

**CALIFORNIA STATE UNIVERSITY,  
FRESNO FOUNDATION**

**ANNUAL REPORT**

**2021-22**

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

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California State University Fresno, Foundation  
Corporate Information  
For the Year Ended June 30, 2022

**BOARD OF GOVERNORS:**

Mr. Darius Assemi	Fresno, California
Ms. Carol Chandler	Selma, California
Mr. Nat DiBuduo	Fresno, California
Ms. Joan Eaton	Fresno, California
Dr. Eric Hanson	Fresno, California
Mr. Rod Higgins	Atlanta, Georgia
Mr. John E. Horstmann (thru 7/3/21)	Fresno, California
Dr. Saúl Jiménez-Sandoval	Fresno, California
Mr. Larry Johanson	Fresno, California
Ms. Maurine Jones	Fresno, California
Mr. Claude C. Laval III	Fresno, California
Mr. Jason Liao	Fresno, California
Dr. William M. Lyles	Fresno, California
Mr. Chris Morse	Fresno, California
Ms. Debra Nalchajian-Cohen	Fresno, California
Dr. Joan Otomo-Corgel	Manhattan Beach, California
Mr. Dennis Parnagian	Fresno, California
Ms. Vinci Ricchiuti	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
Mr. A. Emory Wishon III	Fresno, California

**CORPORATE OFFICERS:**

Ms. Vinci Ricchiuti	Chair
Dr. Eric Hanson	Vice Chair
Mr. Kyle Stephenson	Treasurer
Dr. Saúl Jiménez-Sandoval	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
Mr. Kyle Stephenson	Treasurer
Dr. Saúl Jiménez-Sandoval	Secretary
Ms. Debra Nalchajian-Cohen	Member at Large

California State University Fresno, Foundation  
Corporate Information  
For the Year Ended June 30, 2022

**Audit Committee:**

Mr. Kyle Stephenson	Chair
Ms. Carol Chandler	
Ms. Joan Eaton	
Mr. Jason Liao	
Mr. Chris Morse	
Mr. Bill Smittcamp	

**Budget Committee:**

Mr. Claude Laval III	Chair
Mr. Larry Johanson	
Mr. Mark Ruof	
Mr. Dennis Parnagian	
Mr. George Soares	

**Development Committee:**

Ms. Debra Nalchajian-Cohen	Chair
Mr. Bill Smittcamp	Co-Chair
Mr. Nat DiBuduo	
Ms. Maurine Jones	
Mr. Chris Morse	
Dr. Joan Otomo-Corgel	
Ms. Kim Ruiz-Beck	
Ms. Lorraine Salazar	
Ms. Dora Westerlund	

**Governance Committee:**

Mr. George Soares	Chair
Dr. Eric Hanson	
Mr. John Horstmann (thru 7/3/21)	
Mr. Claude Laval III	
Ms. Kim Ruiz-Beck	

**Investment Committee:**

Mr. A. Emory Wishon III	Chair
Mr. Darius Assemi	
Mr. Jason Liao	
Mr. William M. Lyles	
Mr. Dennis Parnagian	
Mr. Mark Ruof	
Mr. Bill Shaughnessy	
Mr. Richard Spencer	

California State University Fresno, Foundation  
Corporate Information  
For the Year Ended June 30, 2022

**CORPORATE DATA**

**Executive Offices**

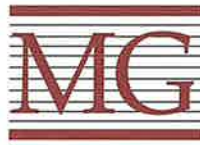
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Fresno, CA 93726-1852  
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**Auditors**

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

**Investment Advisors**

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



Moore Grider & Company LLP  
Certified Public Accountants

*A Partnership Including  
Accountancy Corporations*

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.  
Carrie M. Wiebe, C.P.A., C.F.E.  
Accountancy Corporation  
Lisa Brown, C.P.A., C.F.E.  
Accountancy Corporation  
Richard L. Holland, C.P.A.  
Thomas L. Bell, C.P.A.  
Accountancy Corporation  
Tom Collins, C.P.A.  
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Ginger A. Lozano, C.P.A.  
Robert G. Rose, C.P.A.  
Abel M. Cabello, E.A.  
Kelli D. Steele, C.P.A.  
Stalin Hernandez, C.P.A.  
Michiko Rosenthal, C.P.A.  
Shaina M. Miracle, C.P.A.  
Kirsten Years, C.P.A.  
Franklin Daniel, C.P.A.  
Steve Thapar, C.P.A.  
Christina R. Thompson, C.P.A.  
L. Jerome Moore, C.P.A.  
1923-2016  
Robert E. Grider, C.P.A.  
Retired

