



CSULB 49ER
FOUNDATION
2015 - 2016 ANNUAL REPORT



OUR MISSION

The mission of the CSULB 49er Foundation is to actively promote philanthropy and manage donated resources that advance California State University, Long Beach.

CHIEF EXECUTIVE OFFICER'S MESSAGE

Last year, I had the privilege of being able to report to you on the success of the university's first major fundraising campaign, *DECLARE: The Campaign for CSULB*. In the time since that historic announcement, the University Relations and Development team has amassed and analyzed an impressive amount of campaign data; this information is helping us better understand our campus and constituents and will be of tremendous value in guiding our future fundraising efforts. Here are just a few highlights:

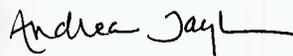
- We raised a total of **\$238 million**, easily surpassing our original \$225-million campaign goal.
- We received a total of **268,808** campaign gifts.
- We created **208** new scholarships during the campaign.
- We received campaign gifts from **92,479** donors; of those, **55,891** were first-time donors to the university.

All of these outcomes are exciting and gratifying. But I am probably most encouraged by the last statistic — by the fact that we received gifts from nearly 56,000 new donors during the DECLARE campaign. It's great to see such a positive response to our efforts to expand outreach to our 300,000-member alumni community and to members of the larger southern California community, as well. The support of both groups is essential for our success.

I should add that the university's future growth and viability also depend in a very real way on our ability to create a culture of philanthropy on campus and throughout the Beach community. The DECLARE campaign not only raised much-needed funds for student and program support, but it also provided a platform for sharing our message about the importance of private giving with a larger audience. We will continue to emphasize this message moving forward.

Thank you for helping us make our campaign goals a reality!

Sincerely,



Andrea Taylor '83
Chief Executive Officer

CHAIR'S MESSAGE

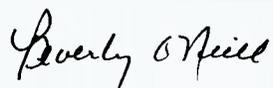
Numbers and data tell us a great deal about the success of *DECLARE: The Campaign for CSULB*. Yet, as impressive and important as these metrics are, they don't actually tell the whole story of the university's first major fundraising campaign. And, while some of our campaign accomplishments may be harder to quantify, that doesn't make them any less significant. I want to take a moment to mention one of these "under the radar" successes: the expansion of volunteer leadership opportunities at The Beach.

The increase in volunteerism here at CSULB should make us all proud. During the *DECLARE* campaign, we expanded volunteer leadership opportunities, most significantly through the establishment of the CSULB 49er Foundation. The university depends increasingly on private support, and the creation of the nonprofit 49er Foundation four years ago has facilitated a more focused approach to promoting philanthropy and managing donated resources. The 49er Foundation played a key role in our campaign success, as did college- and unit-based leadership groups such as the Dean's Advisory Council in the College of Engineering and the Long Beach State Athletics Director's Circle (to name just two).

On behalf of CSULB, I want to express my deep gratitude to all of our university's volunteers. And I'd like to personally thank all of our 49er Foundation board members, past and present. In particular, I want to recognize our Campaign Committee, chaired by board member Mort Stuhlbarg. We would certainly not be where we are today without his leadership and this group's extraordinary efforts and dedication.

Go Beach ... and Go Volunteers!

