Grant Thornton

Financial Statements and Supplementary Information as Required by the California State University and Report of Independent Certified Public Accountants

The Campanile Foundation

June 30, 2015

Contents

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Report of Independent Certified Public Accountants

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To the Board of Trustees
The Campanile Foundation

Report on the financial statements

We have audited the accompanying financial statements of The Campanile Foundation (a California State University Auxiliary Organization and Component Unit of San Diego State University) (the "Organization"), which comprise the statement of financial position as of June 30, 2015, and the related statements of activity and cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Campanile Foundation as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

The financial statements of The Campanile Foundation as of and for the year ended June 30, 2014 were audited by other auditors. Those auditors expressed an unmodified opinion on those 2014 financial statements in their report dated September 26, 2014.

Other matters - supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as required by the California State University on pages 25 – 40, are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 24, 2015, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the Organization's internal control over financial reporting and compliance.

Grant Thornton LLP

San Diego, California
September 24, 2015

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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To the Board of Trustees
The Campanile Foundation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Campanile Foundation (a California State University Auxiliary Organization and Component Unit of San Diego State University) (the "Organization"), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2015.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the Organization's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Intended purpose

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

San Diego, California
September 24, 2015

The Campanile Foundation

STATEMENTS OF FINANCIAL POSITION

June 30,

	2015	2014
Assets		
Current assets		
Cash equivalents (Note 1)	$ -	$ 20,452,888
Short-term investments (Note 4)	1,867,868	-
Long-term investments (Note 4)	237,688,678	207,243,572
Pledges receivable, net (Note 6)	18,260,871	18,491,976
Note receivable (Note 7)	6,027,648	6,253,774
Due from affiliate (Note 2)	7,560,871	13,087,178
Beneficial interest in trusts (Note 5)	3,958,738	3,877,947
Other receivables, net	620,326	537,711
Total assets	$ 275,985,000	$ 269,945,046
Liabilities and Net Assets		
Liablities		
Accounts payable	$ 501,315	$ 630,313
Liabilities under deferred gift agreements	4,570,608	3,786,212
Accrued liabilities	123,319	438,985
Amounts held on behalf of others (Note 8)	380,653	-
Due to SDSURF (Note 5)	14,360,742	17,530,791
Total liablities	19,936,637	22,386,301
Net assets		
Unrestricted	3,282,407	3,913,851
Temporarily restricted (Note 3)	129,945,292	133,366,375
Permanently restricted (Note 3)	122,820,664	110,278,519
Total net assets	256,048,363	247,558,745
Total Liabilities and Net Assets	$ 275,985,000	$ 269,945,046

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

The Campanile Foundation

STATEMENTS OF ACTIVITIES

Years ended June 30, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains (losses) and other support:								
Contributions - community and campus programs	$ -	$ 18,139,386	$ 14,409,125	$ 32,548,511	$ -	$ 23,876,955	$ 8,125,329	$ 32,002,284
Membership fees and other	-	10,746,292	-	10,746,292	-	9,267,292	-	9,267,292
Net realized and change in unrealized gains on investments (Note 4)	(12,287)	(3,324,253)	(788,695)	(4,125,235)	41,262	21,708,829	1,786,545	23,536,636
Investment income (Note 4)	9,182	2,729,572	35,945	2,774,699	900	1,462,357	68,735	1,531,992
Net assets released from restrictions (Note 3)	32,826,310	(31,712,080)	(1,114,230)	-	29,187,462	(28,558,423)	(629,039)	-
Total revenues, gains and other support	32,823,205	(3,421,083)	12,542,145	41,944,267	29,229,624	27,757,010	9,351,570	66,338,204
Expenses:								
Campus programs	8,742,200	-	-	8,742,200	8,560,523	-	-	8,560,523
Campus programs administered by the University	15,255,903	-	-	15,255,903	9,269,727	-	-	9,269,727
Student scholarships (Note 2)	6,239,513	-	-	6,239,513	7,837,678	-	-	7,837,678
Fundraising	1,927,750	-	-	1,927,750	1,614,596	-	-	1,614,596
General administration	1,289,283	-	-	1,289,283	1,497,180	-	-	1,497,180
Total expenses	33,454,649	-	-	33,454,649	28,779,704	-	-	28,779,704
Change in net assets	(631,444)	(3,421,083)	12,542,145	8,489,618	449,920	27,757,010	9,351,570	37,558,500
Net assets, beginning of year	3,913,851	133,366,375	110,278,519	247,558,745	3,463,931	105,609,365	100,926,949	210,000,245
Net assets, end of year	$ 3,282,407	$ 129,945,292	$ 122,820,664	$ 256,048,363	$ 3,913,851	$ 133,366,375	$ 110,278,519	$ 247,558,745

