

FULLERTON ARBORETUM AUTHORITY
FINANCIAL STATEMENTS
DECEMBER 3, 2020 AND JUNE 30, 2020

CONTENTS

INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Net Position	3
Statements of Revenues, Expenses, and Changes in Fund Net Position	4
Statements of Cash Flows	5
Notes to Financial Statements	6-15

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INDEPENDENT AUDITORS' REPORT

To the Commissioners of the
Fullerton Arboretum Authority

We have audited the accompanying financial statements of the Fullerton Arboretum Authority which comprise the statements of net position as of December 3, 2020 and June 30, 2020, the related statements of revenues, expenses, and changes in fund net position, and cash flows for the five-month and twelve-month periods 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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 entity'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 entity'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.

INDEPENDENT AUDITORS' REPORT, continued

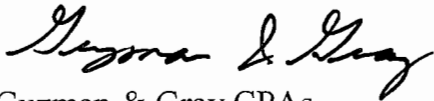
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fullerton Arboretum Authority as of December 3, 2020 and June 30, 2020, and the changes in its financial position and its cash flows for the five-month and twelve-month periods then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.



Guzman & Gray CPAs
Long Beach, California
July 22, 2021

FULLERTON ARBORETUM AUTHORITY
STATEMENTS OF NET POSITION

DECEMBER 3, 2020 AND JUNE 30, 2020

ASSETS

	December 3, 2020	June 30, 2020
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ 1,164,775
Pledge receivable	-	24,966
Prepaid expenses	-	5,111
TOTAL CURRENT ASSETS	-	1,194,852
FIXED ASSETS		
Capital assets, net	-	2,245,401
OTHER ASSETS		
Investments	-	3,129,958
Other assets, net	-	16,798
TOTAL OTHER ASSETS	-	3,146,756
TOTAL ASSETS	\$ -	\$ 6,587,009

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 6,100
Accrued vacation and benefits	-	57,812
TOTAL LIABILITIES	-	63,912
NET POSITION		
Investment in capital assets, net of related debt	-	2,242,041
Restricted for:		
Programs	-	220,202
Non-expendable endowment	-	1,425,618
Unrestricted	-	2,635,236
TOTAL NET POSITION	-	6,523,097
TOTAL LIABILITIES AND NET POSITION	\$ -	\$ 6,587,009

See Independent Auditors' Report and Notes to Financial Statements.

FULLERTON ARBORETUM AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

FIVE MONTHS ENDED DECEMBER 3, 2020 AND YEAR ENDED JUNE 20, 2020

	December 3, 2020	June 30, 2020
OPERATING REVENUE		
Contributions	\$ 327,503	\$ 2,071,100
Programs fees	3,669	92,251
Facility fees	10,723	-
In-kind goods and services	270,764	614,789
TOTAL OPERATING REVENUE	612,659	2,778,140
OPERATING EXPENSES		
Salaries and benefits	310,532	955,977
Supplies and services	3,790	19,381
Contractual services	20,368	52,948
Telephone	238	4,724
Postage	634	487
Insurance	8,706	28,018
Printing and duplicating	2,584	368
Travel	238	1,247
Advertising and public relations	190	205
Equipment leases	775	1,860
Depreciation and amortization	93,266	184,175
Payroll tax and processing	17,187	17,015
Memberships and subscriptions	425	2,403
Maintenance	14,235	6,968
Utilities	35,798	84,066
Miscellaneous	1,018	444
TOTAL OPERATING EXPENSES	509,984	1,360,286
OPERATING INCOME	102,675	1,417,854
NONOPERATING INCOME		
Unrealized gain	119,226	35,038
Interest income	410	2,918
Other	-	513
TOTAL NONOPERATING INCOME	119,636	38,469
CHANGE IN FUND NET POSITION	222,311	1,456,323
NET POSITION - BEGINNING OF YEAR	6,523,097	5,066,774
TRANSFER TO CALIFORNIA STATE UNIVERSITY - FULLERTON	(6,745,408)	-
NET POSITION - END OF YEAR	\$ -	\$ 6,523,097

See Independent Auditors' Report and Notes to Financial Statements.

