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Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2015 on our consideration of CSULB 49er Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 CSULB 49er Foundation's internal control over financial reporting and compliance.

Long Beach, California
September 23, 2015

CSULB 49er FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015 AND JUNE 30, 2014

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the CSULB 49er Foundation (the 49er Foundation) for the years ended June 30, 2015 and June 30, 2014. The discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto, which follow this section.

CSULB 49er FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015 AND JUNE 30, 2014

Statement of Net Position

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CSULB 49er FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015 AND JUNE 30, 2014

CSULB 49er FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) JUNE 30, 2015 AND JUNE 30, 2014

Endowment Investments

The 49er Foundation's endowment is \$57.2 million and \$57 million June 30, 2015 and 2014, respectively. The slight increase can be attributed to additional donations but reduced by market losses at the end of the fiscal year. The 49er Foundation's investment policies are designed to protect the long-term viability of its endowment and seek a total return that provides for the annual spending policy disbursement and inflation protection.

Permanent endowments are funds received from donors with the stipulation that the principal remains intact and be invested in perpetuity to produce income, which is to be expended for purposes specified by the donor.

CSULB 49er FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015 AND JUNE 30, 2014

Net Position

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CSULB 49er FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 JUNE 30, 2015 AND JUNE 30, 2014

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the 49er Foundation's results of operations. A summary of the 49er Foundation's revenues, expenses, and changes in net assets follows:

	For the Year Ended June 30,	
	<u>2015</u>	<u>2014</u>
		(As restated)
Operating revenues:		
Other	\$ 370,000	\$ 350,000
Total operating revenues	<u>370,000</u>	<u>350,000</u>
Operating expenses	(8,670,000)	(5,650,000)
Operating loss	<u>(8,300,000)</u>	<u>(5,300,000)</u>
Nonoperating revenues (expenses):		
Gifts	10,400,000	5,600,000
Investment income, net		300,000
Endowment income (loss)	300,000	6,900,000
Other nonoperating	50,000	
Endowment gifts	<u>2,700,000</u>	<u>1,700,000</u>
Total nonoperating revenues, net	<u>13,450,000</u>	<u>14,500,000</u>
Increase in net assets	5,150,000	9,200,000
Special item:		
Transfer of net assets from CSULB Research Foundation	f	1,600,000
Net position at beginning of year as restated	<u>73,500,000</u>	<u>62,700,000</u>
Net position at end of year	<u>\$ 78,650,000</u>	<u>\$ 73,500,000</u>

Total operating expenses consist of salaries, benefits, scholarships, supplies and services. Total nonoperating revenues consist of gifts, investment income and endowment income.

During fiscal year 2015, nonoperating revenues decreased \$1 million. Although gifts increased due to additional current use funds set up for the year, endowment earnings decreased \$6.8 million. During fiscal year 2014, nonoperating revenues increased \$1.9 million, or 16%, due to an increase in endowment and investment income.

CSULB 49er FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015 AND JUNE 30, 2014

Statement of Revenues, Expenses and Changes in Net Position (Continued)

The operating loss is mainly affected by the gift revenues which are treated as nonoperating revenues, while corresponding gift expenditures (e.g., student grants, scholarships, supplies and services) are treated as operating expenses. The 49er Foundation's program activities are allowed to use balances from prior years. Expenditures in the current year may be more or less than revenues recorded during the same year.

Endowment and investment income net of fees, consists of a change in the fair market value of investments, including interest, dividends, and realized and unrealized gains and losses of \$300,000 in 2015 and \$1 million in 2014. The Finance and Investment

CSULB 49er FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2015 AND JUNE 30, 2014

