

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2010**

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**GREEN HASSON & JANKS LLP**  
BUSINESS ADVISORS AND CPAS

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
California State University, Northridge Foundation

We have audited the accompanying statement of financial position of California State University, Northridge Foundation (a nonprofit organization) as of June 30, 2010 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from California State University, Northridge Foundation's 2009 financial statements and, in our report dated September 25, 2009, we expressed an unqualified opinion on those financial statements.


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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Northridge Foundation as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

*Green Hasson & Janks LLP*

September 23, 2010  
Los Angeles, California

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**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

STATEMENT OF FINANCIAL POSITION

June 30, 2010

With Summarized Totals at June 30, 2009

	2010	2009 (As Restated)
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,593,587	\$ 10,293,997
Investments	68,583,452	58,754,012
Restricted Cash and Cash Equivalents	594,844	649,162
Pledges Receivable (Net)	7,554,593	9,816,260
Bequests Receivable	230,665	1,230,665
Prepaid Expenses and Other Receivables	107,049	99,208
Gift Annuities Receivable (Net)	124,302	146,171
Beneficial Interest in Charitable Remainder Trusts	1,762,650	1,717,441
Equipment (Net)	66,637	128,716
Other Assets	884,300	884,300
Collections	-	-
	<b>\$ 82,502,079</b>	<b>\$ 83,719,932</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts Payable and Accrued Liabilities	\$ 200,097	\$ 185,188
Amounts Payable to the University	5,177	365,745
Amounts Payable to Other University Auxiliary Organization	75,375	24,764
Deferred Revenue	323,750	391,250
	<b>604,399</b>	<b>966,947</b>
<b>NET ASSETS:</b>		
Unrestricted - Undesignated	1,833,803	(476,488)
Unrestricted - Board-Designated	2,000,000	2,000,000
Unrestricted - President's Special Fund	131,032	91,498
	<b>3,964,835</b>	<b>1,615,010</b>
Temporarily Restricted	41,897,191	49,099,095
Permanently Restricted	36,035,654	32,038,880
	<b>81,897,680</b>	<b>82,752,985</b>
	<b>\$ 82,502,079</b>	<b>\$ 83,719,932</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**STATEMENT OF ACTIVITIES  
Year Ended June 30, 2010**

With Summarized Totals for the Year Ended June 30, 2009

	2010			Total	2009
	Unrestricted	Temporarily Restricted	Permanently Restricted		Total (As Restated)
<b>REVENUE AND SUPPORT:</b>					
<b>SUPPORT:</b>					
Contributions	\$ 43,187	\$ 5,080,615	\$ 2,611,732	\$ 7,735,534	\$ 7,882,356
Contributed Goods	-	644,846	-	644,846	658,684
Change in Value of Gift Annuities Receivable	-	95,219	-	95,219	(40,818)
Change in Value of Beneficial Interest in Charitable Remainder Trusts	-	45,209	-	45,209	(119,000)
<b>TOTAL SUPPORT</b>	<b>43,187</b>	<b>5,865,889</b>	<b>2,611,732</b>	<b>8,520,808</b>	<b>8,381,222</b>
<b>OTHER REVENUE:</b>					
Program Income	-	259,943	-	259,943	316,450
Investment Income (Loss) (Net)	2,225,487	4,575,406	-	6,800,893	(13,645,670)
Royalties	354,917	146	-	355,063	357,059
Other	37,297	163,908	-	201,205	316,051
<b>TOTAL OTHER REVENUE</b>	<b>2,617,701</b>	<b>4,999,403</b>	<b>-</b>	<b>7,617,104</b>	<b>(12,656,110)</b>
<b>TOTAL REVENUE AND SUPPORT</b>	<b>2,660,888</b>	<b>10,865,292</b>	<b>2,611,732</b>	<b>16,137,912</b>	<b>(4,274,888)</b>
Net Assets Released from Purpose Restrictions	16,682,154	(16,682,154)	-	-	-
Donor Reclassifications		(1,385,042)	1,385,042	-	-
<b>TOTAL REVENUE AND SUPPORT AND NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>19,343,042</b>	<b>(7,201,904)</b>	<b>3,996,774</b>	<b>16,137,912</b>	<b>(4,274,888)</b>
<b>EXPENSES:</b>					
<b>PROGRAM SERVICES:</b>					
Scholarships	952,435	-	-	952,435	1,254,654
Support for Performing Arts Center	12,250,475	-	-	12,250,475	-
University Departmental Support	3,190,060	-	-	3,190,060	4,046,314
Public Awareness	395,603	-	-	395,603	444,964
<b>TOTAL PROGRAM SERVICES</b>	<b>16,788,573</b>	<b>-</b>	<b>-</b>	<b>16,788,573</b>	<b>5,745,932</b>
<b>SUPPORTING SERVICES:</b>					
General and Administrative	183,080	-	-	183,080	540,833
Fundraising	21,564	-	-	21,564	58,536
<b>TOTAL SUPPORTING SERVICES</b>	<b>204,644</b>	<b>-</b>	<b>-</b>	<b>204,644</b>	<b>599,369</b>
<b>TOTAL EXPENSES</b>	<b>16,993,217</b>	<b>-</b>	<b>-</b>	<b>16,993,217</b>	<b>6,345,301</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,349,825</b>	<b>(7,201,904)</b>	<b>3,996,774</b>	<b>(855,305)</b>	<b>(10,620,189)</b>
Net Assets - Beginning of Year (As Restated)	1,615,010	49,099,095	32,038,880	82,752,985	93,373,174
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 3,964,835</b>	<b>\$ 41,897,191</b>	<b>\$ 36,035,654</b>	<b>\$ 81,897,680</b>	<b>\$ 82,752,985</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**STATEMENT OF CASH FLOWS  
Year Ended June 30, 2010**

