

**CALIFORNIA STATE UNIVERSITY,
FRESNO FOUNDATION**

ANNUAL REPORT

2018-19

**CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION
ANNUAL REPORT**

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California State University Fresno, Foundation
Corporate Information
For the Year Ended June 30, 2019

BOARD OF GOVERNORS:

Mr. Darius Assemi	Fresno, California
Dr. Joseph I. Castro	Fresno, California
Ms. Carol Chandler	Selma, California
Mr. Nat DiBuduo	Fresno, California
Ms. Octavia Diener	Fresno, California
Ms. Joan Eaton	Fresno, California
Dr. Eric Hanson	Fresno, California
Mr. John E. Horstmann	Fresno, California
Mr. Larry Johanson	Fresno, California
Ms. Maurine Jones	Fresno, California
Mr. Hal Kissler	Fresno, California
Hon. Annette LaRue	Fresno, California
Mr. Claude C. Laval III	Fresno, California
Dr. William M. Lyles	Fresno, California
Mr. Chris Morse	Fresno, California
Ms. Debra Nalchajian-Cohen	Fresno, California
Mr. Ken Newby	Fresno, California
Hon. Robert H. Oliver	Fresno, California
Dr. Joan Otomo-Corgel	Manhattan Beach, California
Mr. Dennis Parnagian	Fresno, California
Ms. Vinci Ricchiuti	Fresno, California
Ms. Yrma Rico	Fresno, California
Ms. Kim Ruiz-Beck	Dinuba, California
Mr. Mark Ruof	Fresno, California
Ms. Lorraine Salazar	Fresno, California
Mr. Bill Shaughnessy	Atherton, California
Mr. Bill Smittcamp	Clovis, California
Mr. George Soares	Sacramento, California
Mr. Richard F. Spencer	Fresno, California
Mr. Kyle Stephenson	Fresno, California
Ms. Dora Westerlund	Fresno, California
Dr. Rick Whitten	Fresno, California
Mr. A. Emory Wishon III	Fresno, California

CORPORATE OFFICERS:

Ms. Vinci Ricchiuti	Chair
Dr. Eric Hanson	Vice Chair
Ms. Octavia Diener	Treasurer
Dr. Joseph I. Castro	Secretary

EXECUTIVE STAFF:

Ms. Debbie Astone	Executive Director
Mr. Keith Kompsi	Director of Foundation Financial Services

Executive Committee:

Ms. Vinci Ricchiuti	Chair
Dr. Eric Hanson	Vice Chair
Ms. Octavia Diener	Treasurer
Dr. Joseph I. Castro	Secretary
Mr. Kyle Stephenson	Member at Large

California State University Fresno, Foundation
Corporate Information
For the Year Ended June 30, 2019

CORPORATE DATA

Executive Offices

4910 N. Chestnut Ave.
Fresno, CA 93726-1852
Telephone: (559) 278-0850

Auditors

Moore Grider & Company
Certified Public Accountants
325 E. Sierra Ave.
Fresno, CA 93710-3707
Telephone: (559) 440-0700

Investment Advisors

Goldman Sachs
555 California St.
45th Floor
San Francisco, CA 94104
Telephone: (415) 393-7500



Moore Grider & Company
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

*A Partnership Including
Accountancy Corporations
and a Partnership*

Richard L. Holland, C.P.A.

Thomas L. Bell, C.P.A.
Accountancy Corporation

Denise S. Hurst, C.P.A.

Kenneth J. Labendeira, C.P.A., C.F.E.
Accountancy Corporation

Pamela J. Gallemore, C.P.A.
Accountancy Corporation

Karl L. Noyes, C.P.A.
Accountancy Corporation

Cory J. Bell, C.P.A.

Aaron C. Studt, C.P.A.

Kendall K. Wheeler, C.P.A.

Tom Collins, C.P.A.
Accountancy Corporation

Carrie M. Wiebe, C.P.A., C.F.E.
Accountancy Corporation

Lozano, Lozano & Company
Accountancy Partnership with partners:

Phil A. Lozano, C.P.A.

Ginger A. Lozano, C.P.A.

Kelli D. Steele, C.P.A.

Julie B. Fillmore, C.P.A.

Oscar Espinoza, C.P.A.

Lisa Brown, C.P.A., C.F.E.

Stalin Hernandez, C.P.A.

Michiko Rosenthal, C.P.A.

Ahsan Syed, C.P.A.

Gabriela Macias, C.P.A.

Abel M. Cabello, E.A.

L. Jerome Moore, C.P.A.
1923-2016

Robert E. Grider, C.P.A.
Retired

Board of Governors
California State University, Fresno Foundation
Fresno, California

Report on the Financial Statements

We have audited the accompanying financial statements of California State University, Fresno Foundation, which comprise the statements of financial position as of June 30, 2018 and 2019, and the related statements of activities and cash flows for the years 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.

Auditors' 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 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Fresno Foundation as of June 30, 2018 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. On pages 32 to 39, the accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information on pages 40 - 41 is presented for purposes of additional analysis and is also not a required part of the financial statements. The information reflected on pages 48 to 53 is presented as required by the Chancellor of the California State University. Such information and the schedule of expenditures of federal awards 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, including comparing and reconciling such 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 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 20, 2019, on our consideration of California State University, Fresno Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 California State University, Fresno Foundation's 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 California State University, Fresno Foundation's internal control over financial reporting and compliance.

Moore Gilder & Company

Fresno, California
September 20, 2019

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION
 THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION
 STATEMENTS OF FINANCIAL POSITION
 AT JUNE 30 2018 AND 2019

	2018 TOTAL	2019 TOTAL
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents (Note 1, Pg. 10)	\$ 42,577,718	\$ 42,435,875
Receivables:		
Grants and contracts	8,973,709	14,080,351
Pledges receivable (Note 3)	1,801,084	1,904,515
Other accounts receivable	8,412,763	7,893,473
Notes receivable, net (Note 4)	5,322	5,996
Total Receivables	<u>19,192,878</u>	<u>23,884,334</u>
Prepaid expenses	93,508	120,269
Total Current Assets	<u>61,864,104</u>	<u>66,440,477</u>
Long-term investments, at market (Note 5)	143,903,274	153,627,417
Non-current receivables:		
Pledges receivable (Note 3)	3,570,038	8,526,485
Allowance for uncollectibles	<u>(180,000)</u>	<u>(300,000)</u>
Net pledges receivable	3,390,038	8,226,485
Notes receivable, net (Note 4)	<u>355,140</u>	<u>334,748</u>
Total non-current receivables	3,745,178	8,561,234
Land and improvements	454,658	889,658
Capital Assets:		
Equipment	602,391	602,391
Less accumulated depreciation	<u>(543,233)</u>	<u>(562,819)</u>
Net Capital Assets	59,158	39,572
TOTAL ASSETS	<u>\$ 210,026,372</u>	<u>\$ 229,558,359</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 2,064,494	\$ 3,004,961
Note payable (Note 10)	0	2,000,000
Accrued salaries and benefits payable	1,162,935	1,506,078
Receipts in excess of expenditures on specific sponsored programs	4,830,973	5,658,323
Accrued compensated balances	67,984	71,980
Unitrust agreement liabilities - current portion (Note 9)	31,457	27,957
Annuity agreement liabilities - current portion (Note 9)	34,114	36,878
Total Current Liabilities	<u>8,191,957</u>	<u>12,306,176</u>
Long-term liabilities:		
Accounts payable	700,939	766,346
Note payable (Note 10)	2,000,000	0
Annuity agreement liabilities - long-term portion (Note 9)	168,104	131,226
Agency accounts	<u>2,741,053</u>	<u>2,950,990</u>
Total Liabilities	<u>13,802,053</u>	<u>16,154,739</u>
Net Assets:		
Without donor restrictions	3,778,502	2,366,573
Without donor restrictions-board designated reserves (Note 11)	3,364,389	6,781,116
With donor restrictions (Note 12)	<u>189,081,429</u>	<u>204,255,932</u>
Total Net Assets	<u>196,224,320</u>	<u>213,403,620</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 210,026,372</u>	<u>\$ 229,558,359</u>

The accompanying notes are an integral part of the financial statements

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION
 THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2019

	2018 TOTAL	2019 TOTAL
<u>Changes in Net Assets Without Donor Restrictions:</u>		
Revenues, Gains and Other Support:		
Federal grants and contracts	\$ 21,700,934	\$ 20,832,329
State grants and contracts	8,087,564	9,700,578
Other grants and contracts	3,834,588	4,279,426
Indirect cost recovery from sponsored programs	3,058,042	3,313,667
Contribution income	346,812	50,000
Handling fees	288,428	306,329
Investment income	2,459,590	2,553,722
Endowment administrative fees	1,561,000	1,561,000
Income for campus support	8,486,419	8,991,219
Other	1,053	208
Net assets released from restrictions:		
Satisfaction of program restrictions (Note 12)	8,482,933	8,685,186
Appropriation from donor endowments and subsequent satisfaction of any related donor restrictions (Note 12)	7,295,761	7,402,373
Total Revenues, Gains and Other Support Without Donor Restrictions	65,603,124	67,676,036
Expenses and Losses:		
Instruction	10,100,084	10,232,103
Public service	16,978,834	18,467,330
Research	6,544,169	6,112,900
Special Programs	2,962,026	2,984,259
Campus Support	16,252,312	16,291,437
Student grants and scholarships	4,024,760	4,786,505
Management and general (Note 8)	3,496,871	2,992,240
Endowment administrative fees	1,561,000	1,561,000
Donations to agency accounts (surplus allocation)	2,150,000	2,243,469
Total Expenses and Losses (Note 15)	64,070,056	65,671,242
Changes in Net Assets Without Donor Restrictions	1,533,068	2,004,794
<u>Changes in Net Assets With Donor Restrictions:</u>		
Gain (loss) on investments:		
Realized	\$ 1,722,843	\$ 841,743
Unrealized	(1,415,390)	1,695,136
Investment income	8,857,813	7,924,143
Contributions - Net	13,480,030	18,953,728
Gain on sale of land	1,001,204	0
Change in value of split interest agreements (Note 9)	(917)	3,500
Non-operating expense	2,557,102	1,843,814
Net assets released from restrictions (Note 12)	(15,778,694)	(16,087,559)
Changes in Net Assets With Donor Restrictions:	10,423,991	15,174,506
Total Increase (Decrease) in Net Assets	11,957,059	17,179,300
Net Assets at Beginning of Year	184,267,261	196,224,320
Net Assets at End of Year	\$ 196,224,320	\$ 213,403,620

The accompanying notes are an integral part of the financial statements

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION
THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2019

	2018 TOTAL	2019 TOTAL
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 11,957,059	\$ 17,179,300
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	27,031	19,586
Bad debt expense	383,655	335,266
Forgiveness of notes receivable	5,000	15,000
Contributions restricted for long-term investment	(6,939,829)	(6,805,897)
Noncash contribution of land held for resale	0	(435,000)
Transfers to campus programs	300,000	312,326
Net realized and unrealized (gains) and losses on investments	(7,264,514)	(6,905,382)
Changes in value of split interest agreements	48,959	40,618
Gain on sale of land	(1,001,204)	0
Changes in assets and liabilities:		
Grants, contracts and accounts receivable	(1,648,140)	(4,587,353)
Pledges receivable	(8,457)	(5,259,456)
Prepaid expenses	(252)	(26,761)
Accounts payable	(396,262)	1,005,873
Accrued salaries and benefits	(97,519)	343,143
Accrued compensated balances	(2,001)	3,996
Receipts in excess of expenditures	1,689,196	827,350
Agency accounts	193,274	209,937
Net cash provided (used) by operating activities	<u>(2,754,004)</u>	<u>(3,727,455)</u>
Cash flows from investing activities:		
Purchase of investments	(9,394,110)	(10,784,807)
Proceeds from sales and maturities of investments	7,603,868	7,653,724
Increase in notes receivable	(63,126)	(36,422)
Payments received on notes receivable	47,451	25,451
Acquisition of capital assets	(6,577)	0
Proceeds from sales of capital assets	1,067,109	0
Net cash provided (used) by investing activities	<u>(745,385)</u>	<u>(3,142,054)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	6,939,829	6,805,897
Payments on split interest agreements	(79,599)	(78,232)
Net cash provided (used) by financing activities	<u>6,860,230</u>	<u>6,727,665</u>
Net increase (decrease) in cash	3,555,880	(141,843)
Cash at beginning of year	39,021,839	42,577,718
Cash at end of year	<u>\$ 42,577,718</u>	<u>\$ 42,435,875</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 20,000</u>	<u>\$ 20,000</u>

The accompanying notes are an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2019

Note 1 – Organization and Significant Accounting Policies

Organization

The California State University, Fresno Foundation (the “Foundation”) was incorporated on June 19, 1931. It is a recognized auxiliary of the California State University and is organized and operated exclusively for educational purposes as a tax-exempt organization under the provisions of section 501(c)(3) of the Internal Revenue Code and section 23701(d) of the California Revenue and Taxation Code. The Foundation was formed and is operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of California State University, Fresno (the “University”). The Foundation is supported primarily by revenues generated from the recovery of indirect costs from federal, state and other grants, fees on gifts, donations and other sources and investment earnings.