CSULB 49er FOUNDATION

CSULB 49er FOUNDATION
STATEMENT OF NET POSITION

	ASSETS	
	June 30,	
	<u>2015</u>	<u>2014</u>
	(As Restated)	
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,113,286	\$ 11,820,142
Short-term investments	14,332,038	936,717
Accounts receivable, net	49,350	167,686
Pledges receivable, net	1,021,160	1,791,552
Prepaid expenses and other assets	<u>68,808</u>	<u>103,213</u>
	<u>16,584,642</u>	<u>14,819,310</u>
NONCURRENT ASSETS		
Pledges receivable, net	5,733,582	3,113,620
Endowment investments	<u>57,190,877</u>	<u>57,000,071</u>
	<u>62,924,459</u>	<u>60,113,691</u>
TOTAL ASSETS	<u>79,509,101</u>	<u>74,933,001</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	28,408	301,906
Other liabilities	<u>821,676</u>	<u>1,105,390</u>
	<u>850,084</u>	<u>1,407,296</u>
NET POSITION		
NET POSITION		
Restricted for:		
Nonexpendable endowments	47,665,480	44,963,041
Expendable:		
Scholarships and fellowships	2,574,722	3,580,863
Other	21,564,624	18,238,916
Unrestricted	<u>6,854,191</u>	<u>6,742,885</u>
TOTAL NET POSITION	<u>\$ 78,659,017</u>	<u>\$ 73,525,705</u>

The accompanying notes are an integral part of these financial statements.

CSULB 49er FOUNDATION

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	For the Year Ended June 30,	
	2015	2014
		(As Restated)
REVENUES		
Operating revenues	\$ 377,664	\$ 355,356
EXPENSES		
Operating Expenses:		
Instrudion	64,044	53,166
Public service	2,090	6,095
Academic support	559,784	417,724
Student services	61,638	57,105
Institutional support	4,639,558	2,578,487
Student grants and scholarships	3,347,309	2,525,678
	8,674,423	5,638,255
OPERATING LOSS	(8,296,759)	(5,282,899)
NONOPERATING REVENUES		
Gifts, noncapital	10,402,138	5,633,097
Investment income, net	32,629	257,560
Endowment income, net	236,940	6,884,737
Other nonoperating revenue	55,925	
	10,727,632	12,775,394
INCOME BEFORE OTHER ADDITIONS	2,430,873	7,492,495
ADDITIONS TO PERMANENT ENDOWMENTS	2,702,439	1,686,855
INCREASE IN NET POSITION BEFORE SPECIAL ITEM	5,133,312	9,179,350
SPECIAL ITEM		
Transfer of net position from CSULB Research Foundation	f	1,626,288
INCREASE IN NET POSITION	5,133,312	10,805,638
NET POSITION AT BEGINNING OF YEAR (AS RESTATED)	73,525,705	62,720,067
NET POSITION AT END OF YEAR	\$ 78,659,017	\$ 73,525,705

The accompanying notes are an integral part of these financial statements.

CSULB 49er FOUNDATION

STATEMENT OF CASH FLOWS

	For the Year Ended June 30,	
	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments for on behalf of the University departments	\$ 4,327,389)	(\$ 1,200,609)
Payments to employees	(1,273,341)	(962,523)
Payments to students	(3,347,308)	(2,525,678)
Other receipts	245,433	1,052,014
Net Cash Used In Operating Activities	<u>(8,702,605)</u>	<u>(3,636,796)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Gifts received for other than capital purposes	<u>8,609,864</u>	<u>4,942,335</u>
Net Cash Provided By Noncapital Financing Activities	<u>8,609,864</u>	<u>4,942,335</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Net Cash Used In Capital and Related Financing Activities	<u>f</u>	<u>f</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	2,731,579	
Investment income net	32,629	257,560
Endowment income (loss) net	236,940	1,479,084
Additions to permanent endowments	2,702,439	1,686,855
Purchase of investments	(16,317,702)	(2,002,248)
Net Cash Provided by (Used In) Investing Activities	<u>(10,614,115)</u>	<u>1,421,251</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,706,856)	2,726,790
CASH TRANSFER FROM CSULB RESEARCH FOUNDATION	f	1,626,288
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>11,820,142</u>	<u>7,467,064</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,113,286</u>	<u>\$ 11,820,142</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES:		
Operating loss	(\$ 8,296,759)	(\$ 5,282,899)
Adjustments to reconcile operating loss to net cash from operating activities:		
Gift premium	(1,375)	f
Change in assets and liabilities		
Accounts receivable, net	118,336	422,469
Prepaid expenses and other assets	34,405	34,403
Accounts payable	(273,498)	285,040
Other liabilities	<u>(283,714)</u>	<u>904,191</u>
Net Cash Used In Operating Activities	<u>(\$ 8,702,605)</u>	<u>(\$ 3,636,796)</u>