With Summarized Totals for the Year Ended June 30, 2009

	2010	2009 (As Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ (855,305)	\$ (10,620,189)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Amortization	62,079	62,096
Allowance for Uncollectable Pledges Receivable	-	613,928
Realized and Unrealized (Gains) Losses on Investments	(5,260,608)	15,143,153
Contributed Stock	(732,719)	(1,834,198)
Contributions Restricted for Investment in Perpetuity	(2,611,732)	(1,301,637)
Change in Value of Gift Annuities Receivable	(95,219)	40,818
Change in Value of Beneficial Interest in Charitable Remainder Trusts	(45,209)	119,000
(Increase) Decrease in:		
Pledges Receivable	2,261,667	1,328,992
Bequests Receivable	1,000,000	(1,230,665)
Prepaid Expenses and Other Receivables	(7,841)	22,806
Gift Annuities Receivable	117,088	-
Beneficial Interest in Charitable Remainder Trusts	-	(46,250)
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	14,909	(30,342)
Amounts Payable to the University	(360,568)	289,639
Amounts Payable to Other University Auxiliary Organization	50,611	(3,623)
Deferred Revenue	(67,500)	(62,500)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(6,530,347)</b>	<b>2,491,028</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of Investments	(14,896,471)	(3,797,494)
Net Proceeds from Sale and Maturities of Investments	12,600,643	3,584,903
Interest and Dividends Reinvested	(1,540,285)	(1,490,111)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(3,836,113)</b>	<b>(1,702,702)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contributions Restricted for Investment in Perpetuity	2,611,732	1,301,637
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(7,754,728)</b>	<b>2,089,963</b>
Cash and Cash Equivalents - Beginning of Year	10,943,159	8,853,196
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 3,188,431</b>	<b>\$ 10,943,159</b>
Cash and Cash Equivalents	\$ 2,593,587	\$ 10,293,997
Restricted Cash and Cash Equivalents	594,844	649,162
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 3,188,431</b>	<b>\$ 10,943,159</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 1 - ORGANIZATION**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) BASIS OF PRESENTATION**

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

**(b) ACCOUNTING**

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

- **Unrestricted - Undesignated.** These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving income from investments less expenses incurred in providing program related services, raising contributions and performing administrative functions.
- **Unrestricted - Board-Designated.** The Foundation has \$2,000,000 of Board-designated net assets at June 30, 2010. The Board of Directors has designated a portion of unrestricted net assets for the purpose of the Valley Performing Arts Center at the University.
- **Unrestricted - President's Special Fund.** The Board of Directors has designated a portion of unrestricted net assets for the purpose of special projects of the President of California State University, Northridge. The Foundation has \$131,032 of President's Special Fund net assets at June 30, 2010.