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

The Campanile Foundation

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2015	2014
Cash flows from operating activities:		
Change in net assets	$ 8,489,618	$ 37,558,500
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions restricted for long-term investments	(14,409,125)	(8,125,329)
Net realized and change in unrealized (gains) on investments	4,125,235	(23,536,636)
Change in value of deferred gift liabilities	784,396	322,587
Investment income restricted for long-term investments	35,945	68,735
(Increase) decrease in assets:		
Short-term investments	(1,867,868)	225,304
Payments received on notes receivable	226,126	2,252,177
Other receivables, net	(82,615)	(32,245)
Pledges receivable, net	3,489,593	(1,286,726)
Increase (decrease) in liabilities:		
Accounts payable	(128,998)	397,510
Accrued liabilities	(315,666)	275,940
Amounts held on behalf of others	380,653	-
Net cash provided by operating activities	727,294	8,119,817
Cash flows from investing activities:		
Purchase of investments	(75,001,062)	(41,019,088)
Sale of investments	37,260,672	18,506,288
Beneficial interest in trusts	(80,791)	(81,889)
Due from affiliate	5,526,307	27,611,389
Net cash provided by (used in) investing activities	(32,294,874)	5,016,700
Cash flows from financing activities:		
Proceeds from permanently restricted contributions	11,150,637	7,385,106
Investment income restricted for long-term investments	(35,945)	(68,735)
Net cash provided by financing activities	11,114,692	7,316,371
Net change in cash	(20,452,888)	20,452,888
Cash equivalents, beginning of year	20,452,888	-
Cash equivalents, end of year	$ -	$ 20,452,888
Supplemental disclosure of noncash investing activities		
Investments held for SDSURF	$ (3,170,049)	$ 2,094,657

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

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Campanile Foundation ("TCF") is an auxiliary organization of San Diego State University (the "University"), organized and operated in accordance with the Education Code of the State of California and the California Code of Regulations. TCF is a nonprofit corporation chartered to provide and augment programs that are an integral part of the educational mission of the University. TCF was organized in August 1999 to assist the University in the acquisition of gifts, the management of philanthropic gifts and the investment of certain endowment gifts. TCF began its operations on January 1, 2000.

Affiliated Organizations

TCF is related to other auxiliaries of the University, including Associated Students of San Diego State University ("Associated Students"), San Diego University Research Foundation ("SDSURF") and Aztec Shops, Ltd. These auxiliaries and the University periodically provide various services for one another.

A Summary of TCF's significant accounting policies is as follows:

Basis of Accounting and Reporting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

TCF's financial statements present net assets and contributions classified as unrestricted, temporarily restricted and permanently restricted. These classifications are based on the existence or absence of donor-imposed restrictions related to contributions and are summarized as follows:

Unrestricted net assets
Unrestricted net assets consist of net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets
Temporarily restricted net assets consist of unspent contributions that are subject to specific donor restrictions that can be fulfilled by actions of TCF or by the passage of time. These include unspent purpose-restricted expendable gifts, certain pledges payable in future periods, unspent time-restricted gifts and term endowments.

Permanently restricted net assets
Permanently restricted net assets consist of contributions made with donor-imposed stipulations that the funds be held in perpetuity. Generally, the income earned on such contributions is available for use by TCF for the benefit of the University. Also included in permanently restricted net assets are charitable remainder trusts ("CRT"), in which the income earned is included in permanently restricted net assets.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Accounting and Reporting (continued)

As stated above, the classification of net assets is based upon the existence or absence of donor-imposed restrictions on contributions. Net assets also includes funds other than contributions that have been designated for specific purposes, which are classified as unrestricted in the financial statements.

Contributions, including unconditional promises to give (pledges), are recognized in the year the promise is made as opposed to when assets are received. Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted contributions. Temporarily restricted net assets are reclassified to unrestricted net assets at such time as TCF has fulfilled the donor-imposed restriction.

Permanently restricted net assets is reclassified to unrestricted net assets at such time that the donors consent to the release of the previous donor-imposed restriction.

Pledges that are expected to be collected within one year from the date of gift are recorded at their net realizable value. Pledges that are expected to be collected in future years are discounted to their estimated net present value (see Note 5).

Cash Equivalents

TCF considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents. Cash equivalents have a zero balance as of June 30, 2015. SDSURF handles cash management on behalf of TCF.

Investments

Investments are reported at fair value, with gains and losses included in the statements of activities. Short-term investments consist primarily of investment interest receivable.

Alternative assets consist of funds that utilize a variety of absolute return strategies. TCF had alternative assets for the years ended June 30, 2015 and 2014 of $25,456,695 and $23,732,833, respectively. The real estate investment is in a real estate securities commingled fund. These investments are reported at the fair value of the shares owned in each fund.

Beneficial interest in trust investments are reported at the fair value of the underlying portfolio of investments within each trust, which primarily consist of mutual funds invested in equities, fixed income and real estate instruments.

Other Receivables, Net

Other receivables, net, consists largely of funds made available to the University to be used for student loans. The University periodically assesses the loans for collectability. TCF has not experienced significant losses on these loans and therefore has recorded an insignificant allowance against these balances. The remaining balance primarily consists of program funds in transit to TCF for investment.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Liabilities under Deferred Gift Agreements

TCF serves as trustee and administrator for various types of trust arrangements, including split-interest agreements, whereby the beneficial interest is shared with one or more parties. The arrangements generally require payment of annual trust income to the income beneficiary or beneficiaries over the term of the trust, with the remainderman portion of the assets reverting to TCF. The liability under deferred gift agreements on the statements of financial position represents the present value of the estimated future payments to be distributed to these beneficiaries over the life expectancies of the beneficiaries, as derived using actuarial tables. TCF uses the approved Internal Revenue Service ("IRS") rate specific to each trust to discount the estimated future payments to be distributed to the beneficiaries.

During the year ended June 30, 2015 TCF was granted its Certificate of Authority by the California Department of Insurance to hold Charitable Gift Annuity (CGA) assets on its books for the first time. The SDSU Research Foundation previously held CGA assets destined for TCF on its books until TCF obtained its CGA license and this amount was part of the Due from Affiliate line item on TCF's Statement of Financial Position. The CGA asset value now included in this line item for the year ended June 30, 2015 totaled $1,439,270.