The accompanying notes are an integral part of these financial statements.

CSULB 49er FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – Statement of Significant Accounting Policies

Organization

The CSULB 49er Foundation (the 49er Foundation) is a nonprofit, tax-exempt corporation, which commenced operations on July 1, 2012. The 49er Foundation is organized to actively promote philanthropy and manage donated resources for the advancement of California State University, Long Beach (the University), by accepting and managing donations, gifts, and bequests for any University-related use. The 49er Foundation is a direct support organization and component of the University.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements have been prepared on the accrual basis. The 49er Foundation reports as a Business Type Activity and, accordingly, has reported its activities within a single column in the basic financial statements.

The 49er Foundation's policy for defining operating activities reported on the statement of revenues, expenses, and changes in position are those that generally result from administrative fees earned from gifts and donations made to the 49er Foundation and expenses of the activities associated with the intent or purpose of the gift or donation. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues as defined by GASB, including gifts and investment income.

CSULB 49er FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The 49er Foundation has adopted GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, and GASB Statement No. 35, as amended by GASB Statements No. 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, and GASB Statement No. 38, Certain Financial Statement Note Disclosures. GASB Statement No. 33 requires that unconditional promises to give be recorded as receivables and revenues when the Foundation has met all applicable eligibility requirements. GASB Statement No. 35 established standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following four net position categories: Invested in capital assets, net of related debt; Restricted, nonexpendable; Restricted, expendable; and Unrestricted. As of June 30, 2015 and 2014, the 49er Foundation has no capital assets or debt.

Classification of Current and Noncurrent Assets (Other than Investments) and Liabilities

The 49er Foundation considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net position date. Liabilities that reasonably can be expected, as part of normal 49er Foundation business operations, to be liquidated within 12 months of the statement of net position date, are considered to be current. All other assets and liabilities are considered to be noncurrent. For clarification of current and noncurrent investments, see the investments accounting policy.

CSULB 49er FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Cash and Cash Equivalents

The 49er Foundation considers all highly liquid, short-term investments purchased with an original maturity of three months or less to be cash equivalents. The 49er Foundation maintains cash with financial institutions in excess of federally insured limits.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned to the 49er Foundation. Substantially all of the 49er Foundation's investments are registered in the 49er Foundation's name by the custodian. As a result, custodial credit risk for such investments is remote.

Investments

The 49er Foundation has adopted GASB Statement No. 31, Accounting and Financial Reporting for Investments. The 49er Foundation reports investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Investments. The 49er Foundation reports investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Investments.

CSULB 49er FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

CSULB 49er FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 2 – Pledges Receivable

Pledges receivable are recorded in the statement of net position at estimated net realizable value in accordance with GASB Statement No. 33. Pledges receivable were discounted as of June 30, 2015 using interest rates ranging from 2% to 4%, which approximated the 49er Foundation's rate of return on treasury notes at the time the pledge is made. Pledges receivable as of June 30, 2015 are summarized as follows:

<u>Due in the Year Ending June 30,</u>	
2016	\$ 1,035,313
2017	2,289,477
2018	483,000
2019	442,667
2020	31,000
Thereafter	<u>3,915,000</u>
	8,916,457
Less allowance for uncollectible pledges	(54,904)
Less present value discounts	<u>(1,386,811)</u>
	6,754,742
Less current portion of pledges receivable	<u>(1,021,160)</u>
Long-term portion of pledges receivable	<u>\$ 5,733,582</u>

NOTE 3 – Investments

At June 30, 2015 and 2014, the 49er Foundation's investment portfolio consists primarily of investments held in the investment pool, as well as interest-bearing accounts.