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(b) ACCOUNTING** (continued)

- **Temporarily Restricted.** The Foundation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from purpose or time restrictions. The Foundation has \$41,897,191 of temporarily restricted net assets at June 30, 2010.
- **Permanently Restricted.** These net assets are from donors who stipulate that resources are to be maintained permanently, but permit the Foundation to expend all of the income (or other economic benefits) derived from the donated assets. The Foundation has \$36,035,654 of permanently restricted net assets at June 30, 2010.

**(c) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less at the time of purchase. The carrying value of cash and cash equivalents at June 30, 2010 approximates its fair value.

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

**(d) INVESTMENTS**

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

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

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(d) INVESTMENTS** (continued)

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

**(e) PLEDGES RECEIVABLE**

Unconditional contributions, including pledges recorded at estimated net realizable value, are recognized as revenues when pledges are made. The Foundation reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Discounts for pledges (pledges due over one year) are recorded as reductions to contribution revenue and pledges receivable. Discounts increase contribution revenue when the pledge is received. At June 30, 2010, the Foundation evaluated the collectibility of pledges receivable. Pledges receivable at June 30, 2010 are net of an allowance for uncollectible pledges of \$82,109.

**(f) BEQUESTS RECEIVABLE**

From time-to-time, the Foundation is named as a beneficiary in a bequest. Bequests are not recognized as support until all of the following conditions are met: the demise of the testator, the amount of the bequest is known, the Foundation is certain that, based on the estate's net assets, the amount bequeathed is realizable and the probate court has declared the will valid.

**(g) GIFT ANNUITIES RECEIVABLE**

On behalf of the Foundation, the University has received donations of assets in exchange for distributions of a fixed amount for a specific period of time to the donor or other beneficiaries. The fair market value of the donated assets at June 30, 2010 was \$482,192, the annuitant liability, adjusted to reflect changes in life expectancies, was \$357,890. The net receivable due from the University at June 30, 2010 was \$124,302.

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(h) BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS**

The Foundation has been designated as the beneficiary of assets held in nine 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, 2010 was 3.8%. The amortization of this discount and changes in actuarial assumptions are reflected in the statement of activities as a change in value of beneficial interest in charitable remainder trusts.

**(i) EQUIPMENT**

Equipment is recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the related assets. The estimated lives range from three to six years. Maintenance and repair costs are charged to expense as incurred.

Equipment is capitalized if the cost of an asset is greater than or equal to five thousand dollars and the useful life is greater than three years.

**(j) COLLECTIONS**

The collections, which were acquired through contributions since the Foundation's inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes. There were no collection items acquired or deaccessioned during the year ended June 30, 2010.

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

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(k) LONG-LIVED ASSETS**

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended June 30, 2010.

**(l) DEFERRED REVENUE**

In a prior year, the Foundation received a contribution of \$500,000 that is conditional upon a continuing operating agreement between the donor and the University. The term of the operating agreement is eight years, and should the agreement be terminated prior to expiration, any unamortized portion of the contribution will be required to be returned to the donor. Due to the conditional nature of this contribution, only the amortized portion in the amount of \$62,500 has been recognized as contribution revenue during the year ended June 30, 2010, with the unamortized balance of \$250,000 included in deferred revenue. Also included in deferred revenue at June 30, 2010 is \$73,750 of deferred royalty income. Income from royalties is deferred and recognized over the periods to which the royalty income relates.

**(m) CONTRIBUTED GOODS AND SERVICES**

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. For the year ended June 30, 2010, the Foundation recorded in-kind contributions of \$644,846 (See Note 6).

The Foundation has an arrangement with the University whereby the Foundation receives support from the University to assist in the payment of salaries, use of office space and certain administrative expenses. In return, the Foundation provides services to the University primarily related to fundraising support, management of donated funds, and departmental support. These amounts are not included in the financial statements of the Foundation; however for the year ended June 30, 2010, University support for the Foundation totaled \$292,542.

**(n) INCOME TAXES**

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

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(o) FUNCTIONAL ALLOCATION OF EXPENSES**

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

**(p) USE OF ESTIMATES**

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

**(q) 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, 2009, from which the summarized information was derived.

**(r) RECLASSIFICATION**

For comparability, the June 30, 2009 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used at June 30, 2010.