Changes in the liability under deferred gift agreements are included in contributions in the accompanying statements of activities and totaled approximately $784,400 and $322,600 for the years ended June 30, 2015 and 2014, respectively.

Functional Allocation of Expenses

The costs of providing various programs, fundraising and other activities have been summarized in the statements of activities. Fundraising costs incurred that benefit the different programs across the University are gathered and combined with the central fundraising costs to determine the total fundraising expense. Accordingly, certain costs have been allocated between expense categories based on the program or activity benefiting.

Income Taxes

TCF is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. This exemption is for all income taxes except those assessed on unrelated business taxable income ("UBIT"), if any. In order to maintain that status, TCF is precluded from making certain expenditures, principally in support of political parties. Management believes that no such expenditures have been made. TCF is not a private foundation.

TCF adopted accounting guidance relating to accounting for uncertainty in income taxes, which is primarily codified in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification 740. TCF files a Form 990 (Return of Organization Exempt from Income Tax) annually. When these returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the tax position taken or the amount of the position that would ultimately be sustained. Examples of tax positions common to TCF include such

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Income Taxes (continued)

matters as the tax-exempt status of the entity and various positions relative to potential sources of UBIT. UBIT is reported on Form 990, as appropriate. The benefit of tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolutions of appeals or litigation processes, if any.

Tax positions are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying statements of financial position, along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Upon adoption and as of June 30, 2015, TCF has addressed uncertainty in its income tax position under the guidance, and there are no unrecognized/derecognized tax benefits that require an accrual.

Form 990 filed by TCF is subject to examination by the IRS up to three years from the extended due date of each return. Management believes Form 990 has been filed appropriately. Form 990 filed by TCF is no longer subject to examination for the fiscal years ended June 30, 2011 and prior.

Use of Estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Significant estimates include the discount rates on pledges receivable, the note receivable and unitrust liabilities, the life expectancy of annuitants of unitrusts, the collectability of pledges receivables and the fair values of alternative investments in hedge funds. Actual results could differ from those estimates.

Recent Accounting Pronouncement

In April 2013, the FASB issued Accounting Standards Update 2013-06, Not-for-Profit Entities (Topic 958)-*Services Received From Personnel of an Affiliate.* These amendments are effective on a prospective basis for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. A recipient not-for-profit entity may apply the amendments using a modified retrospective approach, under which all prior periods presented upon the date of adoption should be adjusted, but not adjustment should be made to the beginning balance of net assets of the earliest period presented. The adoption of this standard did not have a material impact on TCF's financial position, results of operations or cash flows.

In May 2015, the FASB issued ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent).* The guidance specifically clarifies how investments valued using the net asset value (NAV) practical expedient within the fair value hierarchy should be classified. The ASU was issued in order to address diversity in practice. The amended standard's key position exempts investments measured using the NAV practical expedient from categorization within the fair value hierarchy and related disclosures. The new guidance is effective for the year ending June 30, 2018, with early adoption permitted.

NOTE 2 – OPERATING AGREEMENT

TCF has an operating agreement with SDSURF to receive certain administrative services, including cash management processes, gift account administration, and accounting and financial reporting assistance. SDSURF receives an administrative fee when TCF funds are expended and at year-end an additional administrative fee is assessed to TCF Operations to meet the agreed upon annual fee. The due from affiliate asset represents the status of that relationship as of June 30, 2015 and 2014 in terms of balances held by SDSURF that are being managed on behalf of TCF. The original agreement expired in December 2001 and was renewed thereafter on an annual basis. In June 2014, TCF agreed to extend the agreement for three years through June 30, 2017.

The balance of due from affiliate as of June 30, 2015 represents ($3,895,800) held for campus programs, $8,628,837 for student aid and $2,827,834 for endowments.

The balance of due from affiliate as of June 30, 2014 represents $834,861 held for campus programs, $8,243,004 for student aid and $4,009,313 for endowments.

During the years ended June 30, 2015 and 2014 TCF transferred $6,239,513 and $7,837,678, respectively, from its net assets to the University for scholarships.

At June 30, 2015 and 2014, scholarship funds held by TCF are committed to students for the following school year. However, qualifying events have not occurred to release the funds to the University for disbursement to the recipients.

NOTE 3 – RESTRICTIONS ON NET ASSETS

Temporarily Restricted

Temporarily restricted net assets as of June 30 are available for the following purposes and periods:

	2015	2014
Campus programs:		
Use or time restricted	$ 96,947,132	$ 98,451,973
Student aid	32,998,160	34,914,402
	$ 129,945,292	$ 133,366,375

NOTE 3 – RESTRICTIONS ON NET ASSETS - Continued

Permanently Restricted

Permanently restricted net assets as of June 30 are restricted to the following:

	2015	2014
Endowments to be permanently retained and the income to be used for:		
Campus programs	$ 73,648,298	$ 62,893,054
Student aid	37,865,160	34,781,853
Annuity life income trusts for campus programs and student aid	11,307,206	12,603,612
	$ 122,820,664	$ 110,278,519

Net assets released from restrictions were released by incurrence of expenses satisfying the restricted purpose or by occurrence of events specified by the donors.