Sincerely,



Beverly O'Neill '52, '57
Board Chair





CSULB 49ER FOUNDATION

BOARD OF DIRECTORS

Beverly O'Neill '52, '57
Chair

Dennis Berryman '61
Chair, Audit Committee

Mary Alice Braly
Director

Tim Caron
Faculty Representative

Jane Close Conoley
CSULB President

George Deukmejian
Director

Patrick Goggin '87, '91
Director

Cynthia Stamper Graff '75
Director

Jim Gray '58
Director

Georgia D. Griffiths '73
Director

Linda Haley '72
Director

Roberta Jenkins
Director

John E. Leonard '69, '73
Director

Wendy Lewis '16
Student Representative

Michael Losquadro
Chief Operating Officer and
Secretary

John Molina '86
Chair, Finance and Investment
Committee

Robert Murphy '62
Director

Anna W. Ngai '74
Director

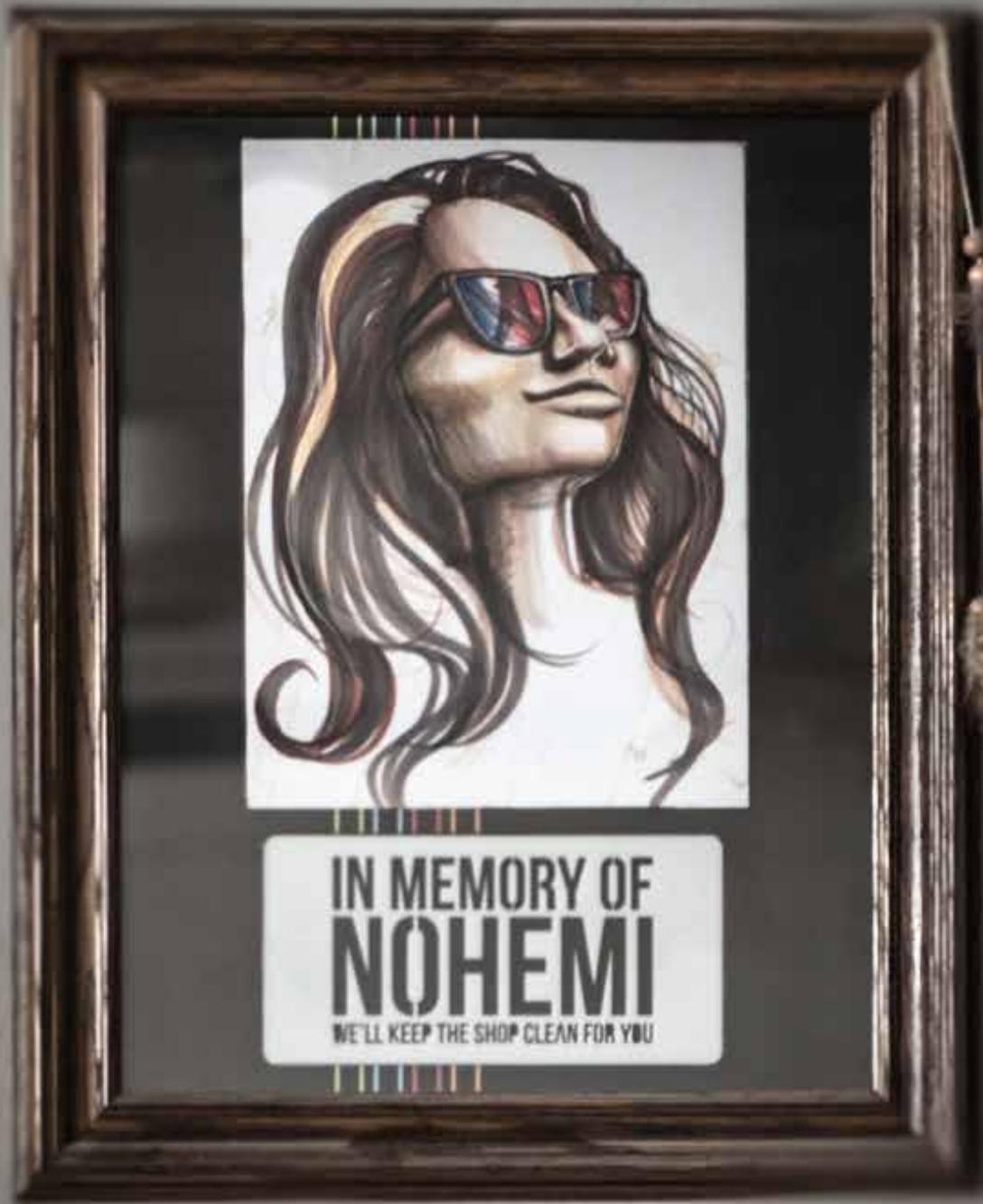
Terry L. Rhodes '62
Director

Mary Stephens
Chief Financial Officer

Mort Stuhlberg
Chair, Campaign
Committee

Andrea Taylor '83
Chief Executive Officer

Louise Ukleja
Chair, Nominations
Committee



A framed portrait and laser cut sign created in memory of Nohemi Gonzalez hangs in one of the shops in the Design Department. Industrial design student Alyssa Staykow drew the portrait and Gonzalez's principal mentor and instructor Matias Ocaña designed the laser cut sign, which was cut by department staff member Arnel Ignacio. Photo by Manfong Leong.

DONORS SUPPORT A DESIGN SHOP UPGRADE

By Taylor Kelly

A new lab being created as a part of the Design Department's remodeling will be named in memory of the 23-year-old industrial design student who was killed in the November terrorist attacks in Paris.

"We have not yet officially named it, but when we do it will be called 'The Nohemi Gonzalez Shop'," said Department Chair Martin Herman.

Gonzalez, the only American to be killed in the attacks, was a familiar face in the Design Department having been entrusted, as a student assistant in the shops, with teaching students how to operate machinery. After her passing, CSULB created two funds in honor of Gonzalez – one to support international study-abroad scholarships and another to renovate and purchase new equipment for a lower-division workshop in the Design Department.



Photo courtesy of the Strate School of Design.

"The Nohemi Gonzalez Fund for International Study raised over \$100,000 in the fall of 2015," Herman said. "The current Shop Initiative has raised close to \$50,000 towards a \$150,000 goal."