The financial statements include the accounts of the Foundation and its wholly owned subsidiary, New California Ventures, LLC (the “LLC”), which is a single member limited liability company. The Foundation provided the initial capital contribution when the LLC was formed in 2012. The LLC provides services in exchange for an equity interest in start-up or existing companies, and supports the commercialization of research initiatives connected to the University. The net assets of the LLC are considered to be without donor restrictions.

Basis of Accounting

The Foundation maintains its accounting records and prepares its financial statements on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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

Financial statement presentation is in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, various board-designated reserves.

Net Assets With Donor Restrictions – Net assets subject to donor – (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTES TO THE FINANCIAL STATEMENTS

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in banks and highly liquid investments. The Foundation maintains all of its cash and cash equivalents in accounts held with a large national bank (\$3,236,307 and \$4,285,106 for the years ended June 30, 2018 and 2019, respectively), in the State of California Local Agency Investment Fund (LAIF) (\$6,981 and \$4,432,097 for the years ended June 30, 2018 and 2019, respectively), and within a balanced investment portfolio with Goldman Sachs (\$39,334,431 and \$33,718,672 for the years ended June 30, 2018 and 2019, respectively).

The Federal Depository Insurance Corporation insures cash balances held in banks up to \$250,000. At June 30, 2018 and 2019 the Foundation's uninsured cash balances held in banks totaled \$4,018,814 and \$4,829,581, respectively. Management believes that the Foundation's diversification of cash deposits, combined with prudent business practices help assure that, in accordance with 45 Code of Federal Regulations, Part 74.21(b)(3), any Federal deposits in excess of insurance or collateralization are adequately safeguarded.

Accounts Receivable

Accounts receivable are stated at unpaid balances. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Foundation's policy to write off uncollectible accounts receivable when management determines the receivable will not be collected. The Foundation maintains a Reserve for Contingency – Sponsored Programs against which such write-offs can occur.

Investments

Investments are primarily held in mutual funds, equity securities, hedge funds, and U.S. treasury securities and are reported at fair value based upon quoted market price. Any temporary difference between cost and fair value of an investment is presented as a separate component of change in net assets. The specific identification method is used to determine realized gains and losses on investments.

The Foundation maintains master investment accounts for its donor-restricted and board-designated endowments. Realized and unrealized gains and losses from investments in the master accounts are allocated annually to the individual endowments based on the relationship of the market value of each endowment to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

Capital Assets

Capital assets are reflected on the financial statements at cost. Depreciation is computed using the straight-line method based upon estimated useful lives of three to ten years. The Foundation capitalizes all expenditures in excess of \$5,000 for property and equipment at cost.

Indirect Cost Rate

The Foundation provides accounting and administrative services for grants and contracts entered into by the Foundation on behalf of the University. In many cases, these agreements provide for the reimbursement of indirect costs based on a percentage of the direct costs of the grants and contracts.

The University and the Foundation make every attempt to obtain from the granting agencies the federally approved maximum indirect cost reimbursement rate of 40.0% of the total direct costs of the grant and contract agreements. However, few grant and contract agreements allow for the maximum federal rate. The Foundation's actual average indirect cost reimbursement rate for grants and contracts was 9.1% and 9.5% for the years ended June 30, 2018 and 2019, respectively.

Donor Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted donations. Realized and unrealized gains (losses) from securities transactions in the Endowment Fund are recognized as with donor restrictions for those purposes specified by the donors for income from the endowed gift. The Foundation collects reasonable administrative fees on contributions as applicable law permits. Donors have the option for exemption from or reduction of the administrative fees and the Foundation has complied with any request from donors to exercise these options. The Foundation

NOTES TO THE FINANCIAL STATEMENTS

Board of Governors votes annually on the amount of the endowment administrative fees. Currently the administrative fees cannot exceed 2.5% of the fair market value of the funds at June 30 of each year.

Pledges Receivable

Unconditional pledges receivable from donors that are expected to be collected within one year are recorded at net realizable value. Long-term pledges receivable that are expected to be collected in a period beyond one year are recorded at a discount using the present value of their estimated future cash flows. The discounts on long-term pledges receivable are computed using risk-free interest rates applicable to the period in which the pledges to give are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management has determined that an allowance of \$180,000 for 2018 and \$300,000 for 2019 for uncollectible pledges receivable is sufficient based on historical levels of write offs.

Contributed Property and Equipment

Donated property and equipment are recorded at fair market value at the date of donation. If donors stipulate how the proceeds from the sale of the property or equipment are to be used, the donations are recorded as restricted contributions. In the absence of such stipulations, donations of property and equipment are recorded as without restriction.

Income Taxes

The Foundation is incorporated as a non-profit California corporation and is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

New California Ventures, LLC is a California limited liability company whose sole member is the Foundation. The LLC is a disregarded entity for federal income tax purposes and thus not subject to federal income tax. For California tax purposes, the LLC is subject to an annual tax and LLC fee.

The Foundation classifies interest and penalties on tax assessments as an expense when incurred. For the years ended June 30, 2018 and 2019, interest and penalties totaled \$0.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. The reclassification had no impact on previously-reported increase in net assets or cash flow information.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The schedules of functional expenses (Note 15) present the natural classification detail of expenses by function.

Change in Accounting Principle

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has implemented ASU 2016-14 and adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which increased net assets without donor restrictions by \$4,228,874 and decreased net assets with donor restrictions by \$4,228,874 as of June 30, 2017 and decreased net assets without donor restrictions by \$344,943 and increased net assets with donor restrictions by \$344,943 as of June 30, 2018 resulting from the reclassifications of underwater endowment funds as required under ASU 2016-14.

NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Liquidity and Availability

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments (general expenditures), while also striving to maximize the investment of its available funds. In addition to financial assets available to meet these general expenditures over the next 12 months, the Foundation operates with a balanced budget. Therefore, the Foundation anticipates collecting sufficient revenue to cover general expenditures.

Occasionally, the Foundation's Board of Governors designates a portion of any operating surplus to its Reserve for Contingency – General, which was \$4,432,097 as of June 30, 2019. This is an established board-designated fund where the governing board has the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside of the typical life cycle of converting financial assets to cash or settling financial liabilities.

The following financial assets were available to meet general expenditures within one year at June 30, 2019:

Cash and cash equivalents	\$	42,435,875
Less amounts not available due to donor restrictions		(35,637,205)
Available to meet general expenditures within one year	\$	6,798,670

The entire amount available to meet general expenditures within one year has sufficient liquidity to be made available within 10 days.

Note 3 – Pledges Receivable

At June 30, 2018 and 2019, pledges receivable includes the following unconditional pledges to give:

Pledges Receivable	2018	2019
Unconditional pledges to give before unamortized discount and allowance for uncollectible pledges	\$ 7,533,158	\$ 13,475,365
Less: Unamortized discount	(2,162,036)	(3,044,365)
Subtotal	5,371,122	10,431,000
Less: Allowance for uncollectible pledges	(180,000)	(300,000)
Net unconditional pledges to give	\$ 5,191,122	\$ 10,131,000
Current portion	\$ 1,801,084	\$ 1,904,515
Long term portion	\$ 3,570,038	\$ 8,526,485
Amounts due in:		
Less than one year	\$ 1,927,160	\$ 2,037,831
One to five years	1,559,682	7,392,534
More than five years	4,046,316	4,045,000
Total	\$ 7,533,158	\$ 13,475,365

The average discount rate used to calculate the present value of promises to give expected to be collected in periods beyond one year was 7% for both fiscal years 2018 and 2019. Pledges receivable are considered a nonrecurring Level 3 asset under the fair value hierarchy established by ASC 820. For pledges receivable that are due within one year, carrying amount is a reasonable estimate of fair value. For pledges receivable that are due in more than one year, fair value is estimated at the present value of estimated future cash flows, using a 7% discount rate.

NOTES TO THE FINANCIAL STATEMENTS

Pledges receivable activity are as follows:	2018	2019
Beginning of year balance	\$ 7,359,838	\$ 7,533,158
New pledges	2,217,655	8,665,500
Pledge payments received	(1,660,680)	(2,403,715)
Write-offs	(383,655)	(319,578)
End of year balance	<u>\$ 7,533,158</u>	<u>\$ 13,475,365</u>

Note 4 – Notes Receivable

The Foundation maintains a Student Loan Fund that allows students to borrow funds as approved by the University’s Office of Financial Aid. The Foundation wrote off uncollectable student loans of \$0 and \$15,688 for the years ended June 30, 2018 and 2019, respectively. Management believes the current reserve level is adequate for future uncollectible student loans. Certain loan programs allow students to have their loans forgiven if they perform either a service learning or governmental service program. Student loans forgiven for the years ended June 30, 2018 and 2019 totaled \$5,000 and \$15,000, respectively. Notes receivable for the years ended June 30, 2018 and 2019 are as follows:

Note Receivable (Interest Rate)	2018	2019
Student loans (1% - 12%)	\$ 362,962	\$ 355,744
Less allowance for uncollectible student loans	(2,500)	(15,000)
Net notes receivable	<u>\$ 360,462</u>	<u>\$ 340,744</u>
Current portion	\$ 5,322	\$ 5,996
Long term portion	<u>\$ 355,140</u>	<u>\$ 334,748</u>

Note 5 – Long-Term Investments

Generally accepted accounting principles require the Foundation to report investments in securities at fair value and to recognize and report realized and unrealized gains or losses in the statements of activities, less external investment fees.

Unrealized gains or losses occur when the fair value of investments increases or decreases as of June 30th each year. Realized gains or losses occur when an investment is sold. However, the amount of the realized gain or loss reflected on the statements of activities should not include any unrealized gain or loss recognized in prior years. With the large number of securities comprising long-term investments, it is impractical for the Foundation to determine the amount of unrealized gain or loss previously recognized on securities sold during the years ended June 30, 2018 and 2019. Recognizing realized gains (losses) and the unrealized gains (losses) in the current period does properly account for the required adjustment to reflect investments at fair value as of June 30, 2018 and 2019.

NOTES TO THE FINANCIAL STATEMENTS

Long-term investment activity at fair value for the year ended June 30, 2018 is as follows:

Long-term investments	Total
Long-term investments at beginning of year	\$ 135,148,522
Additions	6,946,114
Amounts withdrawn for scholarships and donor restricted purposes	(7,603,868)
Return on investments:	
Dividends and interest	2,147,992
Realized gains	5,216,896
Unrealized gains	2,047,618
Total return on investments	9,412,506
Long-term investments at end of year	\$ 143,903,274

Long-term investment activity at fair value for the year ended June 30, 2019 is as follows:

Long-term investments	Total
Long-term investments at beginning of year	\$ 143,903,274
Additions	6,813,496
Amounts withdrawn for scholarships and donor restricted purposes	(7,706,768)
Return on investments:	
Dividends and interest	3,712,033
Realized gains	3,208,171
Unrealized gains	3,697,211
Total return on investments	10,617,415
Long-term investments at end of year	\$ 153,627,417

NOTES TO THE FINANCIAL STATEMENTS

Long-term investments at fair value consist of the following:

Long-term investments	2018	2019
Corporate bonds	\$ 5,886,175	\$ 5,880,089
Mutual funds	67,122,701	95,663,635
Money Market funds	1,403,164	749,536
Mortgage backed securities	5,312,861	5,455,464
Municipal bonds	392,205	217,006
U.S. agency securities	286,200	306,534
U.S. treasury securities	11,484,822	3,760,945
Equity securities	15,394,423	12,743,522
Alternative investments:		
Private equity	13,115,496	19,723,670
Hedge funds	19,400,927	8,227,150
Real estate investments	3,180,693	19,475
Other alternative investment types	52,580	0
Life income contracts	361,800	374,207
Investment in LLC	509,227	506,183
Total long-term investments, at market	<u>\$ 143,903,274</u>	<u>\$ 153,627,417</u>

Note 6 – Fair Value Measurements

Generally accepted accounting principles establishes a framework for measuring fair value. FASB ASC 820 applies to all financial statements that are being measured and reported on a fair value basis.