**(s) FASB ACCOUNTING STANDARDS CODIFICATION**

In June 2009, the Financial Accounting Standards Board (FASB) issued the FASB Accounting Standards Codification (the ASC). The ASC has become the single source of non-governmental accounting principles generally accepted in the United States (GAAP) recognized by the FASB in the preparation of financial statements. The Foundation adopted the ASC as of June 30, 2010. The ASC does not change GAAP and did not have an effect on the Foundation's financial position, results of operations or cash flows.

**(t) SUBSEQUENT EVENTS**

The Foundation has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2010, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through September 23, 2010, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 3 - FAIR VALUE MEASUREMENTS**

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

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

The following table presents information about the Foundation's assets that are measured at fair value on a recurring basis at June 30, 2010 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Fair Value Measurements Using			
	Year Ended June 30, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 36,012,665	\$ 3,760,274	\$ 32,252,391	\$ -
Bonds	23,658,315	23,658,315	-	-
Real Estate	2,017,985	2,017,985	-	-
Commodities	3,464,294	3,464,294	-	-
Hedge Fund of Funds	3,430,193	-	-	3,430,193
<b>TOTAL INVESTMENTS</b>	<b>68,583,452</b>	<b>32,900,868</b>	<b>32,252,391</b>	<b>3,430,193</b>
Gift Annuities Receivable (Net)	124,302	-	-	124,302
Beneficial Interest in Charitable Remainder Trusts	1,762,650	-	-	1,762,650
<b>TOTAL</b>	<b>\$ 70,470,404</b>	<b>\$ 32,900,868</b>	<b>\$ 32,252,391</b>	<b>\$ 5,317,145</b>

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

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

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 3 - FAIR VALUE MEASUREMENTS** (continued)

The table below sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the year ended June 30, 2010.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			Total
	Unrestricted	Temporarily Restricted	Temporarily Restricted	
	Investment in Hedge Fund of Funds	Gift Annuities Receivable	Beneficial Interest in Charitable Remainder Trusts	
Beginning Balance	\$ 3,213,640	\$ 146,171	\$ 1,717,441	\$ 5,077,252
Change in Value:				
Beneficial Interest	-	(21,869)	45,209	23,340
Unrealized Gains	216,553	-	-	216,553
<b>ENDING BALANCE</b>	<b>\$ 3,430,193</b>	<b>\$ 124,302</b>	<b>\$ 1,762,650</b>	<b>\$ 5,317,145</b>

The Foundation has adopted the amended guidance in ASC 820, *Fair Value Measurements and Disclosures*, in its June 2010 financial statements. The new guidance effects how the Foundation measures the fair value of investments in certain entities that do not have a quoted market price but calculate NAV per share or its equivalent. As a practical expedient, the amendments permit the Foundation to measure the fair value of an investment in an investee within the scope of the amendments based on the investee's NAV per share or its equivalent. The adoption did not have a material impact on the fair value determination of applicable investments. Additional disclosures for the applicable investments are as follows:

Equity investments within Level 2 are in proprietary funds with strategies ranging from small to large cap value and international securities. Investments are valued using the NAV provided by the fund managers. Redemptions occur by contract and there are no unfunded commitments at June 30, 2010.

Hedge fund of funds are invested in a number of strategies including, but not limited to, equity long/short, arbitrage and event driven, fixed income, commodity and currency trading. Investments are valued using the NAV provided by the fund managers. All lock-up periods on the funds have expired and redemptions can be made monthly. There are no unfunded commitments at June 30, 2010.

Net investment income for the year ended June 30, 2010 consists of the following:

Net Realized and Unrealized Gains	\$ 5,260,608
Interest and Dividends	1,908,031
Investment Expense	<u>(367,746)</u>
<b>INVESTMENT INCOME (NET)</b>	<b><u>\$ 6,800,893</u></b>

Included in investments at June 30, 2010 is \$30,469,029 of investments restricted in perpetuity.