Progress toward the Shop Initiative goal was advanced in large part due to the efforts of Board of Governors member Ken Miller, who led a campaign to solicit gifts from each BOG member. A large majority of the group made financial commitments of \$1,000 toward the project.

A donor recognition event was held on June 6 to acknowledge individuals who supported either campaign. A dedication ceremony for the refurbished shop will take place when the department has raised more funds, Herman confirmed.

CREATED TO ENCOURAGE

By Ruben Diaz

In 1964, a group of art enthusiasts collaborated to form a group to support the arts at California State University, Long Beach, or Long Beach State, as it was known at the time. The result was the formation of a nonprofit called the Fine Arts Affiliates (FAA), which resolved to support art students.

“The first group of founders were not all artists,” said Elaine Marks, who serves as FAA’s historian. “Some were collectors and others were just supporters of the new college in town.”

Fifty-one years later FAA continues to exclusively support the arts at CSULB by offering 15 scholarships for students studying Dance, Design, Theatre Arts, or Film and Electronics in the College of the Arts; and for students of the Bob Cole Conservatory of Music and the School of Art. Marks said FAA decided to support the campus because it wanted to “be a part of making the art department first-rate by helping talented and deserving art students reach their potential.”



Sculpture student Juliet Johnson poses in front of her digital art project featuring herself titled "PINKEYE."
Photo by Joseph Philipson.



“The FAA has contributed more than half a million dollars to scholarships over the years,” said Bethany Price, the communications and outreach director for COTA and an FAA member.

Illustration alumnus Jorge Hurtado ('97, BFA) is a former recipient of an FAA scholarship. Before receiving the award, Hurtado said he did not feel connected or noticed by the campus. On top of that, he was going to school full-time, working many hours at his job, and had little time to explore what the campus had to offer.

But after receiving notice that he had been nominated for an FAA scholarship, Hurtado said a professor urged him to submit an application. Soon after, he was chosen to be a recipient, which led him to use the scholarship to pay for his tuition for one year.

“Receiving the scholarship made me feel valued, and it definitely helped me financially,” Hurtado said. “I felt more encouraged to pursue my academic goals, and I felt a deeper feeling of belonging to the university.”