FASB ASC 820 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. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant observable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As a practical expedient, the Foundation is permitted under GAAP to estimate the fair value of an investment at the measurement date using the reported net asset value (NAV) without further adjustment unless the entity expects to sell the investment at a value other than NAV or the NAV is not calculated in accordance with GAAP. The Foundation's investments in certain private equity, hedge funds and LLC in the alternative investment portfolio are generally valued based on the most current NAV received. This amount represents fair value of these investments at June 30, 2018 and 2019.

Following is a description of the valuation methodologies used to measure fair value. There have been no changes in the methodologies used at June 30, 2018 and 2019.

Cash and Cash Equivalents, Corporate Bonds, Mutual Funds, Money Market Funds, Mortgage Backed Securities, Municipal Bonds, U.S. Agency Securities, U.S. Treasury Securities, and Equity Securities are valued at the closing price reported on the active or observable market on which the individual securities are traded.

Alternative Investments are valued based on the net asset values provided by the fund manager and other market factors. Other factors include, but are not limited to, estimates of liquidation value, prices of recent transactions in the same or similar funds, current performance, future expectations of the particular investment, and changes in market outlook and the financing environment.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

The table below presents the level within the fair value hierarchy at which investments are measured on a recurring basis at June 30, 2018:

Recurring	Total	Level 1	Level 2	Level 3	Net Asset Value (NAV)
Short-term investments:*					
State of California Local Agency Investment Fund (LAIF)	\$ 6,981	\$ 6,981	\$ 0	\$ 0	\$ 0
Corporate bonds	2,139,023	2,139,023	0	0	0
Mutual funds	22,568,142	22,568,142	0	0	0
Money market funds	94,774	94,774	0	0	0
Mortgage backed securities	1,967,330	1,967,330	0	0	0
U.S. agency securities	108,211	108,211			
U.S. treasury securities	4,276,518	4,276,518	0	0	0
Equity securities	3,429,748	3,429,748	0	0	0
Alternative investments:					
Hedge funds	3,829,077	0	0	0	3,829,077
Real estate investments	921,608	921,608	0	0	0
Total short-term investments	39,341,412	35,512,335	0	0	3,829,077
Long-term investments:					
Corporate bonds	\$ 5,886,175	\$ 5,886,175	\$ 0	\$ 0	\$ 0
Mutual funds	67,122,701	67,122,701	0	0	0
Money market funds	1,403,164	1,403,164	0	0	0
Mortgage backed securities	5,312,861	5,312,861	0	0	0
Municipal bonds	392,205	392,205	0	0	0
U.S. agency securities	286,200	286,200	0	0	0
U.S. treasury securities	11,484,822	11,484,822	0	0	0
Equity securities	15,394,423	15,394,423	0	0	0
Alternative investments:					
Private equity	13,115,496	0	0	0	13,115,496
Hedge funds	19,400,927	0	0	0	19,400,927
Real estate investments	3,180,693	3,180,693	0	0	0
Other alternative	52,580	52,580	0	0	0
Life income contracts	361,800	320,900	0	40,900	0
Investment in LLC	509,227	285,078	0	0	224,149
Total long-term investments, at market	143,903,274	111,121,802	0	40,900	32,740,572
Total	\$ 183,244,686	\$ 146,634,137	\$ 0	\$ 40,900	\$ 36,569,649

* Amounts included in cash and cash equivalents on the Statements of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

The table below presents the level within the fair value hierarchy at which investments are measured on a recurring basis at June 30, 2019:

Recurring	Total	Level 1	Level 2	Level 3	Net Asset Value (NAV)
Short-term investments:*					
State of California Local Agency Investment Fund (LAIF)	\$ 4,432,097	\$ 4,432,097	\$ 0	\$ 0	\$ 0
Corporate bonds	1,012,709	1,012,709	0	0	0
Mutual funds	3,497,950	3,497,950	0	0	0
Money market funds	482,851	482,851	0	0	0
U.S. treasury securities	15,415,948	15,415,948	0	0	0
Equity securities	10,626,336	10,626,336	0	0	0
Alternative investments:					
Hedge funds	2,682,878	0	0	0	2,682,878
Total short-term investments	38,150,769	35,467,891	0	0	2,682,878
Long-term investments:					
Corporate bonds	\$ 5,880,089	\$ 5,880,089	\$ 0	\$ 0	\$ 0
Mutual funds	95,663,636	95,663,636	0	0	0
Money market funds	749,536	749,536	0	0	0
Mortgage backed securities	5,455,464	5,455,464	0	0	0
Municipal bonds	217,006	217,006	0	0	0
U.S. agency securities	306,534	306,534	0	0	0
U.S. treasury securities	3,760,945	3,760,945	0	0	0
Equity securities	12,743,522	12,743,522	0	0	0
Alternative investments:					
Private equity	19,723,670	0	0	0	19,723,670
Hedge funds	8,227,150	0	0	0	8,227,150
Real estate investments	19,475	19,475	0	0	0
Life income contracts	374,207	326,550	0	47,657	0
Investment in LLC	506,183	12,034	0	0	494,149
Total long-term investments, at market	153,627,417	125,134,791	0	47,657	28,444,969
Total	<u>\$ 191,778,186</u>	<u>\$ 160,602,682</u>	<u>\$ 0</u>	<u>\$ 47,657</u>	<u>\$ 31,127,847</u>

* Amounts included in cash and cash equivalents on the Statements of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

The following schedule shows changes in Level 3 Assets for the years ending June 30, 2018 and 2019:

	2018	2019
Level 3 Assets at beginning of year	\$ 42,750	\$ 40,900
Transfer in (out) of Level 3	0	0
Purchases	0	0
Sales	0	0
Unrealized gains (losses)	(1,850)	6,757
Level 3 Assets at the end of the year	<u>\$ 40,900</u>	<u>\$ 47,657</u>

Note 7 – Endowment

The Foundation's endowment (the Endowment) consists of approximately 770 individual funds established by donors to provide annual funding for a variety of purposes.

The Foundation's Board of Governors has interpreted the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2018 and 2019, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

- The duration and preservation of the fund
- The purposes of the Foundation 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 Foundation
- The investment policies of the Foundation

Endowment Net Asset Composition by Type of Fund

Endowment net assets consist of the following at June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 0	\$ 113,454,844	\$ 113,454,844
Accumulated investment gains	0	33,134,255	33,134,255
Total funds	<u>\$ 0</u>	<u>\$ 146,589,099</u>	<u>\$ 146,589,099</u>

NOTES TO THE FINANCIAL STATEMENTS

Endowment net assets consist of the following at June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 0	\$ 120,079,673	\$ 120,079,673
Accumulated investment gains	0	34,866,703	34,866,703
Total funds	<u>\$ 0</u>	<u>\$ 154,946,376</u>	<u>\$ 154,946,376</u>

Changes in Endowment Net Assets

The following schedule shows changes in endowment net assets for the year ending June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2017	\$ (4,228,874)	\$ 141,558,627	\$ 137,329,753
Reclassification due to change in accounting principle	4,228,874	(4,228,874)	0
Activity in pooled endowment assets:			
Investment return net:			
Investment income	0	9,136,103	9,136,103
Net appreciation (depreciation)	0	(37,490)	(37,490)
Total investment return, net	<u>0</u>	<u>9,098,613</u>	<u>9,098,613</u>
Contributions *	0	6,756,207	6,756,207
Transfers to campus programs	0	(300,000)	(300,000)
Appropriation of endowment assets for expenditure	0	(7,509,405)	(7,509,405)
Net increase (decrease) in pooled endowment assets	0	(1,053,198)	(1,053,198)
Net increase (decrease) in other endowment net assets *	0	212,727	212,727
Gain on sale of land	0	1,001,204	1,001,204
Endowment net assets, June 30, 2018	<u>\$ 0</u>	<u>\$ 146,589,099</u>	<u>\$ 146,589,099</u>
* Note: Some contributions shown within pooled endowment activity relate to other endowment net assets (including pledges receivable).			

NOTES TO THE FINANCIAL STATEMENTS

The following schedule shows changes in endowment net assets for the year ending June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2018	\$ 0	\$ 146,589,099	\$ 146,589,099
Activity in pooled endowment assets:			
Investment return net:			
Investment income	0	7,859,674	7,859,674
Net appreciation	0	2,536,879	2,536,879
Total investment return, net	0	10,396,553	10,396,553
Contributions *	0	5,675,423	5,675,423
Transfers to campus programs	0	(312,326)	(312,326)
Appropriation of endowment assets for expenditure	0	(7,645,199)	(7,645,199)
Net increase (decrease) in pooled endowment assets	0	(2,282,102)	(2,282,102)
Net increase (decrease) in other endowment net assets *	0	242,826	242,826
Endowment net assets, June 30, 2019	<u>\$ 0</u>	<u>\$ 154,946,376</u>	<u>\$ 154,946,376</u>

* Note: Some contributions shown within pooled endowment activity relate to other endowment net assets (including pledges receivable).

Underwater Endowment Funds

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 the Foundation to retain as a fund of perpetual duration. As of June 30, 2018 deficiencies of this nature existed in 241 donor-restricted endowment funds, which together had an original gift value \$47,203,374, fair value of \$43,319,443, and a deficiency of \$3,883,931. As of June 30, 2019 deficiencies of this nature exist in 198 donor-restricted endowment funds, which together have an original gift value of \$40,150,013, fair value of \$36,877,641, and a deficiency of \$3,272,372. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Foundation's Board of Governors.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that 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. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Governors, the endowment assets are invested in a manner that is intended to produce results consistent with an overall objective of safety of principal combined with capital appreciation. Since the Foundation has long-term investment goals, some risk of principal is acceptable to achieve higher overall returns.

NOTES TO THE FINANCIAL STATEMENTS

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation Board each year approves an appropriation for distribution from its endowment to University programs after considering the analysis and input from its Investment and Budget Committees who, in turn, consider factors contained within UPMIFA, as well as the needs of University programs that benefit from the distribution. The distribution is measured as a percentage of its endowment fund's average fair value over the prior twelve (12) quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow consistent with its return objectives and risk parameters. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The total endowment payout for the years ended June 30, 2018 and 2019 (as a percentage of the endowment's average market value for the twelve (12) quarters ending the preceding December 31), was 5.51% and 5.52%, respectively. The Foundation permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. The Foundation Board appropriated for expenditure \$1,926,288 and \$1,683,838 from underwater endowment funds for the years ended June 30, 2018 and 2019, respectively,

Note 8 – Management Services

The Foundation receives corporate management and financial services from the California State University, Fresno Association, Inc. ("Association") through a Management Services Agreement (MSA). The Foundation's gross administrative fees paid to the Association for the years ended June 30, 2018 and 2019 were \$722,934 and \$607,441, respectively.

The Foundation also reimburses the Association for the salaries and benefits of the Foundation Financial Services staff. The amount reimbursed for the years ended June 30, 2018 and 2019 were \$886,459 and \$894,169, respectively. Benefit reimbursement includes current year defined benefit pension contributions and retired employees' health benefit payments for persons employed by the Association but performing services for the Foundation. The disclosures relating to these plans are not considered significant to the Foundation's financial statements.

The above amounts are included in management and general expenses on the Statements of Activities.