	2015	2014
Released from restrictions:		
Use or time restricted	$ (30,284,738)	$ (27,046,954)
Student aid	(2,541,572)	(2,140,508)
	$ (32,826,310)	$ (29,187,462)

TCF's pooled endowment portfolio consists of slightly over 700 individual donor-restricted funds established for a variety of purposes. As required by US GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees (the "Board") to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

TCF's Board has interpreted the California Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the Board's goal, using prudent investment techniques, to be the preservation of the fair value of the original endowed gifts, absent explicit donor stipulations to the contrary.

NOTE 3 – RESTRICTIONS ON NET ASSETS - Continued

In accordance with UPMIFA, an organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

TCF's Board classified CRTs as permanently restricted net assets, based on donor's restrictions. A CRT is an arrangement in which a donor establishes and funds a trust with specified distributions to be made to a designed beneficiary or beneficiaries over the trust's term. Upon termination of the trust, TCF receives the assets remaining in the trust. TCF recognizes the contributions in the period in which the trust is established. In subsequent period, adjustments to permanently restricted net assets are made to reflect changes in the fair value, payments to beneficiaries and changes in actuarial assumptions during the term of the trust.

TCF's Board also classified as permanently restricted net assets the original value of gifts donated to a permanent endowment fund and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until such time as appropriated for expenditure.

Endowment investments are made according to the Investment Policy Statement adopted by TCF's Board of Trustees. These guidelines provide for investments in equities, fixed income and other securities, with performance measured against appropriate indices. Outside parties are contracted by TCF for the purposes of providing investment management and consulting.

This investment policy and strategy is to emphasize total return – that is, the aggregate return from capital appreciation and dividend and interest income – in an attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Within this framework, specific investment objectives for endowment investments include liquidity, preservation of capital, preservation of purchasing power, and long-term growth of capital.

The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to produce, after investment expenses, a minimum annual compound total rate of return of 4 percent in excess of the rate of inflation. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, TCF relies on a total return strategy in which investment returns are archived through both capital appreciation (realized and unrealized) and current yield (interest and dividends). TCF targets a diversified asset allocation that places a greater emphasis on equity-based investment to achieve its long-term return objectives with prudent risk parameters.

NOTE 3 – RESTRICTIONS ON NET ASSETS - Continued

Target asset allocation:

The asset allocation of TCF shall be reviewed at least quarterly to ensure that the target allocation is in compliance with the following guidelines:

Asset Class	Target Allocation	Minimum	Maximum
High yield fixed income	3%	0%	7%
U.S. Large cap equity	29%	21%	36%
U.S. Small/Mid cap equity	5%	1%	10%
International large	15%	10%	20%
Emerging markets	7%	4%	13%
Core fixed income	18%	13%	25%
SDSU loans	0%	0%	5%
Liquid alternative assets	10%	5%	15%
Real estate	7%	0%	13%
REIT's	0%	0%	5%
Commodities	3%	0%	7%
Cash	0%	0%	10%
U.S. Tips	3%	0%	7%

The assets mix policy and acceptable minimum and maximum ranges established by the Finance and Investment Committee represent a long-term view. Rapid and significant market movements may cause the fund's actual asset mix to fall outside the policy range. Any such divergence should be of a short-term structure.

Endowment distributions are performed in accordance with TCF's Board Policy on Investments. For the fiscal years ended June 30, 2015 and 2014, the Board's adopted distribution rate was 4 percent of the endowment principal market value using a three-year moving average. However, in both fiscal years, in the event that the market value of a true endowment's share of the pooled endowment portfolio falls below the original value of the gift, distributions are limited to certain reserves created from "reinvesting" dividend and interest income.

Amounts distributed from endowments per the Board's policy are classified as temporarily restricted for a specific purpose on the statement of financial position. Purpose restrictions generally include student aid, faculty and program excellence.

NOTE 3 – RESTRICTIONS ON NET ASSETS - Continued

The composition of donor-restricted endowment funds is as follows:

Fiscal year ended	Unrestricted	Temporarily Restricted	Permanently Restricted
June 30, 2015	$ (38,268)	$ 86,589,341	$ 122,820,664
June 30, 2014	$ (39,390)	$ 83,570,782	$ 110,278,519

Changes in endowment net assets for the fiscal year ended June 30, 2015 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Assets
Endowment net assets, beginning of year	$ (39,390)	$ 83,570,782	$ 110,278,519	$ 193,809,911
Investment return:				
Investment income	-	2,063,560	35,945	2,099,505
Net appreciation (depreciation)	1,122	(3,214,943)	(788,695)	(4,002,516)
Total investment return	1,122	(1,151,383)	(752,750)	(1,903,011)
Contributions	-	11,838,660	14,409,125	26,247,785
Appropriations for expenditure	-	(7,668,718)	(1,114,230)	(8,782,948)
Endowment net assets, end of year	$ (38,268)	$ 86,589,341	$ 122,820,664	$ 209,371,737

Changes in endowment net assets for the fiscal year ended June 30, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Assets
Endowment net assets, beginning of year	$ (53,170)	$ 62,997,182	$ 100,926,949	$ 163,870,961
Investment return:				
Investment income	-	918,365	68,735	987,100
Net appreciation (depreciation)	13,780	21,736,311	1,786,545	23,536,636
Total investment return	13,780	22,654,676	1,855,280	24,523,736
Contributions	-	5,163,290	8,125,329	13,288,619
Appropriations for expenditure	-	(7,244,366)	(629,039)	(7,873,405)
Endowment net assets, end of year	$ (39,390)	$ 83,570,782	$ 110,278,519	$ 193,809,911

NOTE 3 – RESTRICTIONS ON NET ASSETS - Continued

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires TCF to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are charged to unrestricted net assets and amounted to $38,268 and $39,390 as of June 30, 2015 and 2014, respectively. These deficiencies resulted from unfavorable market fluctuations in 2015 and 2014 for endowment funds that had deficiencies in the previous year and have gains in the current year. The gains are allocated to unrestricted net assets until the deficiency is restored.