Investment Policy

The primary objective of the 49er Foundation's investment policy is to protect the long-term viability of its endowment and seek a total return that provides for the annual spending policy disbursement and inflation protection.

CSULB 49er FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 3 – Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will ~~only~~ affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates.

Credit Risk

CSULB 49er FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 3 – Investments (Continued)

The following is a summary of investments:

	June 30,	
	<u>2015</u>	<u>2014</u>
Investments at fair value as determined by quoted market price or estimated fair value:		
Local Agency Investment Fund (LAIF)	\$ 10,012,743	
Fixed income securities		\$ 12,146,315
Corporate certificates of deposit	749,810	2,749,445
Mutual funds		
Russell Funds		
Commodities Fund	3,095,255	2,718,857
Emerging Markets Fund	1,827,683	1,737,162
Real Estate Fund	2,925,033	2,844,422
US Defensive Equity Fund	10,647,337	11,014,246
US Core Equity Fund	10,815,367	11,230,190
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CSULB 49er FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 3 – Investments (Continued)

Investment income/(loss) is summarized as follows:

	June 30,	
	2015	2014
Interest and dividend income	\$ 2,944,649	\$ 1,247,613
Net unrealized gain/(losses)	(2,961,903)	6,274,883
Net realized gains/(losses)	557,303	(171,922)
Fees	(270,480)	(208,277)
	<u>\$ 269,569</u>	<u>\$ 7,142,297</u>

NOTE 4 – Operating Expenses by Function

	For the Year Ended June 30, 2015			
	Compensation and Benefits	Supplies and Services	Scholarship and Fellowship	Total
Instruction	\$ 7,739	\$ 56,305		\$ 64,044
Public service	721	1,369		2,090
Academic support	388,207	171,577		559,784
Student services	74	61,564		61,638
Institutional support	874,603	3,764,955		4,639,558
Student grants and scholarships			\$ 3,347,309	3,347,309
Total Operating Expenses	<u>\$ 1,271,344</u>	<u>\$ 4,055,770</u>	<u>\$ 3,347,309</u>	<u>\$ 8,674,423</u>

CSULB 49er FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 4 – Operating Expenses by Function (Continued)

	For the Year Ended June 30, 2014			
	Compensation and Benefits	Supplies and Services	Scholarship and Fellowship	Total
Instruction	\$ 13,757	\$ 39,409		\$ 53,166
Public service		6,095		6,095
Academic support	290,684	127,040		417,724
Student services		57,105		57,105
Institutional support	658,083	1,920,404		2,578,487
Student grants and scholarships			\$ 2,525,678	2,525,678
Total Operating Expenses	<u>\$ 962,524</u>	<u>\$ 2,150,053</u>	<u>\$ 2,525,678</u>	<u>\$ 5,638,255</u>

Institutional support includes expenses supporting University programs, initiatives, and operations as directed by the 49er Foundation in accordance with the donor intent.

NOTE 5 – Transactions with Related Entities

As described in Note 1, the 49er Foundation is an auxiliary organization affiliated with the University and the California State University (CSU) System statewide. The 49er Foundation is also affiliated with CSULB Research Foundation (Research Foundation), an auxiliary organization of the University and CSU. The Research Foundation provides accounting services to the 49er Foundation. The accompanying financial statements include transactions with related parties as of and for the year ended June 30, 2015 and 2014, as follows:

	June 30,	
	2015	2014
Payments to the University for salaries of University personnel working on contracts, grants, and other programs	\$ 485,328	\$ 177,238
Payments to the University for other than salaries of University personnel	\$ 5,793,933	\$ 2,763,153

CSULB 49er FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 7 – Restatement of Prior Financial Statements

Subsequent to issuance of the financial statements for the year ended June 30, 2014, the Foundation determined that approximately \$540,000 of pledge receivable should have been recorded during the fiscal year 2013 when it was determined to be an irrevocable pledge agreement. As such, the financial statements have been restated as of July 1, 2013 for the correction of the error.