**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of California State University, Fresno Foundation, which comprise the statements of financial position as of June 30, 2021 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2022, 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.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California State University, Fresno Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Fresno Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always

detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 California State University, Fresno Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Fresno Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. On pages 31 to 37, 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 page 38 to 39 is presented for purposes of additional analysis and is also not a required part of the financial statements. The information reflected on pages 47 to 51 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 19, 2022, 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 Grider & Company LLP*

Fresno, California  
September 19, 2022



CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION  
THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION  
STATEMENTS OF FINANCIAL POSITION  
AT JUNE 30 2021 AND 2022

	2021 TOTAL	2022 TOTAL
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and cash equivalents (Note 1, Pg. 11)	\$ 76,447,779	\$ 76,425,761
Receivables:		
Grants and contracts	7,918,858	10,309,838
Pledges receivable (Note 3)	3,831,258	3,547,224
Other accounts receivable	9,254,039	9,898,446
Notes receivable, net (Note 4)	5,985	5,239
Total Receivables	21,010,140	23,760,748
Prepaid expenses	130,373	134,892
<b>Total Current Assets</b>	<b>97,588,292</b>	<b>100,321,400</b>
Long-term investments, at market (Note 5)	199,466,595	191,500,210
Non-current receivables:		
Pledges receivable (Note 3)	7,996,933	7,506,453
Allowance for uncollectibles	(300,000)	(300,000)
Net pledges receivable	7,696,933	7,206,453
Notes receivable, net (Note 4)	360,743	378,346
Other receivable, non-current (Note 9)	0	267,340
Total non-current receivables	8,057,676	7,852,139
Land and improvements	454,658	454,658
Capital Assets:		
Equipment	602,391	602,391
Less accumulated depreciation	(588,326)	(593,287)
Net Capital Assets	14,065	9,104
<b>TOTAL ASSETS</b>	<b>\$ 305,581,286</b>	<b>\$ 300,137,511</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 3,691,648	\$ 3,289,504
Note payable (Note 10)	0	2,000,000
Accrued salaries and benefits payable	1,381,066	1,656,716
Receipts in excess of expenditures		
on specific sponsored programs	6,464,740	9,196,780
Accrued compensated balances	69,446	73,577
Unitrust agreement liabilities - current portion (Note 9)	31,202	34,792
Annuity agreement liabilities - current portion (Note 9)	43,100	57,145
<b>Total Current Liabilities</b>	<b>11,681,202</b>	<b>16,308,514</b>
Long-term liabilities:		
Accounts payable	999,423	1,007,394
Note payable (Note 10)	2,000,000	0
Annuity agreement liabilities - long-term portion (Note 9)	48,260	248,850
Agency accounts	3,778,653	3,587,863
<b>Total Liabilities</b>	<b>18,507,538</b>	<b>21,152,621</b>
Net Assets:		
Without donor restrictions (Deficit)	10,295,815	(4,247,064)
Without donor restrictions-board designated reserves (Note 11)	5,766,222	9,968,223
With donor restrictions (Note 12)	271,011,711	273,263,730
<b>Total Net Assets</b>	<b>287,073,748</b>	<b>278,984,889</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 305,581,286</b>	<b>\$ 300,137,511</b>