FULLERTON ARBORETUM AUTHORITY
STATEMENTS OF CASH FLOWS

FIVE MONTHS ENDED DECEMBER 3, 2020 AND YEAR ENDED JUNE 30, 2020

	December 3, 2020	June 30, 2020
	<u>2020</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from contributions and customers	\$ 334,119	\$ 712,087
Transfers	50,202	-
Payments owed to suppliers	(7,282)	(293)
Payments to suppliers	(6,113)	(143,384)
Payments to employees	<u>(147,232)</u>	<u>(419,228)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>223,694</u>	<u>149,182</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and other income	410	3,431
Investments	<u>90,357</u>	<u>62,898</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>90,767</u>	<u>66,329</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	314,461	215,511
CASH AND CASH EQUIVALENTS		
Beginning of year	1,164,775	949,264
Transfer to California State University - Fullerton	<u>(1,479,236)</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 1,164,775</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating gain/(loss)	\$ 102,675	\$ 1,417,854
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	93,266	184,175
Change in current assets and liabilities:		
Pledge receivable	14,966	(24,966)
Prepaid expenses	(7,282)	(293)
Gifts made to endowment	-	(1,425,618)
Other assets	-	(6,767)
Adjustment to net assets	-	(513)
Accounts payable	2,146	550
Accrued vacation and benefits	<u>17,923</u>	<u>4,760</u>
Net cash provided by operating activities	<u>\$ 223,694</u>	<u>\$ 149,182</u>

See Independent Auditors' Report and Notes to Financial Statements.

FULLERTON ARBORETUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 3, 2020 AND JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Fullerton Arboretum Authority (Authority) is a nonprofit governmental agency created on March 24, 1976, through a Joint Powers Agreement (Agreement) between the Redevelopment Agency of the City of Fullerton (Redevelopment Agency) and the Trustees of the California State University and Colleges (Trustees). In 2012, the City of Fullerton took the place of the Redevelopment Agency, which was in the process of dissolution as mandated under state law. The purpose of the Authority is to operate, on approximately twenty-six acres of land owned by the Trustees, a public ecological preserve which serves both the City of Fullerton and California State University, Fullerton (CSUF), as an educational, research, and recreational facility. Subject to the provisions of the Agreement, the Authority's annual operating expenses will be funded by the City of Fullerton, the Trustees, and contributions from third-party sources, if any. Effective December 3, 2020, the Agreement was terminated, and the California State University - Fullerton has taken over the operations of the Fullerton Arboretum (see Note 11).

Governing Commission

The Authority shall be administered by a commission composed of seven members, each serving in their individual capacity as a member of the commission. Members appointed by the Redevelopment Agency shall be residents of the City of Fullerton, California. Six of the members are appointed by the Trustees and the seventh member is selected by the other six commissioners, and are residents of Orange County, California.

Accounting Standards

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. The Authority also has the option of following subsequent private-sector guidance for their proprietary fund, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

Significant Accounting Policies

Proprietary Fund

The financial operations of the Authority are accounted for and reported on as business-type activities.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, which is defined as the basis of accounting under which expenses are recorded at the time liabilities are incurred, and revenues are recorded when earned, regardless of the timing of related cash flows.

FULLERTON ARBORETUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 3, 2020 AND JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The Authority reports information regarding their financial position and activities according to three classes of net position: unrestricted net position, temporarily restricted net position, and permanently restricted net position. A description of each of these categories of net position is as follows:

Unrestricted net position – Net position that is not subject to donor-imposed stipulations.

Restricted net position – Net position subject to donor-imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations, or expire by the passage of time, or are subject to stipulations that they be maintained permanently. Restricted resources whose restrictions are met in the same reporting period are recorded as unrestricted.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The Authority follows the practice of pooling cash with CSUF, CSU Fullerton Auxiliary Services Corporation (CSUF ASC), and Cal State Fullerton Philanthropic Foundation (CSFPF). Interest income earned on pooled cash and cash equivalents is allocated to the various funds based on the average monthly invested cash balances in each participating fund.

