | | | | | | | |
| Land and land improvements | - | - | - | - | - | - | - | - | - |
| Buildings and building improvements | - | - | - | - | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - | - |
| Personal property: | | | | | | | | | |
| Equipment | - | - | - | - | - | - | - | - | - |
| Total depreciable/amortizable lease assets | - | - | - | - | - | - | - | - | - |
| Less accumulated depreciation/amortization: | | | | | | | | | |
| Land and land improvements | - | - | - | - | - | - | - | - | - |
| Buildings and building improvements | - | - | - | - | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - | - |
| Personal property: | | | | | | | | | |
| Equipment | - | - | - | - | - | - | - | - | - |
| Total accumulated depreciation/amortization | - | - | - | - | - | - | - | - | - |
| Total capital assets - lease ROU, net | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Composition of capital assets - SBITA ROU, net

| | Balance June 30, 2022 | Reclassifications | Prior Period Additions | Prior Period Reductions | Balance June 30, 2022 (Restated) | Additions | Remeasurements | Reductions | Balance June 30, 2023 |
|--|--------------------------|-------------------|------------------------|-------------------------|-------------------------------------|-------------|----------------|-------------|--------------------------|
| Depreciable/Amortizable SBITA assets: | | | | | | | | | |
| Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total depreciable/amortizable SBITA assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Less accumulated depreciation/amortization: | | | | | | | | | |
| Software | - | - | - | - | - | - | - | - | - |
| Total accumulated depreciation/amortization | - | - | - | - | - | - | - | - | - |
| Total capital assets - SBITA ROU, net | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

California State University, Northridge Foundation
Other Information
June 30, 2023
(for inclusion in the California State University)

Composition of capital assets - P3 ROU, net:

| | Balance June 30, 2022 | Reclassifications | Prior Period Additions | Prior Period Reductions | Balance June 30, 2022 (Restated) | Additions | Remeasurements | Reductions | Balance June 30, 2023 |
|--|--------------------------|-------------------|------------------------|-------------------------|-------------------------------------|-------------|----------------|-------------|--------------------------|
| Non-depreciable/Non-amortizable P3 assets: | | | | | | | | | |
| Land and land improvements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total non-depreciable/non-amortizable P3 assets | - | - | - | - | - | - | - | - | - |
| Depreciable/Amortizable P3 assets: | | | | | | | | | |
| Land and land improvements | - | - | - | - | - | - | - | - | - |
| Buildings and building improvements | - | - | - | - | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - | - |
| Personal property: | | | | | | | | | |
| Equipment | - | - | - | - | - | - | - | - | - |
| Total depreciable/amortizable P3 assets | - | - | - | - | - | - | - | - | - |
| Less accumulated depreciation/amortization: | | | | | | | | | |
| Land and land improvements | - | - | - | - | - | - | - | - | - |
| Buildings and building improvements | - | - | - | - | - | - | - | - | - |
| Improvements, other than buildings | - | - | - | - | - | - | - | - | - |
| Infrastructure | - | - | - | - | - | - | - | - | - |
| Personal property: | | | | | | | | | |
| Equipment | - | - | - | - | - | - | - | - | - |
| Total accumulated depreciation/amortization | - | - | - | - | - | - | - | - | - |
| Total capital assets - P3 ROU, net | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total capital assets, net including ROU assets | | | | | | | | | \$ 2,673,052 |

3.2 Detail of depreciation and amortization expense:

| | |
|--|-------------|
| Depreciation and amortization expense - capital assets, excluding ROU assets | \$ - |
| Amortization expense - Leases ROU | - |
| Amortization expense - SBITA ROU | - |
| Amortization expense - P3 ROU | - |
| Depreciation and Amortization expense - Others | - |
| Total depreciation and amortization | \$ - |

California State University, Northridge Foundation
Other Information
June 30, 2023
(for inclusion in the California State University)

4 Long-term liabilities:

| | Balance June 30, 2022 | | Prior Period Adjustments/ Reclassifications | | Balance June 30, 2022 (Restated) | | Additions | | Reductions | | Balance June 30, 2023 | | Current Portion | | Noncurrent Portion |
|---|--------------------------|-----------|--|-----------|-------------------------------------|-----------|-----------|-----------|------------|-----------|--------------------------|-----------|-----------------|-----------|--------------------|
| \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - |
| 1. Accrued compensated absences | - | | - | | - | | - | | - | | - | | - | | - |
| 2. Claims liability for losses and loss adjustment expenses | - | | - | | - | | - | | - | | - | | - | | - |
| 3. Capital lease obligations (pre-ASC 842): | | | | | | | | | | | | | | | |
| Gross balance | - | | - | | - | | - | | - | | - | | - | | - |
| Unamortized net premium/(discount) | - | | - | | - | | - | | - | | - | | - | | - |
| Total capital lease obligations (pre ASC 842) | - | | - | | - | | - | | - | | - | | - | | - |
| 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 Finance purchase of capital assets | - | | - | | - | | - | | - | | - | | - | | - |
| 4.5 Others: | | | | | | | | | | | | | | | |
| | - | | - | | - | | - | | - | | - | | - | | - |
| | - | | - | | - | | - | | - | | - | | - | | - |
| | - | | - | | - | | - | | - | | - | | - | | - |
| Total others | - | | - | | - | | - | | - | | - | | - | | - |
| Sub-total long-term debt | - | | - | | - | | - | | - | | - | | - | | - |
| 4.6 Unamortized net bond premium/(discount) | - | | - | | - | | - | | - | | - | | - | | - |
| Total long-term debt obligations | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - |

5. Lease, SBITA, P3 liabilities:

| 5. Lease, SBITA, P3 liabilities: | Balance June 30, 2022 | | Prior Period Adjustments/ Reclassifications | | Additions | | Remeasurements | | Reductions | | Balance June 30, 2023 | | Current Portion | | Noncurrent Portion |
|------------------------------------|--------------------------|---|--|---|-----------|---|----------------|---|------------|---|--------------------------|---|-----------------|---|--------------------|
| Lease liabilities | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | - |
| SBITA liabilities | | - | | - | | - | | - | | - | | - | | - | - |
| P3 liabilities - SCA | | - | | - | | - | | - | | - | | - | | - | - |
| P3 liabilities - non-SCA | | - | | - | | - | | - | | - | | - | | - | - |
| Sub-total P3 liabilities | | - | | - | | - | | - | | - | | - | | - | - |
| Total Lease, SBITA, P3 liabilities | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | - |
| Total long-term liabilities | | | | | | | | | | | \$ | - | \$ | - | - |

California State University, Northridge Foundation
Other Information
June 30, 2023
(for inclusion in the California State University)

5 Future minimum payments schedule - leases, SBITA, P3:

| | Lease Liabilities | | | SBITA liabilities | | | Public-Private or Public-Public Partnerships (P3) | | | Total Leases, SBITA, P3 liabilities | | |
|--|-------------------|----------|------------------------|-------------------|----------|------------------------|---|----------|------------------------|-------------------------------------|---------------|------------------------|
| | Principal | Interest | Principal and Interest | Principal | Interest | Principal and Interest | Principal | Interest | Principal and Interest | Principal Only | Interest Only | Principal and Interest |
| Year ending June 30: | | | | | | | | | | | | |
| 2024 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2025 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2026 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2027 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2028 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2029 - 2033 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2034 - 2038 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2039 - 2043 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2044 - 2048 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2049 - 2053 | - | - | - | - | - | - | - | - | - | - | - | - |
| Thereafter | - | - | - | - | - | - | - | - | - | - | - | - |
| Total minimum payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: amounts representing interest | | | | | | | | | | | | - |
| Present value of future minimum payments | | | | | | | | | | | | - |
| Total Leases, SBITA, P3 liabilities | | | | | | | | | | | | - |
| Less: current portion | | | | | | | | | | | | - |
| Leases, SBITA, P3 liabilities, net of current portion | | | | | | | | | | | | \$ - |

6 Future minimum payments schedule - Long-term debt obligations:

| | 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: | | | | | | | | | |
| 2024 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2025 | - | - | - | - | - | - | - | - | - |
| 2026 | - | - | - | - | - | - | - | - | - |
| 2027 | - | - | - | - | - | - | - | - | - |
| 2028 | - | - | - | - | - | - | - | - | - |
| 2029 - 2033 | - | - | - | - | - | - | - | - | - |
| 2034 - 2038 | - | - | - | - | - | - | - | - | - |
| 2039 - 2043 | - | - | - | - | - | - | - | - | - |
| 2044 - 2048 | - | - | - | - | - | - | - | - | - |
| 2049 - 2053 | - | - | - | - | - | - | - | - | - |
| 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 | \$ 4,516,014 |
| Payments to University for other than salaries of University personnel | 4,318,238 |
| Payments received from University for services, space, and programs | 299,824 |
| Gifts-in-kind to the University from discretely presented component units | 631,700 |
| Gifts (cash or assets) to the University from discretely presented component units | 3,119,029 |
| Accounts payable to University | - |
| Other amounts payable to University | - |
| Accounts receivable from University | - |
| Other amounts receivable from University | - |

8 Restatements

| | | Debit/(Credit) |
|----------------|------|----------------|
| Restatement #1 | None | \$ - |
| | | \$ - |
| Restatement #2 | None | \$ - |
| | | \$ - |

California State University, Northridge Foundation
Other Information
June 30, 2023
(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 | 462,799 | 135,878 | - | - | - | 1,633,785 | - | 2,232,462 |
| Academic support | 2,089,411 | 496,077 | - | - | - | 4,994,297 | - | 7,579,785 |
| Student services | - | - | - | - | - | - | - | - |
| Institutional support | 1,557,061 | 650,343 | - | - | - | 5,177,652 | - | 7,385,056 |
| Operation and maintenance of plant | - | - | - | - | - | - | - | - |
| Student grants and scholarships | - | - | - | - | 2,555,101 | - | - | 2,555,101 |
| Auxiliary enterprise expenses | 381,881 | 216,765 | - | - | - | 660,160 | - | 1,258,806 |
| Depreciation and amortization | - | - | - | - | - | - | - | - |
| Total operating expenses | \$ 4,491,152 | \$ 1,499,063 | \$ - | \$ - | \$ 2,555,101 | \$ 12,465,894 | \$ - | \$ 21,011,210 |

No pension plan reported

N/A

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 - P3 | - |
| 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 - P3 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 - P3 | - |
| 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 | \$ 1,523,715 |
| Other nonoperating (expenses) | - |
| Total other nonoperating revenues (expenses) | \$ 1,523,715 |

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, 2023, 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 21, 2023.

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 21, 2023



Independent Member of Nexia International

cohnreznick.com