Note 9 – Unitrust and Annuity Agreement Liabilities

Unitrust Agreement consists of the following:

Unitrust Agreement No. 2

On June 15, 1998, a unitrust agreement was established by donors under which stock was contributed to a trust for which the Foundation is acting as trustee and will receive the residual value of trust assets upon the death of the donor. The stock was sold during fiscal year 1999 and the Foundation received net proceeds of approximately \$106,000. The annuity liability was recorded at approximately \$74,000 and beginning on September 30, 1998, quarterly payments of \$2,120 to the donor commenced under the terms of the unitrust agreement. In May 2002, an additional gift of stock was received from the donor and the stock was sold in June 2002 with an initial fair value of \$506,000. An additional annuity liability was recorded in the amount of approximately \$307,000 and beginning on September 30, 2002, additional quarterly payments of \$10,120 to the donor commenced. The life of Unitrust Agreement No. 2 was originally estimated to be 13.9 years.

NOTES TO THE FINANCIAL STATEMENTS

Financial information related to the Unitrust Agreement is as follows for the year ended June 30, 2018:

	Initial Fair Value	Initial Net Contribution ^A	6/30/18 Fair Value	6/30/18 Liability Present Value ^B	6/30/18 Net Value ^C	Fiscal 2018 Change in Split Interest Value ^D	Present Value Discount Rate	Unitrust Payment Rate ^F	Remaining Life (years) ^E
No. 2	612,021	218,362	364,397	31,457	332,940	(917)	7.0%	8.0%	0
Total	\$ 612,021	\$ 218,362	\$ 364,397	\$ 31,457	\$ 332,940	\$ (917)			

Financial information related to the Unitrust Agreement is as follows for the year ended June 30, 2019:

	Initial Fair Value	Initial Net Contribution ^A	6/30/19 Fair Value	6/30/19 Liability Present Value ^B	6/30/19 Net Value ^C	Fiscal 2019 Change in Split Interest Value ^D	Present Value Discount Rate	Unitrust Payment Rate ^F	Remaining Life (years) ^E
No. 2	612,021	218,362	362,959	27,957	335,002	3,500	7.0%	8.0%	0
Total	\$ 612,021	\$ 218,362	\$ 362,959	\$ 27,957	\$ 335,002	\$ 3,500			

^A The initial net contribution equals the initial fair value less the initial liability present value at the date of the donation to the Foundation.

^B The liability measured at the present value of expected future cash flows to be paid to the beneficiary.

^C The net value equals the fair value less the liability present value. This represents the net asset value to the Foundation as of June 30.

^D A revaluation of unitrust assets and corresponding liabilities at June 30 resulted in a change in endowment fund net assets with donor restrictions, which was included as a change in the value of split interest agreements on the Statements of Activities.

^E Based on life expectancy tables included in the Internal Revenue Code.

^F The unitrust agreement provides that the donors, during their lifetimes, shall be paid an amount equal to the percent of the net fair market value of the assets of the trust (as indicated in the above table), based on a revaluation at the beginning of each taxable year.

Annuity Agreements consist of the following:

Annuity Agreement No. 7

On November 19, 2004, a deferred charitable gift annuity agreement was established by donors under which cash was contributed. The Foundation will receive the residual value of assets upon the death of the donors. The annuity liability was initially recorded at approximately \$16,789. Payments in the amount of \$456.25 are made to the donors on a quarterly basis, beginning on March 31, 2009. As this is a Charitable Gift Annuity, the Foundation remains liable to continue making payments to the donors during their lifetime, regardless of the remaining liability balance. The life of Annuity Agreement No. 7 was originally estimated to be 19.3 years. Wells Fargo is acting as administrator for this charitable gift annuity.

Annuity Agreement No. 8

On October 25, 2005, a deferred charitable gift annuity agreement was established by donors under which cash was contributed. The Foundation will receive the residual value of assets upon the death of the donors. The annuity liability was initially recorded at approximately \$15,932. Payments in the amount of \$468.75 are made to the donors on a quarterly basis, beginning on March 31, 2010. As this is a Charitable Gift Annuity, the Foundation remains liable to continue making payments to the donors during their lifetime, regardless of the remaining liability balance. The life of Annuity Agreement No. 8 was originally estimated to be 18.7 years. Wells Fargo is acting as administrator for this charitable gift annuity.

NOTES TO THE FINANCIAL STATEMENTS

Annuity Agreement No. 10

On October 13, 2006, a deferred charitable gift annuity agreement was established by donors under which cash was contributed. The Foundation will receive the residual value of assets upon the death of the donors. The annuity liability was initially recorded at approximately \$18,665. Payments in the amount of \$481.25 are made to the donors on a quarterly basis, beginning on September 30, 2010. As this is a Charitable Gift Annuity, the Foundation remains liable to continue making payments to the donors during their lifetime, regardless of the remaining liability balance. The life of Annuity Agreement No. 10 was originally estimated to be 18.2 years. Wells Fargo is acting as administrator for this charitable gift annuity.

Annuity Agreement No. 12

On October 11, 2011, a deferred charitable gift annuity agreement was established by donors under which cash was contributed. The Foundation will receive the residual value of assets upon the death of the donors. The annuity liability was initially recorded at approximately \$16,975. Payments in the amount of \$393.75 are made to the donors on a quarterly basis, beginning on January 31, 2014. As this is a Charitable Gift Annuity, the Foundation remains liable to continue making payments to the donors during their lifetime, regardless of the remaining liability balance. The life of Annuity Agreement No. 12 was originally estimated to be 15.3 years. Wells Fargo is acting as administrator for this charitable gift annuity.

Annuity Agreement No. 13

On November 2, 2015, a deferred charitable gift annuity agreement was established by donors under which cash was contributed. The Foundation will receive the residual value of assets upon the death of the donors. The annuity liability was initially recorded at approximately \$14,966. Payments in the amount of \$331.25 are made to the donors on a quarterly basis, beginning on December 31, 2015. As this is a Charitable Gift Annuity, the Foundation remains liable to continue making payments to the donors during their lifetime, regardless of the remaining liability balance. The life of Annuity Agreement No. 13 was originally estimated to be 15.2 years. Wells Fargo is acting as administrator for this charitable gift annuity.

Annuity Agreement No. 14

On November 12, 2015, a deferred charitable gift annuity agreement was established by donors under which cash was contributed. The Foundation will receive the residual value of assets upon the death of the donors. The annuity liability was initially recorded at approximately \$211,728. Payments in the amount of \$10,000 are made to the donors on a quarterly basis, beginning on December 31, 2015. As this is a Charitable Gift Annuity, the Foundation remains liable to continue making payments to the donors during their lifetime, regardless of the remaining liability balance. The life of Annuity Agreement No. 14 was originally estimated to be 6.4 years. Wells Fargo is acting as administrator for this charitable gift annuity.

Financial information related to Annuity Agreements is as follows for the year ended June 30, 2018:

	Initial Fair Value	Initial Net Contribution ^A	6/30/18 Fair Value	6/30/18 Liability Present Value ^B	6/30/18 Net Value ^C	Fiscal 2018 Change in Split Interest Value ^D	Present Value Discount Rate	Annuity Payment Rate ^E	Re-maining Life (years) ^F
Nos. 7, 8, 10 & 12	100,000	35,547	89,589	49,715	39,874	3,480	7.0%	7.3%	9.3
No. 13	25,000	10,034	26,583	13,323	13,260	599	7.0%	5.3%	12.7
No. 14	500,000	288,272	492,701	139,180	353,521	27,478	7.0%	8.0%	3.9
Total	\$ 625,000	\$ 333,853	\$ 608,873	\$ 202,218	\$ 406,655	\$ 31,557			

NOTES TO THE FINANCIAL STATEMENTS

Financial information related to Annuity Agreements is as follows for the year ended June 30, 2019:

	<u>Initial Fair Value</u>	<u>Initial Net Contribution^A</u>	<u>6/30/19 Fair Value</u>	<u>6/30/19 Liability Present Value^B</u>	<u>6/30/19 Net Value^C</u>	<u>Fiscal 2019 Change in Split Interest Value^D</u>	<u>Present Value Discount Rate</u>	<u>Annuity Payment Rate^E</u>	<u>Re-maining Life (years)^F</u>
Nos. 7, 8, 10 & 12	100,000	35,547	87,901	45,976	41,925	3,739	7.0%	7.3%	8.3
No. 13	25,000	10,034	26,928	12,691	14,237	631	7.0%	5.3%	11.7
No. 14	500,000	288,272	482,995	109,437	373,558	29,743	7.0%	8.0%	2.9
Total	\$ 625,000	\$ 333,853	\$ 597,824	\$ 168,104	\$ 429,720	\$ 34,113			

^A The initial net contribution equals the initial fair value less the initial liability present value at the date of the donation to the Foundation.

^B The liability measured at the present value of expected future cash flows to be paid to the beneficiary.

^C The net value equals the fair value less the liability present value. This represents the net asset value to the Foundation as of June 30.

^D Revaluation of annuity assets and corresponding liabilities at June 30 resulted in a change in endowment fund net assets with donor restrictions, which was included in contribution income on the Statements of Activities.

^E The annuity agreement provides that the donors, during their lifetimes, shall be paid an amount equal to the percent of the net fair market value of the assets (as indicated in the above table), based on the valuation as of the date of conveyance to the Foundation.

^F Based on life expectancy tables included in the Internal Revenue Code.

Note 10 – Note Payable

The note payable as of June 30, 2018 and 2019, is as follows:

Note Payable	2018	2019
1.0% Trinity Health Corporation, unsecured, payable in its entirety on or before December 31, 2019, with interest paid annually each December 31 st .	\$ 2,000,000	\$ 2,000,000
Less portion considered current	0	2,000,000
Long term portion	<u>\$ 2,000,000</u>	<u>\$ 0</u>

Maturities of long term debt for the next five years are as follows:

Years Ended June 30	Amount	
	Principal	Interest
2019	\$ 2,000,000	\$ 10,000
Total	<u>\$ 2,000,000</u>	<u>\$ 10,000</u>

Interest accrued during fiscal year 2018 and fiscal year 2019 was \$10,000 each year.

NOTES TO THE FINANCIAL STATEMENTS

Note 11 – Net Assets Without Donor Restrictions

Unrestricted net assets include amounts designated by the Foundation’s Board of Governors for specific uses. These amounts consist of the following:

Reserve for Contingency - General

The purpose of this reserve is to cover the general cash flow needs of the Foundation to maintain financial viability.

Reserve for Contingency – Sponsored Programs (Designated Fund)

The Foundation is the primary fiscal agent for California State University, Fresno, which administers research and special projects funded by Federal agencies. The Federal rules and regulations are very complex and are subject to audit. As such, certain expenditures may be disallowed as a result of an audit. This reserve provides funds for any disallowed costs. Included in “Net Assets, Without Donor Restrictions – Board Designated Reserve” are the following:

Board Designated Reserves	2018	2019
General Fund:		
Reserve for Contingency - General	<u>\$ 2,412,242</u>	<u>\$ 4,432,097</u>
New California Ventures, LLC	<u>\$ 509,227</u>	<u>\$ 506,183</u>
Designated Fund:		
Reserve for Contingency – Sponsored Programs	<u>\$ 342,920</u>	<u>\$ 247,836</u>
Charitable Gift Annuities Reserve	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Support for New California Ventures, LLC	<u>\$ 0</u>	<u>\$ 125,000</u>
Support to California State University, Fresno	<u>\$ 0</u>	<u>\$ 1,370,000</u>
Total Board Designated Reserves	<u>\$ 3,364,389</u>	<u>\$ 6,781,116</u>

Management believes that as of June 30, 2018 and 2019 the reserve balances are sufficient for their intended purposes.