Investments

The Authority carries its investments at fair market value. The difference between fair market value and cost is recorded as realized and unrealized gain (loss) account in the financial statements. Investments are held in an investment pool at the CSFPF.

FULLERTON ARBORETUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 3, 2020 AND JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets

Capital assets are recorded at cost, except for donated assets, which are recorded at fair value at the date of receipt. The Authority has set the capitalization threshold for reporting all capital assets at \$5,000. Depreciation on capital assets is computed using the straight-line method of depreciation based on the following estimated useful lives:

Buildings and improvements	30 years
Infrastructure	30 years
Equipment	7 years
Furnishings	7 years
Improvements other than buildings	10 years

Accrued Vacation and Benefits

The liability for accrued vacation and benefits is recognized when the right to receive the compensation is earned by the employees.

Donated Services and Materials

Services of various administrative and maintenance personnel donated by CSUF for which there is a basis for measuring the fair value are recorded as contributions and expenses at the time the services are rendered. Donated materials of significant amounts are recorded at their fair value at the date of receipt.

Income Taxes

The Authority was formed and operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954. No provision is made for Federal income and California franchise taxes, since the Authority is organized and operated as a nonprofit governmental agency.

Reporting of Subsequent Events

The Authority has evaluated events and transactions for potential recognition or disclosure through July 22, 2021 the date the financial statements were available to be issued.

FULLERTON ARBORETUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 3, 2020 AND JUNE 30, 2020

NOTE 2 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at December 3, 2020 and June 30, 2020:

	December 3, 2020	June 30, 2020
Cash deposited with CSUF	\$ 206,452	\$ 15,502
Cash deposited with CSUF ASC	162,196	290,693
Cash deposited with CSFPF	1,110,588	858,580
Transfer to California State University - Fullerton	(1,479,236)	
Cash deposits	\$ -	\$ 1,164,775

At December 3, 2020 and June 30, 2020, the Authority did not have deposits under its name with financial institutions. Instead, the Authority deposited and pooled its cash with several related parties such as CSUF, CSUF ASC and CSFPF. The Authority entered into agreements with related parties such as the CSUF, CSUF ASC, and CSFPF where administrative services are provided to the Authority in managing these pooled funds. Funds were held in the CSUF, CSUF ASC, and CSFPF's Trust Fund accounts and disbursements were made through check requests.

NOTE 3 – CONTRIBUTIONS

The Authority is supported through contributions of cash, materials, and services by various organizations and private donors. Summaries of these contributions which are reflected as revenues in the accompanying financial statements are as follows:

For the five months ended December 3, 2020

Donors	Cash	Materials and Services	Total
City of Fullerton	\$ 101,420		\$ 101,420
CSUF	226,083	\$ 270,764	496,847
Total	\$ 327,503	\$ 270,764	\$ 598,267

FULLERTON ARBORETUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 3, 2020 AND JUNE 30, 2020

NOTE 3 – CONTRIBUTIONS, continued

For the year ended June 30, 2020

Donors	Cash	Investments	Materials and Services	Total
City of Fullerton	\$ 236,410			\$ 236,410
CSUF			\$ 614,789	614,789
Friends of the Fullerton Arboretum	24,966	\$ 1,425,618		1,450,584
Other cash and in-kind donations	384,106			384,106
Total	<u>\$ 645,482</u>	<u>\$ 1,425,618</u>	<u>\$ 614,789</u>	<u>\$ 2,685,889</u>

For the five months ended December 3, 2020 and year ended June 30, 2020, the Authority received in-kind donations of materials and services worth \$270,764 and \$614,789 respectively, which were recorded as contributions and expenses at the time the materials were received and the services were rendered.

In accordance with Accounting for Contributed Services, volunteer services should not be recognized and were not recognized in the accompanying financial statements.