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 4 - PLEDGES RECEIVABLE**

Pledges receivable at June 30, 2010 are due to be received as follows:

	Temporarily Restricted	Permanently Restricted	Total
Due in 1 Year	\$ 1,459,737	\$ 3,444,451	\$ 4,904,188
Due in 2-5 Years	1,028,835	1,857,528	2,886,363
Due in over 5 Years	110,000	-	110,000
<b><i>TOTAL</i></b>	<b>\$ 2,598,572</b>	<b>\$ 5,301,979</b>	<b>7,900,551</b>
Less:			
Allowance for Uncollectible Pledges Receivable			(82,109)
Discount to Reflect Present Value of Pledges Receivable (Discount Rate at 5%)			(263,849)
<b><i>PLEDGES RECEIVABLE (NET)</i></b>			<b>\$ 7,554,593</b>

**NOTE 5 - EQUIPMENT**

Equipment consists of the following at June 30, 2010:

Software	\$ 828,979
Less: Accumulated Amortization	(762,342)
<b><i>EQUIPMENT (NET)</i></b>	<b>\$ 66,637</b>

Amortization expense for the year ended June 30, 2010 was \$62,079.

**NOTE 6 - UNIVERSITY DEPARTMENTAL SUPPORT EXPENSE**

University departmental support expense is dependent on the annual requirements of the various University faculties and departments and on contributed goods received during the year. Contributed goods that have a value that will depreciate, or that have a short useful life, are transferred to the University. Contributed goods with a cultural or artistic life are retained by the Foundation. Contributed goods transferred to the University during the year ended June 30, 2010, and included in University departmental support expense, amounted to \$644,846.

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 7 - NET ASSETS**

**(a) TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2010 consist of the following:

Departmental Programs	\$
	18,924,483
Scholarships	10,904,071
Capital Projects	2,447,414
Research	902,253
Other	<u>8,718,970</u>
<b><i>TOTAL TEMPORARILY RESTRICTED NET ASSETS</i></b>	<b><i>\$</i></b>
	<b><u>41,897,191</u></b>

**(b) PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets at June 30, 2010 totaled \$36,035,654, which includes contributions restricted by donors for investment in perpetuity. The earnings from the investments are available for the general support of the Foundation's programs and operations, unless otherwise designated by the donor. Restricted cash and cash equivalents of \$594,844 at June 30, 2010 are part of the permanent endowment investment portfolio.

**NOTE 8 - ENDOWMENTS**

The Foundation's endowments consist of funds established for a variety of purposes. Endowment funds are established by donor-restricted gifts and bequests to either provide a permanent endowment, which is to provide a permanent source of income to the Foundation, or a term endowment, which is to provide income for a specified period to the Foundation (See Note 7). Beneficial interests in charitable remainder trusts and gift annuities are not considered part of the Foundation's endowments, nor are Board designated net assets, since they are designated for particular programs or capital projects. Endowment pledges receivable are not considered part of the Foundation's endowments until collected.

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

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 8 - ENDOWMENTS** (continued)

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

At times, the fair value of assets associated with these endowment funds may fall below the level that the donors require the Foundation to retain as funds of perpetual duration. These deficiencies result from unfavorable market fluctuations. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were \$293,931 at June 30, 2010.

The Foundation's Board of Directors has developed a spending policy that distributes a specific payout rate of the endowment base to support the Foundation's programs. Such a policy allows for a greater predictability of spendable income for budgeting purposes and for gradual steady growth for the support of operations by the endowments. In addition, this policy minimizes the probability of invading the principal over the long term. The Foundation's Board of Directors annually approves the spending rate and for the year ended June 30, 2010 the spending rate was 4% of the market value of those endowments without deficiencies or deficits as described above.

<b>Endowment Net Asset Composition by Type of Fund at June 30, 2010</b>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted	\$ (293,931)	\$16,285,033	\$30,469,029	\$46,460,131
<b>Changes in Endowment Net Assets for the Year Ended June 30, 2010</b>				
Endowment Net Assets -				
Beginning of Year	\$ (1,214,648)	\$12,984,883	\$26,261,349	\$38,031,584
Contributions	-	-	2,611,732	2,611,732
Donor Reclassifications	-	-	1,000,000	1,000,000
Collection of Permanently Restricted Pledges Receivable	-	-	595,948	595,948
Endowment Assets Appropriated for Expenditure	-	(331,387)	-	(331,387)
Investment Income (Net)	920,717	3,631,537	-	4,552,254
<b>ENDOWMENT NET ASSETS - END OF YEAR</b>	<b>\$ (293,931)</b>	<b>\$16,285,033</b>	<b>\$30,469,029</b>	<b>\$46,460,131</b>