NOTE 4 - INVESTMENTS

TCF has investments that include mutual funds and investment partnerships, and is therefore subject to concentrations of credit risk. Investments are made by investment managers engaged by TCF, and the investments are monitored for TCF by an investment advisor.

The investments of TCF are exposed to interest rate and market risk. Economic conditions can impact these risks and resulting market value can be either positively or adversely affected. If the level of risk increases in the near term, it is possible that the investment balances and the amounts reported in the financial statements could be materially affected by market fluctuations. Although the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of TCF and its beneficiaries.

As of June 30, total investments consisted of the following:

	2015	2014
Large cap equity	$ 28,666,949	$ 27,099,741
Core fixed income	60,486,451	52,221,840
Deferred gifts	15,802,811	15,450,114
International equity	28,719,036	27,299,934
Alternative assets	25,456,695	23,732,833
Small/mid cap	9,679,225	9,310,030
Investments in investment partnerships:		
Large cap equity	27,665,310	25,800,385
Core fixed income	16,569,865	-
International equity	13,333,213	14,198,558
Real estate securities	12,941,695	11,619,283
Other investments	235,296	510,854
	$ 239,556,546	$ 207,243,572

NOTE 4 – INVESTMENTS – Continued

Deferred Gifts are invested primarily in fixed income and low-risk equities with the long-term investment portfolio designed to minimize risk and maintain the ability to meet the payment obligations to the beneficiaries as determined in the gift agreements.

Effective July 1, 2007, TCF agreed to be the endowment pool manager for SDSURF. As of June 30, 2015 and 2014, SDSURF had (at fair value) $14,360,742 and $17,530,791, respectively, in the endowment pool. That amount is included in the long-term investments of TCF and the related liability is shown as due to SDSURF in the liabilities of TCF as stated on the statements of financial position.

NOTE 5 – FAIR VALUE MEASUREMENTS

Short-term investments, amounts due from affiliate, accrued liabilities and accounts payable approximate fair value due to the immediate short-term maturity of these financial instruments. Other receivables are carried at their net realizable value. The carrying amount of long-term pledges receivable and the note receivable are discounted to their estimated net present value, which approximates fair value. Investments are presented in the financial statements at fair value in accordance with US GAAP. Investments in securities traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation; other securities traded in the over-the-counter market and listed securities for which no sales was reported on that date are stated at the last quoted bid price. Alternative investments, which consist of funds that utilize a variety of absolute return strategies, are reported at the fair value of the shares owned in each fund.

Investments in investment partnerships are valued at fair value based on the applicable percentage ownership of the underlying partnerships' net assets as of the measurement date, as determined by the general partner. In determining fair value, the general partner utilizes valuations provided by the underlying investment partnerships. The underlying investment partnership values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the underlying investments partnerships, which may include private placements and other securities for which prices are not readily available, are determined by the general partner or sponsor of the respective investment partnership and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The fair value of the partnership's investments in investment partnerships generally represents the amounts the partnership would expect to receive if it were to liquidate its investment in the investment partnerships, excluding any redemption charges that may apply.

Due to SDSURF is carried at the fair value of the related investments included in the pooled endowment funds.

NOTE 5 – FAIR VALUE MEASUREMENTS - Continued

The FASB's authoritative guidance on fair value measurements establishes a framework for measuring fair value and expands disclosure about fair value measurements. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Under this guidance, assets and liabilities carried at fair value must be classified and disclosed in one of the following three categories:

Level 1 - Observable inputs such as quoted market prices in active markets. Classifications currently include cash and investments in funds that are priced daily and trade over an active exchange such as the New York Stock Exchange.

Level 2 - Inputs other than the quoted prices in active markets, which are observable either directly or indirectly.

Level 3 - Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions. Classifications currently include commingled funds that do not have daily pricing on an active exchange but where a substantial portion of a fund's fair value could be determined based on quoted market prices of underlying investments held by the fund and the estimated fair value of certain investments of the underlying investment partnership, which may include private placements and other securities for which prices are not readily available, and are determined by the general partner or sponsor of the respective other investment partnership and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized.

NOTE 5 – FAIR VALUE MEASUREMENTS - Continued

As of June 30, assets (liabilities) measured at fair value on a recurring basis are as follows:

	2015			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Large cap equity	$ 28,666,949	$ 28,666,949	$ -	$ -
Core fixed income	60,486,451	31,394,180	29,092,271	-
Deferred Gifts	15,802,811	15,802,811	-	-
International equity	28,719,036	28,719,036	-	-
Alternative assets	25,456,695	19,463,808	-	5,992,887
Small/mid cap	9,679,225	9,679,225	-	-
Investments in investment partnerships:				
Large cap equity	27,665,310	-	27,665,310	-
Core fixed income	16,569,865	16,569,865		
International equity	13,333,213	-	13,333,213	-
Real estate securities	12,941,695	-	-	12,941,695
Other investments	235,296	235,296	-	-
Total investments	$ 239,556,546	$ 150,531,170	$ 70,090,794	$ 18,934,582
Beneficial interest in trusts	$ 3,958,738	$ -	$ -	$ 3,958,738
Due to SDSURF	$ (14,360,742)	$ -	$ -	$ (14,360,742)