NOTE 4 – CAPITAL ASSETS

Capital assets are as follows:

	December 3, 2020	June 30, 2020
Building and improvements	\$ 3,895,746	\$ 3,895,746
Improvements other than buildings	630,094	630,094
Equipment	368,209	368,209
Furnishings	10,000	10,000
Capital assets, total gross amount	4,904,049	4,904,049
Less: accumulated depreciation	<u>(2,745,195)</u>	<u>(2,658,648)</u>
	2,158,854	2,245,401
Transfer to California State University - Fullerton	<u>(2,158,854)</u>	<u></u>
Capital assets, net	<u>\$ -</u>	<u>\$ 2,245,401</u>

FULLERTON ARBORETUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 3, 2020 AND JUNE 30, 2020

NOTE 4 – CAPITAL ASSETS, continued

Depreciation expense for the five months ended December 3, 2020 and year ended June 30, 2020 totaled \$86,547 and \$180,815 respectively.

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally Accepted Accounting Principles (GAAP) emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As a basis for considering market participant assumptions in fair market value measurements, GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). Level 1 inputs utilize quoted prices in active market for identical assets or liabilities that the Authority has the ability to access. Level 2 inputs utilize other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability, such as interest rates, that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based upon inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair values of assets measured on a recurring basis at December 3, 2020 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Pooled investments	<u>\$ 3,158,827</u>	<u>\$ -</u>	<u>\$ 3,158,827</u>	<u>\$ -</u>

FULLERTON ARBORETUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 3, 2020 AND JUNE 30, 2020

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS, continued

Fair values of assets measured on a recurring basis at June 30, 2020 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Pooled investments	<u>\$ 3,129,958</u>	<u>\$ -</u>	<u>\$ 3,129,958</u>	<u>\$ -</u>

Carrying values of cash and cash equivalents, pledge receivable, prepaid expenses, accounts payable, and accrued vacation and benefits approximated their fair values due to the short term nature of these financial instruments. Fair value of pooled investments is determined by reference to quoted market prices and other relevant information generated by market transactions. There have been no changes in methodologies at December 3, 2020 and June 30, 2019. There have been no transfers between levels during December 3, 2020 and June 30, 2020.

The Authority has placed funds in an investment pool consisting of marketable securities with the CSUF Philanthropic Foundation. The fair market value of pooled investments at December 3, 2020 and June 30, 2020 are as follows:

	<u>December 3, 2020</u>	<u>June 30, 2020</u>
Pooled investments	\$ 3,158,827	\$ 3,129,958
Transfer to California State University - Fullerton	<u>(3,158,827)</u>	
Total	<u>\$ -</u>	<u>\$ 3,129,958</u>

NOTE 6 – OTHER ASSETS

Other assets consist of costs associated with the construction of the Authority’s website which was completed in September 2019. The costs of the construction totaled \$20,158. Depreciation on the website costs is computed using the straight-line method of depreciation over an estimated useful life of three years. Other assets are summarized as follows:

	<u>December 3, 2020</u>	<u>June 30, 2020</u>
Website costs	\$ 20,158	\$ 20,158
Less: accumulated amortization	<u>(10,079)</u>	<u>(3,360)</u>
	10,079	16,798
Transfer to California State University - Fullerton	<u>(10,079)</u>	
Other assets, net	<u>\$ -</u>	<u>\$ 16,798</u>

FULLERTON ARBORETUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 3, 2020 AND JUNE 30, 2020

NOTE 6 – OTHER ASSETS, continued

Amortization expense for the five months ended December 3, 2020 and year ended June 30, 2020 totaled \$6,719 and \$3,360 respectively.

NOTE 7 – LEASE COMMITMENT

The Authority leases approximately twenty-six acres of land from the Trustees. The lease expires on December 3, 2020, and requires no lease payments. No amount was recorded in the financial statements as the value is undeterminable.

NOTE 8 - INSURANCE

General Liability

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, error and omissions, and natural disasters for which the Authority carries commercial insurance. The Authority purchases commercial insurance to cover the risk of loss for property and business liability. There are no known claims or incidents that may result in the assertion of material claims arising from potential losses at December 3, 2020 and June 30, 2020.