The effect of the restatement on the June 30, 2014 financial statement is as follows:

	As Previously Reported	Adjustment	As Restated
Statement of Net Position			
Pledge receivable, net	\$ 2,573,670	\$ 539,950	\$ 3,113,620
Total Assets	\$ 74,393,051	\$ 539,950	\$ 74,933,001
Net Position			
Expendable other	\$ 17,698,966	\$ 539,950	\$ 18,238,916
Total Net Position	\$ 72,985,755	\$ 539,950	\$ 73,525,705
Statement of Revenues, Expenses, and Changes in Net Position			
Nonoperating revenues			
Gifts, noncapital	\$ 5,615,557	\$ 17,540	\$ 5,633,097
Income before other additions	\$ 7,474,955	\$ 17,540	\$ 7,492,495
Increase in net position before special item	\$ 9,161,810	\$ 17,540	\$ 9,179,350
Increase in net position	\$ 10,788,098	\$ 17,540	\$ 10,805,638
Net position at beginning of year	\$ 62,197,657	\$ 522,410	\$ 62,720,067
Net position at end of year	\$ 72,985,755	\$ 539,950	\$ 73,525,705

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INDEPENDENT AUDITORS' 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

To the Board of Directors of
CSULB 49er Foundation:

We have audited, in accordance with the auditing standards generally accepted in the United States, the internal control over financial reporting and the financial statements of CSULB 49er Foundation for the year ended 2023. Our audit was conducted for the purpose of forming an opinion on the financial statements and the internal control over financial reporting. The auditing standards do not require us to perform procedures to identify and report on all deficiencies in internal control that we consider to be material weaknesses. It is possible that there are other material weaknesses not identified by us. Our audit was not designed to detect and report on fraud. We did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any fraud. Our audit was not designed to detect and report on all fraud. It is possible that there are other frauds not identified by us. Our audit was not designed to detect and report on all fraud. It is possible that there are other frauds not identified by us.

CSULB 49er FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting

1. Material weakness(es) identified? Yes
2. Significant deficiencies identified? None reported
3. Noncompliance material to financial statements noted? No

CSULB 49er FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015
(Continued)

SECTION II – FINDINGS – FINANCIAL STATEMENTS AUDIT

2015-01: Prior-Period Adjustment to Net Position

- Condition:** During the year ended June 30, 2015, management determined that approximately \$540,000 of pledge receivables should have been recorded during fiscal year 2013 when it was determined to be an irrevocable pledge agreement. As a result, an adjustment was made to restate the net position balance as of June 30, 2013 and 2014 to correct the understatement.
- Criteria:** Pledges should be reviewed periodically for collectability and recording to ensure effective internal controls over pledge receivables.
- Effect:** Pledge receivable and net position were understated by approximately \$40,000.
- Cause:** There was a miscommunication between the Finance and Gifts Departments and the pledge agreement did not reach the Finance Department to be recorded timely.
- Recommendation:** We recommend the Foundation review and amend, if necessary, their policies and procedures over reviewing recording pledge agreements to ensure they are appropriately recorded in the appropriate period.

Views of Responsible
Officials and Planned

Corrective Action: The restatement of 2014 was necessary when the auditors discovered one estate gift (irrevocable gift commitment) had been made in a previous year, but wasn't recorded as a receivable on the financial statements. The amount was sufficiently large enough that it required a restatement of FY2014. Upon notification, management met with the key unit heads to discover how the oversight occurred, and to develop a process to ensure it is not repeated. A new process is being put into place whereby all deferred gifts will be reviewed by a team consisting of the 49er Foundation COO, the University's AVP for Financial Management, the AVP for Gift Planning and the Controller. Once a gift is deemed by this group to have met the criteria for being included as a receivable, the gift will be recorded

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT

None