	2014			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Large cap equity	$ 27,099,741	$ 27,099,741	$ -	$ -
Core fixed income	52,221,840	52,221,840	-	-
Trusts	15,450,114	15,450,114	-	-
International equity	27,299,934	27,299,934	-	-
Alternative assets	23,732,833	18,502,808	-	5,230,025
Small/mid cap	9,310,030	9,310,030	-	-
Investments in investment partnerships:				
Large cap equity	25,800,385	-	25,800,385	-
International equity	14,198,558	-	14,198,558	-
Real estate securities	11,619,283	-	-	11,619,283
Other investments	510,854	510,854	-	-
Total investments	$ 207,243,572	$ 150,395,321	$ 39,998,943	$ 16,849,308
Beneficial interest in trusts	$ 3,877,947	$ -	$ -	$ 3,877,947
Due to SDSURF	$ (17,530,791)	$ -	$ -	$ (17,530,791)

NOTE 5 – FAIR VALUE MEASUREMENTS – Continued

The fair value of the beneficial interest in trusts has been determined based on the fair value of the assets discounted using the Group Annuity Mortality table.

The fair value of the liabilities due to SDSURF has been determined based on SDSURF's share of the market value of the investments in the endowment pool.

The following table reflects a reconciliation of TCF's beginning and ending Level 3 investments:

	2015	2014
Beginning balance	$ 16,849,308	$ 13,959,672
Investment Income	603,172	226,726
Realized and unrealized gains	714,173	1,162,910
Realized and unrealized losses	(1,237,139)	-
Additions	2,005,068	1,500,000
Withdrawals	-	-
Ending balance	$ 18,934,582	$ 16,849,308

The following table reflects a reconciliation of TCF's beginning and ending Level 3 liability to SDSURF:

	2015	2014
Beginning balance	$ 17,530,791	$ 15,436,134
Realized and unrealized gains	170,337	2,646,057
Realized and unrealized losses	(612,749)	(439,540)
Additions	723,923	504
Withdrawals	(3,451,560)	(112,364)
Ending balance	$ 14,360,742	$ 17,530,791

The following table reflects a reconciliation of beginning and ending investment balances for TCF's total investments:

	2015	2014
Beginning balance	$ 207,243,572	$ 159,099,479
Total realized and unrealized gains, net, included in change in net assets	(4,125,235)	23,536,636
Net additions, purchases, sales and maturities	36,438,209	24,607,457
Ending balance	$ 239,556,546	$ 207,243,572

NOTE 5 – FAIR VALUE MEASUREMENTS - Continued

The following tables sets forth additional disclosures of TCF's investments whose fair value is estimated using net asset value per share (or its equivalent) as of June 30, 2015:

	Fair Value	Number of Funds	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Large cap equity [a]	$ 27,665,310	1	$ -	Daily	N/A
International equity [b]	$ 13,333,213	1	$ -	Monthly	N/A
Real estate securities [c]	$ 12,941,695	1	$ -	Quarterly	60 Days
Commodities [d]	$ 5,992,887	1	$ -	Daily	N/A
Core Fixed Income [e]	$ 16,569,865	1	$ -	Monthly	N/A

[a] Investment in a commingled fund that invests in the largest 3,000 U.S. companies.
[b] Investment in a commingled fund that invests in equities of companies located in developed markets outside the United States and Canada. The fund enters into foreign currency exchange contracts.
[c] Investment in a commingled fund that invests in real estate, which represents long-term investments.
[d] Investment in a commingled fund that invests in commodities.
[e] Investment in a commingled fund that invests in core fixed income.

NOTE 6 – PLEDGES RECEIVABLE

Contributions are recorded as revenue and as a pledge receivable when a donor makes an unconditional promise to give. Unconditional contributions expected to be received at the time of gift in more than a year's time are recorded at their expected net present values using discount rates commensurate within the risks involved. The rates used to discount pledges outstanding at June 30, 2015 and 2014 ranged from 2.35 percent to 5 percent. Pledges receivable are assessed periodically for collectability. The allowance for uncollectable pledge receivables was $367,899 and $0 as of June 30, 2015 and 2014, respectively.

Contributions pledged are expected to be collected as follows as of June 30:

	2015	2014
Amounts due in:		
Less than one year	$ 7,685,156	$ 8,626,294
One to five years	12,090,379	10,140,635
More than five years	21,000	1,071,000
Less discount to present value	(1,167,765)	(1,345,953)
Less Allowance for Uncollectable Pledges	(367,899)	-
	$ 18,260,871	$ 18,491,976

NOTE 7 – NOTE RECEIVABLE

The note receivable originated during 2008 from a single donor in the amount of approximately $8.6 million, which consisted of the assignment of six promissory notes held by the donor and which were assigned to the Foundation in fulfillment of the donor's pledge. The original terms of the note were that it accrued interest at 4.35 percent per annum and matured in 2034. During 2014 a new note agreement was reached with the donor to alter terms to accrue interest at 2.40 percent per annum and to mature in 2036. The current note agreement requires annual payments of principal and interest of approximately $376,000, with a final payment of remaining principal and interest in 2036.