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE 8 - ENDOWMENTS** (continued)

The endowment net assets are held as follows at June 30 2010:

	Investments	Restricted Cash	Total
Endowment Portfolio	\$45,865,287	\$ 594,844	\$46,460,131
Non-Endowment and Short-Term Portfolio	22,718,165	-	22,718,165
<b>TOTAL</b>	<b>\$68,583,452</b>	<b>\$ 594,844</b>	<b>\$69,178,296</b>

**NOTE 9 - CHANGE IN ACCOUNTING FOR COLLECTIONS**

The Foundation owns collections which include rare Chinese artifacts which are in the custody of California State University, Northridge's library. FASB ASC 958-360-25-3 states that a nonprofit organization that holds works of art, historical treasures, and similar items that meet the definition of a collection has the following three alternative policies for reporting that collection: (a) capitalization of all collection items, (b) capitalization of all collection items on a prospective basis (that is, all items acquired after a stated date), or (c) no capitalization. Capitalization of selected collections or items is precluded. During the year ended June 30, 2010, the Foundation changed its method of accounting to exclude its collections from the statement of financial position and, as a result, gifts to the collections are excluded from revenue in the statement of activities. The change was adopted to exclude the collections as an available resource in the financial statements as these are restricted in perpetuity and cannot be converted to cash at the Foundation's discretion. This change in accounting policy is reported through retrospective application of the change to all periods presented.

The effect of the change on beginning net assets is summarized as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning Net Assets As Previously Reported	\$ 1,615,010	\$49,099,095	\$53,424,836	\$104,138,941
Change in Accounting for Collections	-	-	(21,385,956)	(21,385,956)
<b>BEGINNING NET ASSETS AS RESTATED</b>	<b>\$ 1,615,010</b>	<b>\$49,099,095</b>	<b>\$32,038,880</b>	<b>\$82,752,985</b>

**CALIFORNIA STATE UNIVERSITY,  
NORTHRIDGE FOUNDATION**

SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2010

**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION**

Schedule of Net Assets

June 30, 2010

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

Assets:

Current assets:

Cash and cash equivalents	\$ 2,593,587
Short-term investments	22,718,165
Accounts receivable, net	230,665
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	4,904,188
Prepaid expenses and other assets	44,745
	<hr/>
Total current assets	30,491,350

Noncurrent assets:

Restricted cash and cash equivalents	594,844
Accounts receivable, net	1,949,256
Leases receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	2,650,405
Endowment investments	45,865,287
Other long-term investments	-
Capital assets, net	66,637
Other assets	884,300
	<hr/>
Total noncurrent assets	52,010,729
	<hr/>
Total assets	82,502,079

Liabilities:

Current liabilities:

Accounts payable	280,649
Accrued salaries and benefits payable	-
Accrued compensated absences – current portion	-
Deferred revenue	136,250
Capitalized lease obligations – current portion	-
Long-term debt obligations – current portion	-
Self-insurance claims liability – current portion	-
Depository accounts	-
Other liabilities	-
	<hr/>
Total current liabilities	416,899

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
Deferred revenue	187,500
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Self-insurance claims liabilities, net of current portion	-
Depository accounts	-
Other postemployment benefits obligation	-
Other liabilities	-
	<hr/>
Total noncurrent liabilities	187,500
	<hr/>
Total liabilities	604,399

Net assets:

Invested in capital assets, net of related debt	66,637
Restricted for:	
Nonexpendable – endowments	36,035,654
Expendable:	
Scholarships and fellowships	10,904,071
Research	902,253
Loans	-
Capital projects	2,447,414
Debt service	-
Other	27,643,453
Unrestricted	3,898,198
	<hr/>
Total net assets	\$ 81,897,680

See Independent Auditors' Report

**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION**

Schedule of Revenues, Expenses, and Changes in Net Assets

Year Ended June 30, 2010

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

Revenues:

Operating revenues:

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

Expenses:

Operating expenses:

Instruction	242,700
Research	226,794
Public service	329,767
Academic support	396,767
Student services	611,994
Institutional support	14,170,681
Operation and maintenance of plant	-
Student grants and scholarships	952,435
Auxiliary enterprise expenses	-
Depreciation and amortization	62,079
Total operating expenses	<u>16,993,217</u>
Operating income (loss)	<u>(16,993,217)</u>

Nonoperating revenues (expenses):

State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	5,909,076
Investment income (loss), net	6,800,893
Endowment income (loss), net	-
Interest Expenses	-
Other nonoperating revenues (expenses)	816,211
Net nonoperating revenues (expenses)	<u>13,526,180</u>
Income (loss) before other additions	<u>(3,467,037)</u>

State appropriations, capital

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	2,611,732
Increase (decrease) in net assets	<u>(855,305)</u>

Net assets:

Net assets at beginning of year, as previously reported	104,138,941
Restatements	(21,385,956)
Net assets at beginning of year, as restated	<u>82,752,985</u>
Net assets at end of year	<u><u>\$ 81,897,680</u></u>

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**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION**

Other Information

June 30, 2010

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

**3.1 Composition of capital assets at June 30, 2010:**

	<u>Balance June 30, 2009</u>	<u>Prior period Adjustments</u>	<u>Reclassifications</u>	<u>Balance June 30, 2009 (restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfers of Completed CWIP</u>	<u>Balance June 30, 2010</u>
<b>Nondepreciable capital assets:</b>								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable capital assets	-	-	-	-	-	-	-	-
<b>Depreciable capital assets:</b>								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	<u>828,979</u>	-	-	<u>828,979</u>	-	-	-	<u>828,979</u>
Total depreciable capital assets	<u>828,979</u>	-	-	<u>828,979</u>	-	-	-	<u>828,979</u>
Total capital assets	<u>828,979</u>	-	-	<u>828,979</u>	-	-	-	<u>828,979</u>
<b>Less accumulated depreciation:</b>								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	<u>(700,263)</u>	-	-	<u>(700,263)</u>	<u>(62,079)</u>	-	-	<u>(762,342)</u>
Total accumulated depreciation	<u>(700,263)</u>	-	-	<u>(700,263)</u>	<u>(62,079)</u>	-	-	<u>(762,342)</u>
Total capital assets, net	<u>\$ 128,716</u>	<u>-</u>	<u>-</u>	<u>128,716</u>	<u>(62,079)</u>	<u>-</u>	<u>-</u>	<u>66,637</u>

**3.2 Detail of depreciation and amortization expense for the year ended June 30, 2010:**

Depreciation and amortization expense related to capital assets	62,079
Amortization expense related to other assets	-
Total depreciation and amortization	<u>62,079</u>

**3.3 Detail of intangible assets as of June 30, 2010:**

	<u>Nonamortizable</u>	<u>Amortizable</u>	<u>Accumulated Amortization</u>
Easements	-	-	-
Rights	-	-	-
Websites	-	-	-
Computer software	-	828,979	(762,342)
Licenses and permits	-	-	-
Patents	-	-	-
Copyrights	-	-	-
Trademarks	-	-	-
Others (please list):			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
<b>Total Intangible Assets</b>	<u>\$ -</u>	<u>\$ 828,979</u>	<u>\$ (762,342)</u>

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**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION**

Other Information

June 30, 2010

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

**4 Long-term liabilities activity schedule:**

	Balance June 30, 2009	Prior period adjustments	Reclassifications	Balance June 30, 2009 (restated)	Additions	Reductions	Balance June 30, 2010	Current portion	Long-term portion
Accrued compensated absences	\$ -	-	-	-	-	-	-	-	-
Capitalized lease obligations:									
Gross balance	-	-	-	-	-	-	-	-	-
Unamortized premium / (discount) on capitalized lease obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-	-
Long-term debt obligations:									
Revenue Bonds	-	-	-	-	-	-	-	-	-
Other bonds (non-Revenue Bonds)	-	-	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	-	-	-
Other:									
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-	-
Unamortized bond premium / (discount)	-	-	-	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	-	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ -	-	-	-	-	-	-	-	-