Sculpture student Juliet Johnson is a recent recipient of the scholarship. She says she thinks it is a fantastic scholarship.

“I’m able to be a little more ambitious with my practice, and I can more easily afford materials, not to mention just having a little financial security is invaluable on its own,” Johnson said.

The nonprofit group raises money through donations, by organizing excursions in Los Angeles and Orange County and through other related activities. Since FAA is an all-volunteer organization that is open to anyone, it also raises money through annual membership dues.

With 215 members currently, FAA welcomes anyone who would like to join and contribute to the vision of supporting and encouraging the arts at CSULB.



The iconic Walter Pyramid as seen from upper campus.

INVESTING IN THE FUTURE

The CSULB Endowment is managed by the CSULB 49er Foundation Board of Directors. It is comprised of hundreds of individual funds established by donors for a particular purpose. Some of these funds support scholarships, while others support annual lectures, departments and programs.

The endowment is invested in a combination of equities, fixed-income instruments, real estate and cash equivalents, with the goal of achieving the maximum rate of return with an acceptable, prudent level of risk. As of June 30, 2016, the endowment was valued at \$ 56,422,378.

ANNUALIZED RETURNS* AS OF JUNE 30, 2016	
	Fiscal YTD
1 Year	1.20%
3 Year	5.13%
5 Year	4.95 %

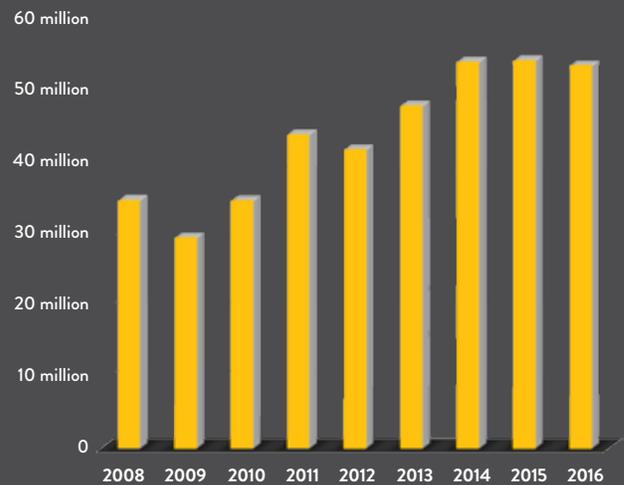
**Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, and dividends, interest and income. Time weighted returns do not include the impact of fund contributions and withdrawals and therefore, may not reflect the actual rate of return of a specific fund.*