Principal payments due in the years ending June 30, :

2016	$	231,553
2017		237,110
2018		242,801
2019		248,628
2020		254,595
Thereafter		4,812,961
Total principal due	$	6,027,648

NOTE 8 – AMOUNTS HELD ON BEHALF OF OTHERS

TCF administers service scholarship funds for the University where the recipient of the scholarship is pre-determined by the donor when the funds are donated to TCF. In accordance with US GAAP, these funds are held as a liability on the statements of financial position, as TCF has no variance power.

NOTE 9 – SUBSEQUENT EVENTS

TCF has evaluated subsequent events through September 24, 2015, the date the financial statements were available to be issued, and has determined that there were no subsequent events to recognize in these financial statements.

SUPPLEMENTARY INFORMATION

The Campanile Foundation

SCHEDULE OF NET POSITION

June 30, 2015

Assets:		
Current assets:		
Cash and cash equivalents	$	-
Short-term investments		1,867,868
Accounts receivable, net		8,134,057
Leases receivable, current portion		-
Notes receivable, current portion		231,553
Pledges receivable, net		7,458,411
Prepaid expenses and other assets		-
Total current assets		17,691,889
Noncurrent assets:		
Restricted cash and cash equivalents		-
Accounts receivable, net		47,140
Leases receivable, net of current portion		-
Notes receivable, net of current portion		5,796,095
Student loans receivable, net		-
Pledges receivable, net		10,802,460
Endowment investments		208,955,430
Other long-term investments		28,733,248
Capital assets, net		-
Other assets		3,958,738
Total noncurrent assets		258,293,111
Total assets	$	275,985,000
Deferred outflows of resources:		
Unamortized loss on debt refunding		-
Net pension obligation		-
Others	$	-
Total deferred outflows of resources	$	-

The Campanile Foundation

SCHEDULE OF NET POSITION - CONTINUED

June 30, 2015

Liabilities:		
Current liabilities:		
Accounts payable	$	501,315
Accrued salaries and benefits payable		-
Accrued compensated absences– current portion		-
Unearned revenue		-
Capitalized lease obligations – current portion		-
Long-term debt obligations – current portion		-
Claims Liability for losses and LAE - current portion		-
Depository accounts		-
Other liabilities		14,864,714
Total current liabilities		15,366,029
Noncurrent liabilities:		
Accrued compensated absences, net of current portion		-
Unearned revenue		-
Grants refundable		-
Capitalized lease obligations, net of current portion		-
Long-term debt obligations, net of current portion		-
Claims Liability for losses and LAE, net of current portion		-
Depository accounts		-
Other postemployment benefits obligation		-
Pension obligation		-
Other liabilities		4,570,608
Total noncurrent liabilities		4,570,608
Total liabilities		19,936,637
Deferred inflows of resources:		
Unamortized gain on debt refunding		-
Non-exchange transactions		-
Service concession arrangements		-
Net pension obligation		-
Others		-
Total deferred inflows of resources	$	-

The Campanile Foundation

SCHEDULE OF NET POSITION - CONTINUED

June 30, 2015

Net Position:		
Net investment in capital assets	$	-
Restricted for:		
Nonexpendable – endowments		122,820,664
Expendable:		
Scholarships and fellowships		32,998,160
Research		-
Loans		-
Capital projects		5,065,055
Debt service		-
Other		91,882,077
Unrestricted		3,282,407
Total net position	$	256,048,363

The Campanile Foundation

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

June 30, 2015

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of $0)	$ -
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 $0)	-
Other operating revenues	10,746,292
Total operating revenues	10,746,292
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	8,742,200
Student services	-
Institutional support	3,217,033
Operation and maintenance of plant	-
Student grants and scholarships	6,239,513
Auxiliary enterprise expenses	-
Depreciation and amortization	-
Total operating expenses	18,198,746
Operating income (loss)	(7,452,454)

The Campanile Foundation

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - CONTINUED

June 30, 2015

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	18,139,386
Investment income (loss), net	552,475
Endowment income (loss), net	(1,903,011)
Interest expense	-
Other nonoperating revenues (expenses)	(15,255,903)
Net nonoperating revenues (expenses)	1,532,947
Income (loss) before other additions	(5,919,507)
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	14,409,125
Increase (decrease) in net position	8,489,618
Net position:	
Net position at beginning of year, as previously reported	247,558,745
Restatements	-
Net position at beginning of year, as restated	247,558,745
Net position at end of year	$ 256,048,363

THE CAMPANILE FOUNDATION

Other Information

June 30, 2015

(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2015:

Portion of restricted cash and cash equivalents related to endowments	$	-
All other restricted cash and cash equivalents		-
Total restricted cash and cash equivalents	$	-

2.1 Composition of investments at June 30, 2015:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	$ -	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Mutual funds	-	1,671,989	1,671,989	-	183,269,851	183,269,851	184,941,840
Money Market funds	-	178,209	178,209	-	-	-	178,209
Repurchase agreements	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-
Asset backed securities	-	-	-	-	-	-	-
Mortgage backed securties	-	-	-	-	-	-	-
Municipal bonds	-	-	-	-	-	-	-
U.S. agency securities	-	-	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Exchange traded funds (ETFs)	-	-	-	-	-	-	-
Alternative investments:							
Private equity (including limited partnerships)	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Managed futures	-	-	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	12,941,695	12,941,695	12,941,695
Commodities	-	-	-	-	5,992,887	5,992,887	5,992,887
Derivatives	-	-	-	-	-	-	-
Other alternative investment types	-	-	-	-	19,463,808	19,463,808	19,463,808
Other external investment pools (excluding SWIFT)							
N/A	-	-	-	-	-	-	-
Other major investments:						-	-
Deferred Gifts (Trusts/CGAs)	-	17,670	17,670	-	15,785,141	15,785,141	15,802,811
Other Investments	-	-	-	-	235,296	235,296	235,296
Total investments	-	1,867,868	1,867,868	-	237,688,678	237,688,678	239,556,546
Less endowment investments (enter as negative number)					(208,955,430)	(208,955,430)	(208,955,430)
Total investments	-	1,867,868	1,867,868	-	28,733,248	28,733,248	30,601,116