**5 Future minimum lease payments - capital lease obligations:**

	Principal	Interest	Principal and Interest
Year ending June 30:			
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016 - 2020	-	-	-
2021 - 2025	-	-	-
2026 - 2030	-	-	-
2031 - 2035	-	-	-
2036 - 2040	-	-	-
2041 - 2045	-	-	-
2046 - 2050	-	-	-
2051 - 2055	-	-	-
2056 - 2060	-	-	-
Total minimum lease payments			-
Less amounts representing interest			-
Present value of future minimum lease payments			-
Less: current portion			-
Capitalized lease obligation, net of current portion			\$ -

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**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION**

Other Information

June 30, 2010

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

**6 Long-term debt obligation schedule**

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2011	\$ -	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016 - 2020	-	-	-	-	-	-	-	-	-
2021 - 2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
2051 - 2055	-	-	-	-	-	-	-	-	-
2056 - 2060	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**7 Calculation of net assets**

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
<b>7.1 Calculation of net assets - Invested in capital assets, net of related debt</b>			
Capital assets, net of accumulated depreciation	\$ -	66,637	66,637
Capitalized lease obligations - current portion	-	-	-
Capitalized lease obligations, net of current portion	-	-	-
Long-term debt obligations - current portion	-	-	-
Long-term debt obligations, net of current portion	-	-	-
Portion of outstanding debt that is unspent at year-end	-	-	-
Other adjustments: (please list)			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
<b>Net assets - invested in capital assets, net of related debt</b>	<b>\$ -</b>	<b>66,637</b>	<b>66,637</b>
<b>7.2 Calculation of net assets - Restricted for nonexpendable - endowments</b>			
Portion of restricted cash and cash equivalents related to endowments	-	594,844	594,844
Endowment investments	-	45,865,287	45,865,287
Other adjustments: (please list)			
Temporarily Restricted Assets Investment in Endowment Investment	-	(7,195,823)	(7,195,823)
Quasi Endowment Investment in Endowment Investment	-	(8,356,720)	(8,356,720)
Endowment Pledges	-	5,128,066	5,128,066
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
<b>Net assets - Restricted for nonexpendable - endowments per SNA</b>	<b>-</b>	<b>36,035,654</b>	<b>36,035,654</b>

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**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION**

Other Information

June 30, 2010

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

**8 Transactions with Related Entities**

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 417,259
Payments to University for other than salaries of University personnel	186,853
Payments received from University for services, space, and programs	-
Gifts-in-kind to the University from Auxiliary Organizations	644,846
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	160,114
Accounts (payable to) University (enter as negative number)	(17,739)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University	-
Other amounts receivable from University	-

**9 Other Postemployment Benefits Obligation (OPEB)**

Annual required contribution (ARC)	\$ -
Contributions during the year	<u>-</u>
Increase (decrease) in net OPEB obligation (NOO)	-
NOO - beginning of year	<u>-</u>
NOO - end of year	<u><u>\$ -</u></u>

**10 Pollution remediation liabilities under GASB Statement No. 49:**

<u>Description</u>	<u>Amount</u>
Add description	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Total pollution remediation liabilities	\$ -
Less: current portion	<u>-</u>
Pollution remediation liabilities, net of current portion	<u><u>-</u></u>

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

	<u>Net Asset</u>	<u>Amount</u>
	<u>Class</u>	<u>Dr. (Cr.)</u>
Net assets as of June 30, 2009, as previously reported		\$ 104,138,941
Prior period adjustments:		
1 Reclassification of Art Collection		(21,385,956)
2 (list description of each adjustment)		-
3 (list description of each adjustment)		-
4 (list description of each adjustment)		-
5 (list description of each adjustment)		-
6 (list description of each adjustment)		-
7 (list description of each adjustment)		-
8 (list description of each adjustment)		-
9 (list description of each adjustment)		-
10 (list description of each adjustment)		-
Net assets as of June 30, 2009, as restated		<u><u>\$ 82,752,985</u></u>

**CALIFORNIA STATE UNIVERSITY, NORTHRIDGE FOUNDATION**

Other Information

June 30, 2010

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

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

	Debit	Credit
Net asset class:		
1 (breakdown of adjusting journal entry)		
Restricted Nonexpendable - Endowment	\$ 21,385,956	
Change in Accounting Policy for Art Collection		\$ 21,385,956
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-