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, 2021 AND 2022

	2021 TOTAL	2022 TOTAL
<b><u>Changes in Net Assets Without Donor Restrictions:</u></b>		
<b>Revenues, Gains and Other Support:</b>		
Federal grants and contracts	\$ 20,786,033	\$ 22,174,585
State grants and contracts	9,569,281	18,979,959
Other grants and contracts	4,252,827	4,506,031
Indirect cost recovery from sponsored programs	3,233,581	3,848,798
Handling fees	166,037	178,206
Investment income	2,939,988	2,744,822
Realized/unrealized gains (losses)	7,783,588	(8,694,505)
Endowment administrative fees	1,561,000	1,561,000
Income for campus support	7,112,175	10,814,346
Other	1,373	19,237
Net assets released from restrictions:		
Satisfaction of program restrictions (Note 12)	4,123,728	2,041,680
Appropriation from donor endowments and subsequent satisfaction of any related donor restrictions (Note 12)	8,556,868	9,022,272
<b>Total Revenues, Gains and Other Support Without Donor Restrictions</b>	<b>70,086,479</b>	<b>67,196,431</b>
<b>Expenses and Losses:</b>		
Instruction	8,796,232	17,460,443
Public service	17,288,948	18,306,370
Research	8,522,962	9,893,761
Special Programs	3,660,479	4,089,837
Campus Support	10,797,479	11,681,020
Student grants and scholarships	4,421,285	5,311,020
Management and general	3,382,049	2,971,061
Endowment administrative fees	1,561,000	1,561,000
Donations to agency accounts (surplus allocation)	3,764,154	6,262,798
<b>Total Expenses and Losses (Note 14)</b>	<b>62,194,588</b>	<b>77,537,310</b>
<b>Changes in Net Assets Without Donor Restrictions</b>	<b>7,891,891</b>	<b>(10,340,879)</b>
<b><u>Changes in Net Assets With Donor Restrictions:</u></b>		
Gain (loss) on investments:		
Realized	\$ (8,093,976)	\$ 1,506,405
Unrealized	44,329,519	(17,507,907)
Investment income	7,276,687	9,171,705
Contributions - Net	21,677,065	16,740,517
Change in value of split interest agreement	(114)	(3,590)
Non-operating expense	3,166,680	3,408,840
Net assets released from restrictions (Note 12)	(12,680,596)	(11,063,952)
<b>Changes in Net Assets With Donor Restrictions:</b>	<b>55,675,265</b>	<b>2,252,020</b>
<b>Total Increase (Decrease) in Net Assets</b>	<b>63,567,156</b>	<b>(8,088,859)</b>
<b>Net Assets at Beginning of Year</b>	<b>223,506,592</b>	<b>287,073,748</b>
<b>Net Assets at End of Year</b>	<b>\$ 287,073,748</b>	<b>\$ 278,984,889</b>

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, 2021 AND 2022

	2021 TOTAL	2022 TOTAL
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 63,567,156	\$ (8,088,859)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	8,555	4,961
Bad debt expense	59,702	41,302
Forgiveness of notes receivable	2,500	2,500
Contributions restricted for long-term investment	(11,091,003)	(8,238,509)
Transfers to campus programs	190,000	84,933
Net realized and unrealized (gains) and losses on investments	(37,225,445)	12,270,669
Changes in value of split interest agreements	38,480	298,422
Changes in assets and liabilities:		
Grants, contracts and accounts receivable	214,639	(3,035,387)
Pledges receivable	933,702	733,212
Prepaid expenses	(5,463)	(4,519)
Accounts payable	884,075	(394,172)
Accrued salaries and benefits	105,235	275,650
Accrued compensated balances	(8,194)	4,131
Receipts in excess of expenditures	359,033	2,732,040
Agency accounts	799,409	(190,790)
Net cash provided (used) by operating activities	<u>18,832,380</u>	<u>(3,504,416)</u>
Cash flows from investing activities:		
Purchase of investments	(18,227,897)	(13,861,452)
Proceeds from sales and maturities of investments	8,880,053	9,472,235
Increase in notes receivable	(44,056)	(43,306)
Payments received on notes receivable	20,475	23,949
Increase in other receivables	0	(267,340)
Net cash provided (used) by investing activities	<u>(9,371,425)</u>	<u>(4,675,914)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	11,091,003	8,238,509
Payments on split interest agreements	(78,232)	(80,197)
Net cash provided (used) by financing activities	<u>11,012,771</u>	<u>8,158,312</u>
Net increase (decrease) in cash	20,473,727	(22,018)
Cash at beginning of year	55,974,052	76,447,779
Cash at end of year	<u>\$ 76,447,779</u>	<u>\$ 76,425,761</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 THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2022**

#### **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 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 (\$6,288,455 and \$13,544,829 for the years ended June 30, 2021 and 2022, respectively), in the State of California Local Agency Investment Fund (LAIF) (\$4,549,268 and \$8,871,382 for the years ended June 30, 2021 and 2022, respectively), and within a balanced investment portfolio with Goldman Sachs (\$65,610,056 and \$54,009,550 for the years ended June 30, 2021 and 2022, respectively).