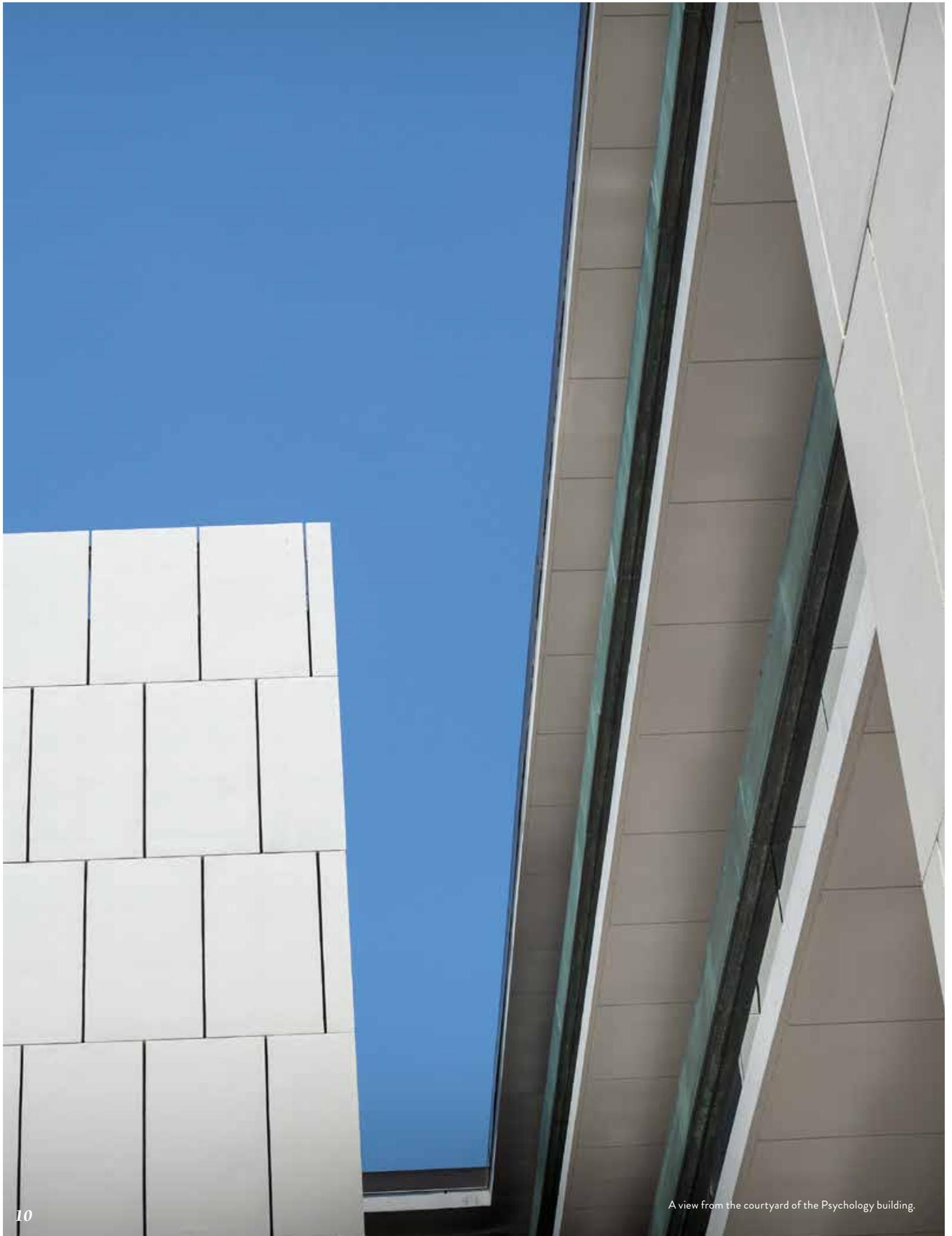
BY THE NUMBERS



- U.S. Equity **32%**
- International Equity **28.2%**
- Equity Return Assets **3.8%**
- Equity Hedge Assets **8%**
- Absolute Return Assets **3%**
- High Yield Fixed Income **3%**
- Inflation Linked Sectors **3%**
- U.S. Fixed Income Taxable **11%**
- Short Term Fixed Income **3%**
- Emerging & Frontier Market **5%**



2008-\$ 36,616,440	2013-\$ 50,528,887
2009-\$ 31,070,238	2014-\$ 57,000,071
2010-\$ 36,563,865	2015-\$ 57,190,877
2011-\$ 46,269,016	2016-\$ 56,442,378
2012- \$ 44,084,299	



STATEMENT OF NET POSITION

ASSETS

	JUNE 30,	
	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,004,963	1,113,286
Short-term investments	15,349,442	14,332,038
Accounts receivable, net	51,086	49,350
Pledges receivable, net	1,584,895	1,021,160
Prepaid expenses and other assets	54,765	68,808
	<u>19,045,151</u>	<u>16,584,642</u>
NONCURRENT ASSETS		
Restricted cash	181,237	-
Pledges receivable, net	4,359,862	5,733,582
Endowment investments	56,442,378	57,190,877
	<u>60,983,477</u>	<u>62,924,459</u>
TOTAL ASSETS	<u>80,028,628</u>	<u>79,509,101</u>