NOTES TO THE FINANCIAL STATEMENTS

Note 12 – Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods for the years ended June 30, 2018 and June 30, 2019:

	2018	2019
Subject to expenditure for specified purpose:		
Campus programs	\$ 32,802,370	\$ 33,863,357
Chairs and professorships	1,300,800	1,499,014
Building project	338,721	3,664,168
Athletics	0	2,071,244
Scholarships	6,462,670	6,500,949
	40,904,561	47,598,732
Subject to passage of time:		
Beneficial interests in annuity agreements – Maturity at death of donors	42,077	41,592
Subject to Foundation spending policy and appropriation:		
Investment in perpetuity, the income from which is expendable to support:		
Educational programs	49,496,358	52,944,840
Scholarships	74,562,297	79,444,452
Chairs and professorships	13,602,356	14,096,505
Student loans	4,659,020	4,906,903
Campus programs	4,269,068	3,553,676
	146,589,099	154,946,376
Not subject to appropriation or expenditure:		
Funds available for student loans	1,545,692	1,669,232
Total net assets with donor restrictions:	<u>\$ 189,081,429</u>	<u>\$ 204,255,932</u>

NOTES TO THE FINANCIAL STATEMENTS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2018 and 2019:

	2018	2019
Satisfaction of program restrictions:		
Campus programs	\$ 7,694,065	\$ 7,243,141
Chairs and professorships	71,827	57,077
Scholarships	717,041	1,384,968
	8,482,933	8,685,186
Appropriation from donor endowments and subsequent satisfaction of any related donor restrictions:		
Educational programs	356,702	411,653
Scholarships	4,084,860	4,148,040
Chairs and professorships	631,166	613,351
Student loans	177,853	219,536
Campus programs	2,045,180	2,009,793
	7,295,761	7,402,373
Total net assets released from restrictions:	\$ 15,778,694	\$ 16,087,559

Note 13 – Non-Cash Transactions

During the year ended June 30, 2018, the Foundation donated to the University equipment and building construction costs of \$1,125,515 and \$39,737, respectively. During the year ended June 30, 2019, the Foundation donated to the University equipment and building construction costs of \$1,690,099 and \$1,055,390, respectively. The donation expense is included in Campus Support.

During the year ended June 30, 2018, the Foundation donated equipment to The Agricultural Foundation of California State University, Fresno with a cost of \$10,389. During the year ended June 30, 2019, the Foundation donated equipment to The Agricultural Foundation of California State University, Fresno with a cost of \$22,499. The donation expense is included in Campus Support.

Note 14 – Leases and Agreements

The Foundation has entered into an operating lease for office space at 2600 Tenth St, Berkeley, CA for a sponsored program (Central CA Training Academy-Bay Area Academy). The payment is approximately \$12,460 per month. The lease expires in June 2021.

The Foundation has entered into various operating lease agreements with Dell Financial Services for the use of office equipment by the Fresno State Foundation (4910 N. Chestnut Ave. Fresno, CA). The annual expense for these leases is \$5,423. The leases expire between December 2020 and May 2022.

The Foundation has entered into an operating lease agreement with DeLage Landen Financial Services for the use of office equipment by the Fresno State Foundation (4910 N. Chestnut Ave. Fresno, CA). The payment is \$841 per month. The lease expires in December 2020.

The Foundation has entered into an operating lease for office space at 2743 E. Shaw Ave, Ste 101, Fresno, CA for a sponsored program (Wayfinders). The payment is \$4,250 per month. The lease expires in March 2022.

NOTES TO THE FINANCIAL STATEMENTS

The Foundation has entered into an operating lease for warehouse space at 5825 E. Brown Ave, Fresno, CA for a sponsored program (STEM). The payment is \$2,100 per month. The lease expires in June 2020.

The Foundation has entered into an operating agreement with the Trustees of the California State University. The purpose of this agreement is to set forth terms and conditions under which the Foundation may operate as an auxiliary organization pursuant to Title 5 of the California Code of Regulations. The agreement expires in June 2022.

Rental expenses under operating leases during the fiscal year 2018 and fiscal year 2019 were \$20,662 and \$22,288, respectively.

Future minimum payments on the leases are as follows:

Year Ended June 30:

2020	\$	241,240
2021	\$	213,289
2022	\$	35,085

Note 15 – Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or function. However, there are no allocations between categories as all costs are expensed by specific account identification.

For the Year Ended June 30, 2018:

Expenses	Program	General & Administrative	Fund Raising (Development)	Total
Salaries and wages – grants and contracts	\$ 15,058,425	\$ 0	\$ 0	\$ 15,058,425
Fringe benefits – grants and contracts	4,453,902			4,453,902
Salaries and wages – support staff		704,449		704,449
Fringe benefits – support staff		372,175		372,175
Equipment	818,857			818,857
Student support	6,216,788			6,216,788
Campus support	16,252,312			16,252,312
Overhead	3,065,777			3,065,777
Donations-agency accounts		2,150,000		2,150,000
Other costs – grants and contracts	9,595,098			9,595,098
Other costs – general and administrative		5,022,273		5,022,273
Other costs - development			360,000	360,000
Total expenses	\$ 55,461,159	\$ 8,248,897	\$ 360,000	\$ 64,070,056

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2019:

Expenses	Program	General & Administrative	Fund Raising (Development)	Total
Salaries and wages – grants and contracts	\$ 15,271,587	\$ 0	\$ 0	\$ 15,271,587
Fringe benefits – grants and contracts	4,277,743			4,277,743
Salaries and wages – support staff		722,786		722,786
Fringe benefits – support staff		484,793		484,793
Equipment	81,056			81,056
Student support	6,884,753			6,884,753
Campus support	16,291,437			16,291,437
Overhead	3,323,083			3,323,083
Donations-agency accounts		2,243,469		2,243,469
Other costs – grants and contracts	11,056,702			11,056,702
Other costs – general and administrative		4,673,833		4,673,833
Other costs - development			360,000	360,000
Total expenses	<u>\$ 57,186,361</u>	<u>\$ 8,124,881</u>	<u>\$ 360,000</u>	<u>\$ 65,671,242</u>

Note 16 – 401(k) Profit-Sharing Plan

The Foundation has a 401(k) profit-sharing plan for benefited employees working on grants, contracts, or campus programs. Employer contributions to the plan are based on available budget funding from grantor agencies or campus programs. Employer contributions to the plan charged to sponsored programs or campus programs during fiscal year 2018 and fiscal year 2019 were \$720,172 and \$674,562, respectively.

Note 17 – Post Retirement Obligation

As described in Note 8 – “Management Services”, the Foundation reimburses the Association for retired employees’ health benefit payments for persons employed by the Association but performing services for the Foundation. The Foundation reflects within its Statements of Financial Position the liability associated with these future payments as calculated in accordance with the Defined Benefit Plans Topic of the FASB Accounting Standards Codification. Any change within this calculated balance is reflected within the Statements of Activities as a change in Net Assets Without Donor Restrictions.

The post retirement obligation as of June 30, 2018 and 2019, is included in accounts payable (long-term portion) and accrued salaries and benefits payable (current portion) as follows:

	2018	2019
Current portion	\$ 75,161	\$ 67,859
Long-term portion	<u>585,319</u>	<u>680,141</u>
Total	<u>\$ 660,480</u>	<u>\$ 748,000</u>

NOTES TO THE FINANCIAL STATEMENTS

As of both June 30, 2018 and 2019, the post retirement obligation is unfunded. Benefit payments during fiscal years 2018 and 2019 totaled \$75,396 and \$69,623 respectively.

Note 18 - Subsequent Events

Management has evaluated subsequent events through September 20, 2019 (date financial statements available to be issued) and determined no events have occurred subsequent to June 30, 2019 that would require adjustment to, or disclosure in the financial statements.

**California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2019**

Federal Grantor/Program Title or Cluster Title	Federal CFDA Number	Pass-Through Grantor	Pass-Through Grant Award or Contract Number	Federal Program Expenditures	Expenditures to Subrecipients
Research & Development Cluster					
U.S. Department of Agriculture:					
Direct programs:					
Agricultural Research_Basic and Applied Research	10.001			\$ 947	
Agricultural Research_Basic and Applied Research	10.001			\$ 4,515	
Agricultural Research_Basic and Applied Research	10.001			\$ 6,307	
Plant and Animal Disease, Pest Control, and Animal Care	10.025			\$ 27,618	
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326			\$ 43,780	
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326			\$ 912	
Alfalfa and Forage Research Program	10.330			\$ 4,595	
Subtotal U.S. Department of Agriculture direct programs:				\$ 88,674	\$ -
Pass-through programs from:					
Agricultural Research_Basic and Applied Research	10.001	California State University, Fresno	SA83276	\$ 4,315	
Agricultural Research_Basic and Applied Research	10.001	California State University, Fresno	SA83467	\$ 52,121	
Agricultural Research_Basic and Applied Research	10.001	California State University, Fresno	SA85090	\$ 42,145	
Agricultural Research_Basic and Applied Research	10.001	California State University, Fresno	SA86634	\$ 24,607	
Specialty Crop Block Grant Program - Farm Bill	10.170	California State University, Fresno/California Department of Food & Agriculture	SA76628 SCB15008	\$ 15,155	\$ 324
Specialty Crop Block Grant Program - Farm Bill	10.170	The Regents of the University of California, UC Davis	201601840-03	\$ 11,978	
Specialty Crop Block Grant Program - Farm Bill	10.170	California Department of Food & Agriculture	18-0001-06	\$ 57,839	
Grants for Agricultural Research	10.200	The Regents of the University of California	SA17-3662-CSUF	\$ 3,390	
Hispanic Serving Institutions Education Grants, Special Research Grants	10.223	University Enterprises at California State University, San Bernardino	GT-15144	\$ 30,141	
Specialty Crop Research Initiative	10.309	The Regents of the University of California, UC Riverside	S-001050	\$ 15,140	
Subtotal U.S. Department of Agriculture pass-through programs:				\$ 256,831	\$ 324
Total U.S. Department of Agriculture:				\$ 345,505	\$ 324
National Oceanic and Atmospheric Administration					
Pass-through programs from:					
NOAA Mission-Related Education	11.008			\$ 22,113	
Subtotal National Oceanic and Atmospheric Administration pass-through programs:				\$ 22,113	\$ -
Total National Oceanic and Atmospheric Administration				\$ 22,113	\$ -
National Aeronautics and Space Administration:					
Pass-through programs from:					
Technology Transfer	43.002	Jet Propulsion Laboratory	1556698	\$ 181,838	
Subtotal National Aeronautics and Space Administration pass-through programs:				\$ 181,838	\$ -
Total National Aeronautics and Space Administration:				\$ 181,838	\$ -
National Endowment Humanities:					
Pass-through programs from:					
Promotion of the Humanities_Federal/State Partnership	45.129	California Humanities	HFAP17-4	\$ 1,194	
Subtotal National Endowment Humanities pass-through programs:				\$ 1,194	\$ -
Total National Endowment Humanities:				\$ 1,194	\$ -
National Science Foundation:					
Direct programs:					
Mathematical and Physical Sciences	47.049			\$ 25,109	\$ 1,000
Mathematical and Physical Sciences	47.049			\$ 134,536	
Mathematical and Physical Sciences	47.049			\$ 12,442	
Mathematical and Physical Sciences	47.049			\$ 44,478	
Mathematical and Physical Sciences	47.049			\$ 5,942	