The Federal Depository Insurance Corporation insures cash balances held in banks up to \$250,000. At June 30, 2021 and 2022 the Foundation's uninsured cash balances held in banks totaled \$5,822,052 and \$13,931,234, 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, and U.S. treasury and private equity securities and are reported at fair value based upon quoted market price or net asset value. 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.

### Revenue Recognition

*Grants and Contracts* – The Foundation receives funding for sponsored programs from various government agencies, foundations, and corporations. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal non-exchange transaction in which the funding provided is for the benefit of the Campus, the funding organization's mission, or the public at large.

Revenues from non-exchange transactions may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). The Foundation's grants and contracts are primarily conditional non-exchange transactions and revenues are recognized when expenses are incurred. Unspent conditional contributions from grants and contracts total \$6,464,740 and \$9,196,780 at June 30, 2021 and 2022, respectively. Revenues from unconditional non-exchange transactions are recognized in the period awarded.

## NOTES TO THE FINANCIAL STATEMENTS

*Handling fees* – Handling fee revenue is received to compensate the Foundation for processing Program income received on agency trust accounts maintained on behalf of Campus departments. The revenue is calculated as 6.0% of Program income received and is recognized at the end of each calendar month on the Program income received during that month.

*Endowment administrative fees* – The Foundation collects reasonable administrative fees on endowments to compensate the Foundation for managing the Foundation's pooled endowment assets and providing administrative and stewardship support to scholarship and trust accounts, University Advancement and donors. The Foundation Board of Governors approves the lump-sum fee on an annual basis which is recognized as revenue at June 30 of each year.

*Income for Campus Support* – Contributions received in support of agency trust accounts are recognized as revenue in the period received at their fair value.

### 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 10.27% and 9.14% for the years ended June 30, 2021 and 2022, respectively.

### Contributions

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.

### 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 \$300,000 for 2021 and 2022 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, 2021 and 2022, interest and penalties totaled \$0.

## NOTES TO THE FINANCIAL STATEMENTS

### 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 14) present the natural classification detail of expenses by function.

### 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 \$4,549,268 and \$8,871,383 as of June 30, 2021 and 2022, respectively. 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.

At June 30, 2021 and 2022, the following financial assets were available to meet general expenditures within one year:

	2021	2022
Financial assets, at year-end		
Cash and cash equivalents	\$ 76,447,779	\$ 76,425,761
Receivables	29,067,816	31,612,887
Prepaid expenses	130,373	134,892
Long-term investments	199,466,595	191,500,210
Total financial assets	305,112,563	299,673,750
Less those unavailable for general expenditures within one year, due to:		
Donor imposed restrictions:		
Restricted by donor with purpose restrictions	(70,549,058)	(80,006,026)
Subject to appropriation and satisfaction of donor restrictions	(200,462,653)	(193,257,704)
Board designations:		
Board designated reserves	(5,766,222)	(9,968,223)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 28,334,630</u>	<u>\$ 16,441,797</u>

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 3 – Pledges Receivable**

At June 30, 2021 and 2022, pledges receivable includes the following unconditional pledges to give:

Pledges Receivable	2021	2022
Unconditional pledges to give before unamortized discount and allowance for uncollectible pledges	\$ 15,237,425	\$ 14,448,526
Less: Unamortized discount	(3,409,234)	(3,394,849)
Subtotal	11,828,191	11,053,677
Less: Allowance for uncollectible pledges	(300,000)	(300,000)
Net unconditional pledges to give	<u>\$ 11,528,191</u>	<u>\$ 10,753,677</u>
Current portion	<u>\$ 3,831,258</u>	<u>\$ 3,547,224</u>
Long term portion	<u>\$ 7,696,933</u>	<u>\$ 7,206,453</u>
Amounts due in:		
Less than one year	\$ 4,099,446	\$ 3,795,529
One to five years	7,124,979	6,282,361
More than five years	4,013,000	4,370,636
Total	<u>\$ 15,237,425</u>	<u>\$ 14,448,526</u>

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 2021 and 2022. 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.