LIABILITIES

CURRENT LIABILITIES		
Accounts payable	97,209	28,408
Other liabilities	343,619	821,676
	<u>440,828</u>	<u>850,084</u>

NET POSITION

NET POSITION		
Restricted for:		
Nonexpendable – endowments	50,462,721	47,665,480
Expendable:		
Scholarships and fellowships	3,854,916	2,574,722
Other	18,882,975	21,564,624
Unrestricted	<u>6,387,188</u>	<u>6,854,191</u>
TOTAL NET POSITION	<u>\$ 79,587,800</u>	<u>78,659,017</u>

The above financial statements were audited by Windes, Inc. The full set of audited financial statements is available upon request. The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

		FOR THE YEAR ENDED JUNE 30,	
		2016	2015
REVENUES			
Operating revenues	\$	334,837	377,664
EXPENSES			
Operating Expenses:			
Public service		9,336	2,051
Academic support		3,162,449	2,371,667
Student services		61,642	55,111
Institutional support		2,347,492	2,898,285
Student grants and scholarships		3,775,487	3,347,309
		9,356,406	8,674,423
OPERATING LOSS		(9,021,569)	(8,296,759)
NONOPERATING REVENUES			
Gifts, noncapital		8,087,925	10,402,138
Investment income (loss), net		(92,624)	32,629
Endowment income (loss), net		(397,406)	236,940
Other nonoperating revenue		5,614	55,925
		7,603,509	10,727,632
INCOME (LOSS) BEFORE OTHER ADDITIONS		(1,418,060)	2,430,873
ADDITIONS TO PERMANENT ENDOWMENTS		2,346,843	2,702,439
INCREASE IN NET POSITION		928,783	5,133,312
NET POSITION AT BEGINNING OF YEAR		78,659,017	73,525,705
NET POSITION AT END OF YEAR	\$	79,587,800	78,659,017

The above financial statements were audited by Windes, Inc. The full set of audited financial statements is available upon request. The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

		FOR THE YEAR ENDED JUNE 30,	
		2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to or on behalf of the University departments	\$	(4,366,403)	(4,327,389)
Payments to employees		(1,326,952)	(1,273,341)
Payments to students		(3,775,487)	(3,347,308)
Other receipts		(130,913)	245,433
Net Cash Used In Operating Activities		(9,599,755)	(8,702,605)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Gifts received for other than capital purposes		8,903,545	8,609,864
Net Cash Provided By Noncapital Financing Activities		8,903,545	8,609,864
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Net Cash Used In Capital and Related Financing Activities		-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments		2,389,966	2,731,579
Investment income, net		(92,624)	32,629
Endowment income (loss), net		(397,406)	236,940
Additions to permanent endowments		2,346,862	2,702,439
Purchase of investments		(2,658,911)	(16,317,702)
Net Cash Provided by (Used In) Investing Activities		1,587,887	(10,614,115)
NET CHANGE IN CASH AND CASH EQUIVALENTS		891,677	(10,706,856)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,113,286	11,820,142
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$	2,004,963	1,113,286
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES:			
Operating loss	\$	(9,021,569)	(8,296,759)
Adjustments to reconcile operating loss to net cash from operating activities:			
Gift premium		-	(1,375)
Change in assets and liabilities:			
Restricted cash		(181,237)	-
Accounts receivable, net		(1,736)	118,336
Prepaid expenses and other assets		14,043	34,405
Accounts payable		68,801	(273,498)
Other liabilities		(478,057)	(283,714)
Net Cash Used In Operating Activities	\$	(9,599,755)	(8,702,605)

The above financial statements were audited by Windes, Inc. The full set of audited financial statements is available upon request. The accompanying notes are an integral part of these financial statements.

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 unit 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 as reported on the statement of revenues, expenses, and changes in net 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.