**California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2019**

Federal Grantor/Program Title or Cluster Title	Federal CFDA Number	Pass-Through Grantor	Pass-Through Grant Award or Contract Number	Federal Program Expenditures	Expenditures to Subrecipients
Geosciences	47.050			\$ 9,593	
Computer and Information Science and Engineering	47.070			\$ 69,753	
Computer and Information Science and Engineering	47.070			\$ 46,297	\$ 5,139
Computer and Information Science and Engineering	47.070			\$ 26,288	
Computer and Information Science and Engineering	47.070			\$ 39,588	
Computer and Information Science and Engineering	47.070			\$ 94,893	
Biological Sciences	47.074			\$ 57,393	
Biological Sciences	47.074			\$ 81,478	
Biological Sciences	47.074			\$ 40,982	
Biological Sciences	47.074			\$ 94,910	
Biological Sciences	47.074			\$ 2,633	
Education and Human Resources	47.076			\$ 123,895	
Education and Human Resources	47.076			\$ 8,425	
Education and Human Resources	47.076			\$ 65,524	
Education and Human Resources	47.076			\$ 132,284	
Education and Human Resources	47.076			\$ 2,376	
Office of International Science	47.079			\$ 17,427	
Subtotal National Science Foundation direct programs:				\$ 1,136,246	\$ 6,139
Pass-through programs from:					
Engineering Grants	47.041	Syracuse University	28250-04301-S14	\$ 157	
Engineering Grants	47.041	San Diego State University Research Foundation	SA0000637	\$ 1,009	
Education and Human Resources	47.076	San Francisco State University	S18-0006	\$ 21,245	
Education and Human Resources	47.076	University Enterprise, Inc.	523795	\$ 3,429	
Education and Human Resources	47.076	The Regents of the University of California-Berkeley	9844	\$ 18,265	
Education and Human Resources	47.076	University Enterprise, Inc.	533081	\$ 15,068	
Subtotal National Science Foundation pass-through programs:				\$ 59,173	\$ -
Total National Science Foundation:				\$ 1,195,419	\$ 6,139
U.S. Environmental Protection Agency:					
Pass-through programs from:					
Science to Achieve Results (STAR) Research Program	66.509	The Regents of the University of California - Berkeley	00008441-04	\$ 8,815	
Subtotal U.S. Environmental Protection Agency pass through programs:				\$ 8,815	\$ -
Total U.S. Environmental Protection Agency:				\$ 8,815	\$ -
U.S. Department of Education					
Direct programs:					
American History and Civics Education	84.422			\$ 257,336	\$ 38,974
Subtotal U.S. Department of Education direct programs:				\$ 257,336	\$ 38,974
Total U.S. Department of Education				\$ 257,336	\$ 38,974
Department of Health and Human Services:					
Direct programs:					
Diabetes, Digestive and Kidney Diseases Extramural	93.847			\$ 3,998	
Biomedical Research and Research Training	93.859			\$ 59,237	
Biomedical Research and Research Training	93.859			\$ 5,597	
Biomedical Research and Research Training	93.859			\$ 177,514	\$ 18,099
Biomedical Research and Research Training	93.859			\$ 79,620	
Biomedical Research and Research Training	93.859			\$ 97,698	
Biomedical Research and Research Training	93.859			\$ 70,167	
Biomedical Research and Research Training	93.859			\$ 94,141	
Biomedical Research and Research Training	93.859			\$ 132,666	
Biomedical Research and Research Training	93.859			\$ 55,266	
Subtotal Department of Health and Human Services direct programs:				\$ 775,904	\$ 18,099
Total Department of Health and Human Services				\$ 775,904	\$ 18,099
Miscellaneous/No CFDA Code:					
Pass-through programs from:					
Miscellaneous/No CFDA Code	99.RD	Booze Allen Hamilton	105795SB44	\$ 76,474	
Subtotal Miscellaneous/No CFDA Code pass-through programs:				\$ 76,474	\$ -
Total Miscellaneous/No CFDA Code:				\$ 76,474	\$ -

California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2019

Federal Grantor/Program Title or Cluster Title	Federal CFDA Number	Pass-Through Grantor	Pass-Through Grant Award or Contract Number	Federal Program Expenditures	Expenditures to Subrecipients
Total Research and Development Cluster				\$ 2,864,598	\$ 63,536
TRIO Cluster					
Department of Education:					
Direct programs:					
TRIO Student Support Services	84.042			\$ 306,658	
TRIO Student Support Services	84.042			\$ 239,206	
TRIO Student Support Services	84.042			\$ 227,357	
TRIO Talent Search	84.044			\$ 317,030	
TRIO Talent Search	84.044			\$ 195,843	
TRIO Upward Bound	84.047			\$ 281,309	
TRIO Upward Bound	84.047			\$ 181,426	
TRIO Educational Opportunity Centers	84.066			\$ 338,691	
TRIO McNair Post Baccalaureate Achievement	84.217			\$ -	
TRIO McNair Post Baccalaureate Achievement	84.217			\$ 247,986	
Subtotal Department of Education direct programs:				\$ 2,335,506	\$ -
Total TRIO Cluster				\$ 2,335,506	\$ -
WIA/WIOA Cluster					
Department of Labor:					
Pass-through programs from:					
WIA/WIOA Adult Program & Dislocated Worker Formula Grant	17.258	Fresno Regional Workforce Investment Board	719	\$ 574	
Workforce Innovation Fund	17.283	Employment Development Board	K8109249	\$ 68,750	\$ 36,563
Subtotal Department of Labor pass-through programs:				\$ 69,324	\$ 36,563
Total WIA/WIOA Cluster				\$ 69,324	\$ 36,563
Highway Safety Cluster					
Department of Transportation:					
Pass-through programs from:					
National Priority Safety Program	20.616	Office of Traffic Safety/California State University, Fresno	OP18005 / SA82357	\$ 82,618	
National Priority Safety Program	20.616	Office of Traffic Safety/California State University, Fresno	OP19018 / SA85089	\$ 173,272	
Subtotal Department of Transportation pass-through programs:				\$ 255,890	\$ -
Total Highway Safety Cluster				\$ 255,890	\$ -
Other Programs					
U.S. Department of Agriculture:					
Direct programs:					
Plant and Animal Disease, Pest Control and Animal Care	10.025			\$ 32,509	
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326			\$ 5,557	
Rural Business Development Grant	10.351			\$ 3,236	
Rural Business Development Grant	10.351			\$ 1,338	
Rural Business Development Grant	10.351			\$ 11,202	
Rural Community Development Initiative	10.446			\$ 35,469	
Faculty Exchange Program	10.613			\$ 38,641	
Rural Energy for America Programs	10.868			\$ 27,486	
Soil and Water Conservation	10.902			\$ 14,110	
Soil and Water Conservation	10.902			\$ 24,614	
Technical Agricultural Assistant	10.960			\$ 56,393	\$ 17,434
Cochran Fellowship Program-International Training-Foreign Participant	10.962			\$ 45,675	
Cochran Fellowship Program-International Training-Foreign Participant	10.962			\$ 39,017	
Cochran Fellowship Program-International Training-Foreign Participant	10.962			\$ 41,421	
Subtotal U.S. Department of Agriculture direct programs:				\$ 376,668	\$ 17,434
Pass-through programs from:					
Higher Education- Multicultural Scholars Grant Program	10.220	California State University, Stanislaus	C1135A2	\$ 14,628	
Agriculture and Food Research Initiative (AFRI)	10.310	University of Illinois	2014-07341-01	\$ 26,233	
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326	California State University, Stanislaus	C1136B	\$ 12,640	
Supplemental Nutrition Assistance Program	10.551	California State University, Chico Research Foundation	SUB18-026	\$ 7,030	

**California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2019**

Federal Grantor/Program Title or Cluster Title	Federal CFDA Number	Pass-Through Grantor	Pass-Through Grant Award or Contract Number	Federal Program Expenditures	Expenditures to Subrecipients
Summer Food Service Program for Children	10.559	California Department of Education-Child Nutrition	04095-SFSP-10 2018	\$ 21,917	
Summer Food Service Program for Children	10.559	California Department of Education-Child Nutrition	04095-SFSP-10 2019	\$ 12,570	
Farm to School Grant Program	10.575	Fresno Economic Opportunities Commision	CN-F2S-SS-17-CA-06	\$ 283	
Subtotal U.S. Department of Agriculture pass-through programs:				\$ 95,301	\$ -
Total U.S. Department of Agriculture				\$ 471,969	\$ 17,434
Department of Commerce:					
Direct Programs:					
Cluster Grants	11.020			\$ 182,183	
Cluster Grants	11.020			\$ 17,602	
Subtotal Department of Commerce direct				\$ 199,785	\$ -
Pass-through programs from:					
Economic Development_Technical Assistance	11.303	California State University, Chico Research Foundation/-Economic Development Administration	ED17SEA3030036	\$ 34,815	
Economic Development_Technical Assistance	11.303	California State University, Chico Research Foundation/-Economic Development Administration	ED17SEA3030036	\$ 6,057	\$ 5,000
Economic Adjustment Assistance	11.307	Valley Vision/Economic Development Administration	07-79-07295	\$ 10,486	
Subtotal Department of Commerce pass-through programs:				\$ 51,358	\$ 5,000
Total Department of Commerce:				\$ 251,143	\$ 5,000
Department of Defense:					
Direct programs from:					
Language Grant Program	12.900			\$ 14,487	
Language Grant Program	12.900			\$ 24,866	
Subtotal Department of Defense direct programs:				\$ 39,353	\$ -
Total Department of Defense:				\$ 39,353	\$ -
Department of Justice:					
Pass-through programs from:					
Edward Byrne Memorial Competitive Grant Program	16.751	Kings County Prosecuting Attorney	5897364	\$ 13,716	
Smart Prosecution Initiative	16.825	Jackson County	ORD 4925	\$ 12,606	
Subtotal Department of Justice pass-through programs:				\$ 26,322	\$ -
Total Department of Justice:				\$ 26,322	\$ -
National Aeronautics and Space Administration:					
Direct programs:					
Education	43.008			\$ 36,215	
Education	43.008			\$ 93,717	
Subtotal National Aeronautics and Space Administration direct programs:				\$ 129,932	\$ -
Pass-through programs from:					
Education	43.008	Napa Valley College	CSUF16	\$ 43,342	
Education	43.008	University of California, San Diego / California Space Grant	M0166981	\$ 6,000	
Subtotal National Aeronautics and Space Administration pass-through programs:				\$ 49,342	\$ -
Total National Aeronautics and Space Administration:				\$ 179,274	\$ -
National Endowment Humanities:					
Pass-through programs from:					
Promotion of the Humanities Federal/State Partnership	45.129	California Humanities	HFAQ18-101	\$ 3,909	
Promotion of the Humanities Professional Development	45.163	University of Texas at El Paso	226170775A	\$ 1,032	
Subtotal National Endowment Humanities pass-through programs:				\$ 4,941	\$ -
Total National Endowment Humanities				\$ 4,941	\$ -
U.S. Department of Education:					