2.2 Investments held by the University under contractual agreements at June 30, 2015:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2015 :	-	-	-	-	-	-	-

2.3	**Restricted current investments at June 30, 2015 related to:**		**Amount**
	Program Funds Investment	$	1,671,989
	Money Market		178,209
	Deferred Gifts (Trusts/CGAs)		17,670
	Total restricted current investments at June 30, 2015	$	1,867,868

2.4	**Restricted noncurrent investments at June 30, 2015 related to:**		**Amount**
	Endowment investment	$	208,955,430
	Program Funds Investment		28,733,248
	Total restricted noncurrent investments at June 30, 2015	$	237,688,678

3.1 Composition of capital assets at June 30, 2015:

	Balance June 30, 2014	Prior period Adjustments	Reclassifications	Balance June 30, 2014 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2015
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
N/A	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
N/A		-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	-	-	-	-	-	-	-	-
Total capital assets	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:								
N/A	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-
Total capital assets, net	$ -	-	-	-	-	-	-	-

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2015:

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

4 Long-term liabilities activity schedule:

	Balance June 30, 2014	Prior period adjustments	Reclassifications	Balance June 30, 2014 (restated)	Additions	Reductions	Balance June 30, 2015	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	-	-	-	-	-	-	-	-	-
Note Payable related to SRB	-	-	-	-	-	-	-	-	-
Other:									
N/A	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-	-
Unamortized bond premium / (discount)	-	-	-	-	-	-	-		-
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:			
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021 - 2025	-	-	-
2026 - 2030	-	-	-
2031 - 2035	-	-	-
2036 - 2040	-	-	-
2041 - 2045	-	-	-
2046 - 2050	-	-	-
2051 - 2055	-	-	-
2056 - 2060	-	-	-
2061 - 2065	-	-	-
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			$ -

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:									
2016	$ -	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2021 - 2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
2051 - 2055	-	-	-	-	-	-	-	-	-
2056 - 2060	-	-	-	-	-	-	-	-	-
2061 - 2065	-	-	-	-	-	-	-	-	-
Total	$ -	-	-	-	-	-	-	-	-

7 Calculation of net position

		Auxiliary Organizations		Total
		GASB	FASB	Auxiliaries
7.1 Calculation of net position - Net investment in capital assets				
Capital assets, net of accumulated depreciation	$	-	-	-
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)				
N/A		-	-	-
Net position - net investment in capital asset	$	-	-	-
7.2 Calculation of net position - Restricted for nonexpendable - endowments				
Portion of restricted cash and cash equivalents related to endowments	$	-	-	-
Endowment investments		-	208,955,430	208,955,430
Other adjustments: (please list)				
Investment appreciation above corpus		-	(86,134,766)	(86,134,766)
Net position - Restricted for nonexpendable - endowments per SNP	$	-	122,820,664	122,820,664

THE CAMPANILE FOUNDATION

Other Information - Continued

June 30, 2015

(for inclusion in the California State University)

8 Transactions with Related Entities

		Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	$	357,041
Payments to University for other than salaries of University personnel		319,989
Payments received from University for services, space, and programs		26,157
Gifts-in-kind to the University from discretely presented component units		1,638,888
Gifts (cash or assets) to the University from discretely presented component units		17,115,734
Accounts (payable to) University (enter as negative number)		(123,396)
Other amounts (payable to) University (enter as negative number)		-
Accounts receivable from University		38,597
Other amounts receivable from University		436,783

9 Other Postemployment Benefits Obligation (OPEB)

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

10 Pollution remediation liabilities under GASB Statement No. 49:

Description		Amount
N/A	$	-
Total pollution remediation liabilities	$	-
Less: current portion		-
Pollution remedition liabilities, net of current portion		-

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

	Net Position Class		Amount Dr. (Cr.)
Net position as of June 30, 2014, as previously reported		$	247,558,745
Prior period adjustments:			
1 N/A			-
Net position as of June 30, 2014, as restated		$	247,558,745

THE CAMPANILE FOUNDATION

Other Information - Continued

June 30, 2015

(for inclusion in the California State University)

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

	Debit	Credit
Net position class:______________________		
1 (breakdown of adjusting journal entry)		
	$ -	
		-
Net position class:______________________		
2 (breakdown of adjusting journal entry)		
	-	
		-
Net position class:______________________		
3 (breakdown of adjusting journal entry)		
	-	
		-
Net position class:______________________		
4 (breakdown of adjusting journal entry)		
	-	
		-
Net position class:______________________		
5 (breakdown of adjusting journal entry)		
	-	
		-
Net position class:______________________		
6 (breakdown of adjusting journal entry)		
	-	
		-
Net position class:______________________		
7 (breakdown of adjusting journal entry)		
	-	
		-
Net position class:______________________		
8 (breakdown of adjusting journal entry)		
	-	
		-
Net position class:______________________		
9 (breakdown of adjusting journal entry)		
	-	
		-
Net position class:______________________		
10 (breakdown of adjusting journal entry)		
	-	
		-