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 49er 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, non-expendable; Restricted, expendable; and Unrestricted. As of June 30, 2016 and 2015, 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.

The above financial statements were audited by Windes, Inc. The full set of audited financial statements is available upon request. The accompanying notes are an integral part of these financial statements.

Net Position

The 49er Foundation's net position is classified into the following net position categories:

- **Invested in capital assets, net of related debt**

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- **Restricted**

Nonexpendable – Net position subject to externally imposed stipulations that they be maintained permanently by the 49er Foundation. Such assets include the 49er Foundation's permanent endowment funds.

Expendable – Net position whose use by the 49er Foundation is subject to externally imposed stipulations that can be fulfilled by actions of the 49er Foundation pursuant to those stipulations or that expire by the passage of time.

- **Unrestricted**

Unrestricted net position is one that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for any University-related use, which includes academic and research programs and initiatives, and capital programs.

Reporting Entity

The 49er Foundation is an affiliated organization component unit of the University. As such, the 49er Foundation's financial data will be included in the financial statements of the University.

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.

The above financial statements were audited by Windes, Inc. The full set of audited financial statements is available upon request. The accompanying notes are an integral part of these financial statements.

NOTE 1 – Statement of Significant Accounting Policies (Continued)

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 Certain Investments and for External Investment Pools*. Under GASB Statement No. 31, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values using quoted market prices in the statement of net position. Realized and unrealized gains and losses are included in the accompanying statement of revenues, expenses, and changes in net position.

The 49er Foundation has adopted GASB No. 72, *Fair Value Measurement and Application*. GASB 72 establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value.

Accounts Receivable

Accounts receivable primarily consists of amounts due from another auxiliary organization of the University. Management deems all accounts receivable to be collectible and has not established an allowance for doubtful accounts.

Pledges Receivable

The 49er Foundation receives pledges and bequests of financial support from corporations, foundations, and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements, including time requirements, have been met. In the absence of such promise, revenue is recognized when the gift is received. Endowment pledges do not meet eligibility requirements, as defined by GASB Statement No. 33, and are not recorded as assets until the related gift is received. An allowance for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts (approximately \$517,000 and \$55,000 at June 30, 2016 and 2015, respectively). The determination includes such factors as prior collection history, type of gift, and nature of fund-raising.

Income Taxes

The 49er Foundation is tax-exempt under Internal Revenue Code Section 501(c)(3) for federal income taxes, as well as the related provisions for state income tax purposes.

Reclassification

Certain amounts in the June 30, 2015 financial statements have been reclassified to conform to the 2016 financial statement presentation.

The above financial statements were audited by Windes, Inc. The full set of audited financial statements is available upon request. The accompanying notes are an integral part of these financial statements.



From the right vantage point, one can view two of campus' most iconic sculptures: The *Carlson/Bloc Tower* by Andre Bloc in the background and *Duet (Homage to David Smith)* by Robert Murray in the foreground.

Credits

Contributors

Navely Alba
Jacqueline Angiuli
Michael Losquadro

Editor

Sharon Hong

Art Director

Tino Siwabessy

Photographer

Steffanie Padilla

CSULB Equity and Diversity Statement:

In addition to meeting fully its obligations of nondiscrimination under federal and state law, CSULB is committed to creating a community in which a diverse population can live, learn and work in an atmosphere of tolerance, civility and respect for the rights and sensibilities of each individual, without regard to economic status, ethnic background, veteran status, political views, sexual orientation or other personal characteristics or beliefs. An EEO/AA/Title IX Employer.

Art direction, photography and editorial assistance provided by University Marketing and Communications, 2016.

CSULB 49ER FOUNDATION

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LONG BEACH, CALIFORNIA 90815

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WWW.CSULB.EDU/49ERFOUNDATION

The concrete and stainless steel sculpture *Hardfact* by artist Kosso Eloul stands watch behind the Molecular and Life Sciences Center on the east side of campus.