**California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2019**

Federal Grantor/Program Title or Cluster Title	Federal CFDA Number	Pass-Through Grantor	Pass-Through Grant Award or Contract Number	Federal Program Expenditures	Expenditures to Subrecipients
Direct programs:					
Higher Education_Institutional Aid	84.031			\$ 138,757	\$ 23,909
Higher Education_Institutional Aid	84.031			\$ 519,054	
Rehabilitation Long Term Training	84.129			\$ 236,958	
Migrant Education: College Assistance Migrant Program	84.149			\$ 464,886	**
Special Education-Personnel Development To Improve Services & Results for Children With Disabilities	84.325			\$ 92,157	
Special Education-Personnel Development To Improve Services & Results for Children With Disabilities	84.325			\$ 93,539	
Transition Programs For Students With Intellectual Disabilities Into Higher Education	84.407			\$ 466,562	
Subtotal U.S. Department of Education direct programs:				\$ 2,011,913	\$ 23,909
Pass-through programs from:					
Title I Grants to Local Educational Agencies	84.010	Twin Rivers Unified School District	NONE	\$ (25,200)	
Title I Grants to Local Educational Agencies	84.010	Selma Unified School District	PO 180155	\$ 829	
Title I Grants to Local Educational Agencies	84.010	Fresno Unified School District	PO 497379	\$ 206	
Title I Grants to Local Educational Agencies	84.010	Clovis Unified School District	PO 3180475	\$ 2,621	
Title I Grants to Local Educational Agencies	84.010	Selma Unified School District	PO 180154	\$ 2,746	
Title I Grants to Local Educational Agencies	84.010	Exeter Unified School District	NONE	\$ 1,613	
Title I Grants to Local Educational Agencies	84.010	Twin Rivers Unified School District	SA 770577	\$ 82,404	
Title I Grants to Local Educational Agencies	84.010	Fresno Unified School District	PO 547692	\$ 46,712	
Title I Grants to Local Educational Agencies	84.010	Twin Rivers Unified School District	NONE	\$ 14,628	
Title I Grants to Local Educational Agencies	84.010	Selma Unified School District	NONE	\$ 20,384	
Title I Grants to Local Educational Agencies	84.010	Clovis Unified School District	NONE	\$ 13,890	
Title I Grants to Local Educational Agencies	84.010	Lindsay Unified School District	NONE	\$ 23,437	
Subtotal Title I Grants to Local Educational Agencies				\$ 184,270	\$ -
Migrant Education_State Grant Program	84.011	Kern County Superintendent of Schools	802420	\$ 2,509	
Migrant Education_State Grant Program	84.011	Monterey County Office of Education	5220	\$ 137,934	
Migrant Education_State Grant Program	84.011	Merced County Office of Education	NONE	\$ 71,872	
Migrant Education_State Grant Program	84.011	Merced County Office of Education	NONE	\$ 2,404	
Migrant Education_State Grant Program	84.011	Kern County Superintendent of Schools	903132	\$ 8,607	
Migrant Education_State Grant Program	84.011	Monterey County Office of Education	6064	\$ 82,993	
Migrant Education_State Grant Program	84.011	Merced County Office of Education	NONE	\$ 22,021	
Migrant Education_State Grant Program	84.011	Merced County Office of Education	NONE	\$ 12,947	
Migrant Education_State Grant Program	84.011	Fresno County Superintendent of Schools	NONE	\$ 6,314	
Subtotal Migrant Education_State Grant Program				\$ 347,601	\$ -
Career and Technical Education-Basic Grants to States	84.048	California Department of Education	CN170329	\$ 18,118	
Career and Technical Education-Basic Grants to States	84.048	California Department of Education	CN170305	\$ 10,644	
Career and Technical Education-Basic Grants to States	84.048	California Department of Education	CN180149	\$ 233,250	
Subtotal Career and Technical Education-Basic Grants to States				\$ 262,012	\$ -
Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126	California Department of Rehabilitation	30043	\$ 2,110	
Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126	California Department of Rehabilitation	30043	\$ 134,689	
Subtotal Rehabilitation Services_Vocational Rehabilitation Grants to States				\$ 136,799	\$ -
Mathematics and Science Partnerships	84.366	Exeter Unified School District	None	\$ 864	
Mathematics and Science Partnerships	84.366	Clovis Unified School District	3170434	\$ -	
Subtotal Mathematics and Science Partnerships				\$ 864	\$ -
Improving Teacher Quality State Grants	84.367	National Writing Project, University of California	93-CA16-SEED2017-CRWPPI	\$ (454)	
Improving Teacher Quality State Grants	84.367	University of California, Office of the President	NCLB14-CWLP-FRESNO-CN170224	\$ 972	
Improving Teacher Quality State Grants	84.367	University of California, Office of the President	ESSA18-CRLP-FRESNO-CN180213	\$ 43,627	
Improving Teacher Quality State Grants	84.367	National Writing Project, University of California	93-CA16-SEED2018-C3WPPD	\$ 2,013	
Improving Teacher Quality State Grants	84.367	University of California, Office of the President	ESSA18-CWLP-FRESNO-CN180213	\$ 27,000	
Improving Teacher Quality State Grants	84.367	University of California, Office of the President	ESSA18-CWP-FRESNO - CN180213	\$ 37,229	

California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2019

Federal Grantor/Program Title or Cluster Title	Federal CFDA Number	Pass-Through Grantor	Pass-Through Grant Award or Contract Number	Federal Program Expenditures	Expenditures to Subrecipients
Improving Teacher Quality State Grants	84.367	University of California, Office of the President	ESSA18-CMP-FRESNO - CN180213	\$ 64,409	\$ 17,500
Subtotal Improving Teacher Quality State Grants				\$ 174,796	\$ 17,500
Subtotal U.S. Department of Education pass-through programs:				\$ 1,106,342	\$ 17,500
Total U.S. Department of Education				\$ 3,118,255	\$ 41,409
National Historical Publications and Records Grants					
Direct programs:					
National Historical Publications and Records Grants	89.003			\$ 64,230	
Subtotal National Historical Publications and Records Grants direct programs:				\$ 64,230	\$ -
Total National Historical Publications and Records Grant:				\$ 64,230	\$ -
Department of Health and Human Services:					
Direct programs:					
Advanced Nursing Education Workforce Grant Program	93.247			\$ 398,772	
Subtotal Department of Health and Human Services direct programs:				\$ 398,772	\$ -
Pass-through programs from:					
Partnerships to Improve Community Health	93.331	County of Fresno	15-323	\$ (1,195)	
Subtotal Partnerships to Improve Community Health pass-through programs:				\$ (1,195)	\$ -
Pass-through programs from:					
Innovative State & Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke	93.435	County of Fresno	A-19-100	\$ 3,404	
Innovative State & Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke	93.435	County of Fresno	A-19-099	\$ 4,816	
Subtotal Innovative State & Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke pass-through programs:				\$ 8,220	\$ -
Pass-through programs from:					
Child Welfare Research Training or Demonstration	93.648	County of San Mateo	072495 2015	\$ (48)	
Child Welfare Research Training or Demonstration	93.648	County of San Mateo	074613 2018	\$ (2,108)	
Child Welfare Research Training or Demonstration	93.648	County of San Mateo	074613 2019	\$ 250,402	
Subtotal Child Welfare Research Training or Demonstration pass-through programs:				\$ 248,246	\$ -
Pass-through programs from:					
Foster Care Title IV-E	93.658	County of Sonoma	ADM-CSUFF-SOPT-1819	\$ 80,480	
Foster Care Title IV-E	93.658	County of Solano	03770-19	\$ 30,846	
Foster Care Title IV-E	93.658	Monterey County Department of Social Services	A-12811	\$ (1,001)	
Foster Care Title IV-E	93.658	Contra Costa County	19-826-1	\$ (853)	
Foster Care Title IV-E	93.658	San Francisco County	PSC 2001-08/09	\$ 2,114	
Foster Care Title IV-E	93.658	California Department of Social Services	15-STD-01087	\$ (11,567)	
Foster Care Title IV-E	93.658	California Department of Social Services	15-STD-01090	\$ 34,237	
Foster Care Title IV-E	93.658	The Regents of the University of California-Berkeley	00009240	\$ 3,736	
Foster Care Title IV-E	93.658	The Regents of the University of California-Berkeley	00009240	\$ 28,542	
Foster Care Title IV-E	93.658	County of Ventura	NONE	\$ -	
Foster Care Title IV-E	93.658	Monterey County Department of Social Services	A-13716	\$ 5,249	
Foster Care Title IV-E	93.658	The Regents of the University of California-Berkeley	BB01015756	\$ 16,667	
Foster Care Title IV-E	93.658	San Francisco County	PSC 2001-08/09	\$ 1,104,920	
Foster Care Title IV-E	93.658	California Department of Social Services	18-3023	\$ 2,547,327	
Foster Care Title IV-E	93.658	Contra Costa County	19-826-2	\$ 173,953	
Foster Care Title IV-E	93.658	California Department of Social Services	18-3024	\$ 3,173,860	

**California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2019**

Federal Grantor/Program Title or Cluster Title	Federal CFDA Number	Pass-Through Grantor	Pass-Through Grant Award or Contract Number	Federal Program Expenditures	Expenditures to Subrecipients
Foster Care Title IV-E	93.658	Monterey County Department of Social Services	A-13984	\$ 147,852	
Foster Care Title IV-E	93.658	County of Ventura	C1819.06	\$ 167,270	
Foster Care Title IV-E	93.658	Child & Family Policy Institute of CA	PD422	\$ 72,434	
Foster Care Title IV-E	93.658	Child & Family Policy Institute of CA	NONE	\$ 32,511	
Foster Care Title IV-E	93.658	The Regents of the University of California-Berkeley	00009906	\$ 2,670,114	
Subtotal Foster Care Title IV-E				\$ 10,278,691	\$ - **
Pass-through programs from:					
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Community Medical Centers	NONE	\$ 18,197	
Subtotal Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease pass-through programs:				\$ 18,197	\$ -
Subtotal Department of Health and Human Services pass-through programs:				\$ 10,552,159	\$ -
Total Department of Health and Human Services:				\$ 10,950,931	\$ -
Corporate National Community Service:					
Pass-through programs from:					
AmeriCorps	94.006	Jumpstart	130200	\$ 132,330	
AmeriCorps	94.006	Jumpstart	130200	\$ 26,509	
Subtotal Corporate National Community Service pass-through programs:				\$ 158,839	\$ -
Total Corporate National Community Service:				\$ 158,839	\$ -
USAID Foreign Assistance for Programs Overseas					
Pass-through programs from:					
USAID Foreign Assistance for Programs Overseas	98.001	21PSTEM	72026318C0003-006	\$ 31,819	
Subtotal USAID Foreign Assistance for Programs Overseas pass-through programs:				\$ 31,819	\$ -
Total USAID Foreign Assistance for Programs Overseas:				\$ 31,819	\$ -
Miscellaneous/No CFDA Code:					
Direct programs:					
Miscellaneous/No CFDA Code	99.U01			\$ 9,935	
Subtotal Miscellaneous/No CFDA Code direct programs:				\$ 9,935	\$ -
Total Miscellaneous/No CFDA Code:	99.U01			\$ 9,935	\$ -
Total Other Programs:				\$ 15,307,011	\$ 63,843
Grand Total Federal Awards				\$ 20,832,329	\$ 163,942

** Identifies Major Federal Programs

See Note D on page 39 for disclosure of California Department of Education Awards.

California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2019

Note A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of California State University, Fresno Foundation under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of California State University, Fresno Foundation, it is not intended to and does not present the financial position, changes in net assets or cash flows of California State University, Fresno Foundation.

Note B. Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, *Cost Principles for Educational Institutions*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note C. Indirect Cost Rate

California State University, Fresno Foundation has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note D. Schedule of Expenditures of California Department of Education Awards

Program Name	Pass through Agreement Number	CDE Agreement Number	Amount Expended
NCLB14 CCWLP '18	NCLB14-CWLP-FRESNO	CN170224	\$ 972
ESSA18-CRLP-Fresno	ESSA18-CRLP-FRESNO	CN180213	\$ 43,627
ESSA18-CCWLP-Fresno	ESSA18-CCWLP-FRESNO	CN180213	\$ 27,000
ESSA18-CWP-Fresno	ESSA18-CWP-FRESNO	CN180213	\$ 37,229
ESSA18-CMP-Fresno	ESSA18-CMP-FRESNO	CN180213	\$ 64,409
Family Consumer Sciences '18		CN170329	\$ 18,118
Family Consumer Sciences '19		CN180149	\$ 233,250
CDE-Office Contract '19		CN170305	\$ 10,644
Summer Food Service Program '18		04095-SFSP-10	\$ 21,917
Summer Food Service Program '19		04095-SFSP-10	\$ 12,570
Total California Department of Education Awards			<u>\$ 469,736</u>

COMBINING STATEMENT OF CALIFORNIA DEPARTMENT OF EDUCATION ACTIVITIES
YEAR ENDED JUNE 30, 2019

	ESSA18-CRLP-FRESNO	ESSA18-CCWLP-FRESNO	ESSA18-CWP-FRESNO	ESSA18-CMP-FRESNO	Family Consumer Sciences '18	Family Consumer Sciences '19	CDE-Office Contract '19	Summer Food Program '18	Summer Food Program '19	Total CDE Contracts
NCLB14										
CCWLP '18										
CN170224	CN180213	CN180213	CN180213	CN180213	CN170329	CN180149	CN170305	04095-SFSP-10	04095-SFSP-10	
330385	330421	330433	330435	330437	350581	350643	350595	360424	360457	
\$ 216	\$ 43,627	\$ 27,000	\$ 30,112	\$ 64,409	\$ 18,118	\$ 233,250	\$ 10,643	\$ 21,917	\$ 12,570	\$ 461,862
\$ 216	\$ 43,627	\$ 27,000	\$ 30,112	\$ 64,409	\$ 18,118	\$ 233,250	\$ 10,643	\$ 21,917	\$ 12,570	\$ 461,862
\$ -	\$ 30,480	\$ 12,500	\$ 18,426	\$ 25,332	\$ -	\$ 100,845	\$ 6,918	\$ -	\$ -	\$ 194,501
\$ -	\$ 2,946	\$ 1,208	\$ 6,882	\$ 11,206	\$ -	\$ 25,358	\$ 461	\$ -	\$ -	\$ 48,061
\$ -	\$ 33,426	\$ 13,708	\$ 25,308	\$ 36,538	\$ -	\$ 126,203	\$ 7,379	\$ -	\$ -	\$ 242,562
REVENUE:										
Grants & Contracts										
Total Revenue:										
EXPENSES:										
Salaries										
Fringe Benefits										
Total Personnel:										
Admin Costs										
Books										
Consultant/Contractual										
Equipment										
Indirect										
Meals										
Meetings										
Other										
Postage										
Printing										
Subcontract										
Supplies & Materials										
Telephone										
Travel										
Total Expenses:										
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES										
\$ 972	\$ 43,627	\$ 27,000	\$ 37,230	\$ 64,409	\$ 18,118	\$ 233,250	\$ 10,643	\$ 21,917	\$ 12,570	\$ 469,736
\$ (756)	\$ -	\$ -	\$ (7,118)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,874)

Notes: Deficit of revenue over expenses represents expenses incurred during fiscal year ending June 30, 2019 that will be billed in the new fiscal year.