NOTE 9 - RELATED PARTY TRANSACTIONS

As noted in Note 1, the Authority is a nonprofit governmental agency created through a Joint Powers Agreement between the City of Fullerton and the Trustees. As noted in Notes 2, 3, and 4, the Authority uses CSUF and certain auxiliaries of CSUF for depositing purposes, in addition to contributions and lease agreements. As noted in Notes 3 and 6, the Authority utilizes the exempt organization, Friends of the Fullerton Arboretum for investing and fund raising purposes. None of these entities are under the control of the other.

NOTE 10 – ENDOWMENT FUNDS

The Board of Directors of the Authority have interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Authority classifies as non-expendable net position (a) the original value of the gifts donated as a non-expendable endowment, (b) the original value of subsequent gifts donated as a non-expendable endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

FULLERTON ARBORETUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 3, 2020 AND JUNE 30, 2020

NOTE 10 – ENDOWMENT FUNDS, continued

The remaining portion of the endowment fund that is not classified as a non-expendable net position is classified as unrestricted and are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

Investment Policy for Endowment Funds

The Authority has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to the Arboretum supported by its endowment assets while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a diversified asset mix, which includes equity, debt securities and mutual funds, which are intended to result in a consistent inflation-protected rate of return. Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy for Endowment Funds

The Authority has a policy of using donor restricted gifts in the manner specified by the donor. Currently, these earnings from these funds have not been distributed. In establishing this policy, the Authority considered the long-term expected return on its investment assets, the nature and duration of the endowment fund which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The policy is consistent with the Authority’s objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Endowment net position consisted of the following at December 3, 2020:

	Unrestricted	Restricted	Total
Endowment provided by Friends of the Arboretum	\$ -	\$ 1,425,618	\$ 1,425,618
Transfer to California State University - Fullerton		(1,425,618)	(1,425,618)
	\$ -	\$ -	\$ -

FULLERTON ARBORETUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 3, 2020 AND JUNE 30, 2020

NOTE 10 – ENDOWMENT FUNDS, continued

Endowment net position consisted of the following at June 30, 2020:

	Unrestricted	Restricted	Total
Endowment provided by Friends of the Arboretum	\$ -	\$ 1,425,618	\$ 1,425,618

Changes in endowment net position for the five months ended December 3, 2020 and year ended June 30, 2020 are as follows:

	Unrestricted	Restricted		Total
		Expendable	Non-expendable	
Endowment net position, at June 30, 2019				
Contributions			\$ 1,425,618	\$ 1,425,618
Investment return, net				
Amounts appropriated for expenditure				
Other changes				
Endowment net position, at June 30, 2020			\$ 1,425,618	\$ 1,425,618
Contributions				
Investment return, net				
Amounts appropriated for expenditure				
Other changes				
Transfer to California State University - Fullerton			(1,425,618)	(1,425,618)
Endowment net position, at December 3, 2020	\$ -	\$ -	\$ -	\$ -

FULLERTON ARBORETUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 3, 2020 AND JUNE 30, 2020

NOTE 11 – TRANSFER OF OPERATIONS

As stated in Note 1, effective December 3, 2020, the Agreement between the Authority and the City of Fullerton was terminated, and the California State University - Fullerton has taken over the operations of the Fullerton Arboretum. As a result, the following assets, liabilities, and net position were transferred to the California State University - Fullerton at December 3, 2021:

ASSETS	
Cash and cash equivalents	\$ 1,479,236
Pledge receivable	10,000
Prepaid expenses	12,393
Capital assets, net	2,158,854
Investments	3,158,827
Other assets, net	<u>10,079</u>
TOTAL ASSETS	<u>\$ 6,829,389</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable	\$ 8,246
Accrued vacation and benefits	<u>75,735</u>
TOTAL LIABILITIES	<u>83,981</u>
NET POSITION	
Investment in capital assets, net of related debt	2,158,854
Restricted for:	
Programs	382,631
Non-expendable endowment	1,425,618
Unrestricted	<u>2,778,305</u>
TOTAL NET POSITION	<u>6,745,408</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 6,829,389</u>