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION
GENERAL FUND ADMINISTRATION COST CENTER - CHANGE IN NET ASSETS
July 1, 2018 to June 30, 2019

<u>INDIRECT COSTS AND OTHER INCOME:</u>	<u>BUDGET</u>	<u>ACTUAL</u>
Indirect cost recovery	\$ 2,800,000	\$ 3,313,667
Handling charges	250,000	306,329
Subtotal - Indirect and Handling	3,050,000	3,619,996
Miscellaneous Income	-	205
Short term investments	825,000	1,930,341
Endowment administrative fee	1,561,000	1,561,000
Total Income	5,436,000	7,111,542
 <u>EXPENSES:</u>		
Personnel:		
Monthly	639,797	673,489
Student	51,000	49,297
Employee benefits	291,218	329,458
Retired employee benefit (actual and accrual)	128,500	155,334
Accounting (audit)	83,000	53,905
Board/Committee meetings	10,000	7,367
Consultants	5,000	-
Management services	607,441	607,441
CSU Trustee Scholarship	6,000	6,000
Depreciation	39,378	19,586
Dues & Memberships	9,400	11,072
Equipment leasing	23,500	22,288
Employee recruitment	2,000	814
General insurance	89,487	88,960
Legal fees:		
General	10,000	2,158
Employment	2,500	102
Gifts	-	1,350
Licenses, permits & fees	13,325	10,701
Miscellaneous	5,000	2,992
Office supplies	26,500	21,594
Postage	8,500	8,495
Repairs & maintenance	30,000	25,513
Software	33,150	32,002
Travel/training	6,500	4,839
Telephone	7,750	7,048
Utilities	25,000	25,347
Advancement Gift Assessment	360,000	360,000
University Indirect Costs	320,000	320,000
Total Expenses	2,833,946	2,847,152
Gross Surplus Available For Distribution	\$ 2,602,054	\$ 4,264,390



Moore Grider & Company
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

*A Partnership Including
Accountancy Corporations
and a Partnership*

Richard L. Holland, C.P.A.

Thomas L. Bell, C.P.A.
Accountancy Corporation

Denise S. Hurst, C.P.A.

Kenneth J. Labendeira, C.P.A., C.F.E.
Accountancy Corporation

Pamela J. Gallemore, C.P.A.
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Karl L. Noyes, C.P.A.
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Cory J. Bell, C.P.A.

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Carrie M. Wiebe, C.P.A., C.F.E.
Accountancy Corporation

Lozano, Lozano & Company
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Kelli D. Steele, C.P.A.

Julie B. Fillmore, C.P.A.

Oscar Espinoza, C.P.A.

Lisa Brown, C.P.A., C.F.E.

Stalin Hernandez, C.P.A.

Michiko Rosenthal, C.P.A.

Ahsan Syed, C.P.A.

Gabriela Macias, C.P.A.

Abel M. Cabello, E.A.

L. Jerome Moore, C.P.A.
1923-2016

Robert E. Grider, C.P.A.
Retired

Board of Governors
California State University, Fresno Foundation
Fresno, California

We have audited, in accordance with the 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 California State University, Fresno Foundation, which comprise the statement of financial position as of June 30, 2019, 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 20, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered California State University, Fresno Foundation's internal control over financial reporting (internal control) to determine the 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 California State University, Fresno Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Fresno Foundation'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 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 California State University, Fresno Foundation's financial statements are free of 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.

Purpose of this Report

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 communication is not suitable for any other purpose.

Moore Gilder & Company

Fresno, California
September 20, 2019



Moore Grider & Company
Certified Public Accountants

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and a Partnership

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1923-2016

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Governors
California State University, Fresno Foundation
Fresno, California

Report on Compliance for Each Major Federal Program

We have audited California State University, Fresno Foundation's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of California State University, Fresno Foundation's major federal programs for the year ended June 30, 2019. California State University, Fresno Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of California State University, Fresno Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about California State University, Fresno Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of California State University, Fresno Foundation's compliance.

Opinion on Each Major Federal Program

In our opinion, California State University, Fresno Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of California State University, Fresno Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered California State University, Fresno Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of California State University, Fresno Foundation's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moore Gilder & Company

Fresno, California
September 20, 2019

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

- Type of auditors' report issued: Unmodified opinion
- Internal control over financial reporting:
 - Material weakness identified: No
 - Significant deficiencies identified: None reported
- Noncompliance material to the financial statements noted: No

Federal Awards

- Internal control over major programs:
 - Material weakness identified: No
 - Significant deficiencies identified: None reported
- Type of auditors' report issued on compliance for major programs: Unmodified opinion
- Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a): No
- Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.149	Migrant Education: College Assistance Migrant Program
93.658	Foster Care Title IV-E
- Dollar threshold used to distinguish between Type A and Type B programs for program determination: \$750,000
- California State University, Fresno Foundation qualified as low-risk auditee. Yes

SECTION II – FINDINGS – FINANCIAL STATEMENTS AUDIT None

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT None

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2019

Section II – Findings – Financial Statements Audit	None
Section III – Findings and Questioned Costs - Major Federal Award Programs Audit	None

ADDITIONAL INFORMATION

California State University, Fresno Foundation
Schedule of Net Position
June 30, 2019
(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$	4,285,106
Short-term investments		38,150,769
Accounts receivable, net		21,973,824
Notes receivable, current portion		5,996
Pledges receivable, net		1,904,515
Prepaid expenses and other current assets		120,269
Total current assets		66,440,479

Noncurrent assets:

Student loans receivable, net		334,748
Pledges receivable, net		8,226,485
Endowment investments		151,520,566
Other long-term investments		2,106,851
Capital assets, net		39,572
Other assets		889,658
Total noncurrent assets		163,117,880

Total assets		229,558,359
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Liabilities:

Current liabilities:

Accounts payable		3,004,961
Accrued salaries and benefits		1,506,078
Accrued compensated absences, current portion		71,980
Unearned revenues		3,884,549
Long-term debt obligations, current portion		2,000,000
Other liabilities		64,835
Total current liabilities		10,532,403

Noncurrent liabilities:

Depository accounts		2,950,990
Other liabilities		897,572
Total noncurrent liabilities		3,848,562

Total liabilities		14,380,965
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Deferred inflows of resources:

Nonexchange transactions		1,773,774
Total deferred inflows of resources		1,773,774

Net Position:

Net investment in capital assets		39,572
Restricted for:		
Nonexpendable – endowments		120,079,673
Expendable:		
Scholarships and fellowships		41,367,653
Loans		1,669,232
Others		41,139,374
Unrestricted		9,108,116
Total net position	\$	213,403,620

California State University, Fresno Foundation
Schedule of Revenues, Expenses, and Changes in Net Position
June 30, 2019
(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Grants and contracts, noncapital:		
Federal	\$	20,832,329
State		9,700,578
Nongovernmental		4,279,426
Sales and services of auxiliary enterprises, gross		
Scholarship allowances (0)		5,180,996
Total operating revenues		<u>39,993,329</u>
Expenses:		
Operating expenses:		
Instruction		13,216,362
Research		6,112,900
Public service		18,467,330
Institutional support		455,087
Student grants and scholarships		4,786,505
Auxiliary enterprise expenses		6,322,036
Depreciation and amortization		19,586
Total operating expenses		<u>49,379,806</u>
Operating income (loss)		<u>(9,386,477)</u>
Nonoperating revenues (expenses):		
Gifts, noncapital		13,328,305
Investment income (loss), net		2,618,192
Endowment income (loss), net		10,396,553
Interest expense		(20,000)
Other nonoperating revenues (expenses) - excl. interagency transfers		(5,432,696)
Net nonoperating revenues (expenses)		<u>20,890,354</u>
Income (loss) before other revenues (expenses)		11,503,877
Additions (reductions) to permanent endowments		<u>5,675,423</u>
Increase (decrease) in net position		17,179,300
Net position:		
Net position at beginning of year, as previously reported		<u>196,224,320</u>
Net position at end of year	\$	<u><u>213,403,620</u></u>

California State University, Fresno Foundation
Other Information
June 30, 2019
(for inclusion in the California State University)

1 Cash and cash equivalents:
 Portion of restricted cash and cash equivalents related to endowments -
 All other restricted cash and cash equivalents -
Noncurrent restricted cash and cash equivalents
 Current cash and cash equivalents -
Total
 \$ 4,285,106
 \$ 4,285,106

2.1 Composition of investments:

	Current	Noncurrent	Total
Money market funds	482,851	749,536	1,232,387
U.S. agency securities	-	306,534	306,534
U.S. treasury securities	15,415,948	3,760,945	19,176,893
Municipal bonds	-	217,006	217,006
Corporate bonds	1,012,709	5,880,089	6,892,798
Mortgage backed securities	3,497,950	5,455,464	8,953,414
Mutual funds	10,626,336	95,663,636	106,290,000
Equity securities	-	12,743,522	12,743,522
Alternative investments:			
Private equity (including limited partnerships)	-	19,723,670	19,723,670
Hedge funds	2,682,878	8,227,150	10,910,028
Real estate investments (including REITs)	-	19,475	19,475
Other alternative investment types	-	506,183	506,183
Other investments	-	374,207	374,207
State of California Local Agency Investment Fund (LAIF)	4,432,097	-	4,432,097
Total investments	38,150,769	153,627,417	191,778,186
Less endowment investments (enter as negative number)	-	(151,520,566)	(151,520,566)
Total investments, net of endowments	\$ 38,150,769	2,106,851	40,257,620

2.2 Fair value hierarchy in investments:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ 1,232,387	1,232,387	-	-
U.S. agency securities	306,534	306,534	-	-
U.S. treasury securities	19,176,893	19,176,893	-	-
Municipal bonds	217,006	217,006	-	-
Corporate bonds	6,892,798	6,892,798	-	-
Mortgage backed securities	5,455,464	5,455,464	-	-
Mutual funds	99,161,586	99,161,586	-	-
Equity securities	23,369,858	23,369,858	-	-
Alternative investments:				
Private equity (including limited partnerships)	-	-	-	19,723,670
Hedge funds	-	-	-	10,910,028
Real estate investments (including REITs)	-	-	-	19,475
Other alternative investment types	-	-	-	506,183
Other investments	-	-	-	374,207
State of California Local Agency Investment Fund (LAIF)	-	-	-	4,432,097
Total investments	\$ 191,778,186	180,602,682	47,657	31,127,847

2.3 Investments held by the University under contractual agreements:

Not Applicable

7 Transactions with related entities:
 Payments to University for salaries of University personnel working on contracts,
 grants, and other programs \$ 2,901,555
 Gifts-in-kind to the University from discretely presented component units 2,745,489

Not Applicable

8 Restatements/Prior period adjustments:

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	3,955,043	1,294,395	-	-	-	7,966,924	-	13,216,362
Research	3,035,259	546,046	-	-	-	2,531,595	-	6,112,900
Public service	8,281,285	2,437,302	-	-	-	7,748,743	-	18,467,330
Institutional support	-	-	-	-	-	455,087	-	455,087
Student grants and scholarships	-	-	-	-	4,786,505	-	-	4,786,505
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	6,322,036	19,586	6,322,036
Total operating expenses	15,271,587	4,277,743	-	-	4,786,505	25,024,385	19,586	49,379,806

Not Applicable

10 Deferred outflows/inflows of resources:

2. Deferred Inflows of Resources
 Deferred inflows - nonexchange transactions \$ 1,773,774
 Total deferred inflows of resources \$ 1,773,774