Pledges receivable activity are as follows:	2021	2022
Beginning of year balance	\$ 16,711,315	\$ 15,237,425
New pledges	4,000,512	7,902,892
Pledge payments received	(5,443,401)	(8,650,489)
Write-offs	(31,001)	(41,302)
End of year balance	<u>\$ 15,237,425</u>	<u>\$ 14,448,526</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 \$28,701 and \$0 for the years ended June 30, 2021 and 2022, 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, 2021 and 2022 totaled \$2,500 for each year.



## NOTES TO THE FINANCIAL STATEMENTS

Notes receivable for the years ended June 30, 2021 and 2022 are as follows:

Note Receivable (Interest Rate)	2021	2022
Student loans (1% - 12%)	\$ 381,728	\$ 398,585
Less allowance for uncollectible student loans	(15,000)	(15,000)
Net notes receivable	\$ 366,728	\$ 383,585
Current portion	\$ 5,985	\$ 5,239
Long term portion	\$ 360,743	\$ 378,346

### **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 30<sup>th</sup> 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, 2021 and 2022. 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, 2021 and 2022.

Long-term investment activity at fair value for the year ended June 30, 2021 is as follows:

Long-term investments	Total
Long-term investments at beginning of year	\$ 153,083,306
Additions	11,102,104
Amounts withdrawn for scholarships and donor restricted purposes	(8,887,057)
Return on investments:	
Dividends and interest	6,942,797
Realized gains (losses)	(1,422,996)
Unrealized gains (losses)	38,648,441
Total return on investments	44,168,242
Long-term investments at end of year	<u>\$ 199,466,595</u>

## NOTES TO THE FINANCIAL STATEMENTS

Long-term investment activity at fair value for the year ended June 30, 2022 is as follows:

Long-term investments	Total
Long-term investments at beginning of year	\$ 199,466,595
Additions	8,241,995
Amounts withdrawn for scholarships and donor restricted purposes	(9,479,351)
Return on investments:	
Dividends and interest	5,541,641
Realized gains (losses)	3,829,980
Unrealized gains (losses)	(16,100,650)
Total return on investments	(6,729,029)
Long-term investments at end of year	<u>\$ 191,500,210</u>

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

Long-term investments	2021	2022
Corporate bonds	\$ 10,255,853	\$ 11,027,037
Mutual funds	125,404,669	109,092,785
Money Market funds	955,962	2,300,844
Municipal bonds	141,712	115,076
U.S. treasury securities	10,070,197	7,468,237
Equity securities	6,989,492	5,825,991
Exchange traded funds (ETFs)	508,522	406,577
Alternative investments:		
Private equity	38,215,449	48,364,311
Hedge funds	5,884,165	5,926,489
Real estate investments	9,352	10,175
Life income contracts	428,374	366,956
Investment in LLC	602,848	595,732
Total long-term investments, at market	<u>\$ 199,466,595</u>	<u>\$ 191,500,210</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:

## NOTES TO THE FINANCIAL STATEMENTS

**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.

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 the 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, 2021 and 2022.

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, 2021 and 2022.

*Cash and Cash Equivalents, Corporate Bonds, Mutual Funds, Money Market Funds, Municipal Bonds, U.S. Treasury Securities, Equity Securities and Exchange Traded Funds* 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, 2021:

Recurring	Total	Level 1	Level 2	Level 3	Net Asset Value (NAV)
<b>Short-term investments:*</b>					
State of California Local Agency Investment Fund (LAIF)	\$ 4,549,268	\$ 0	\$ 0	\$ 0	\$ 4,549,268
Corporate bonds	9,374,458	9,374,458	0	0	0
Mutual funds	42,681,378	42,681,378	0	0	0
Money market funds	1,237,810	1,237,810	0	0	0
U.S. treasury securities	9,391,508	9,391,508	0	0	0
Alternative investments:					
Hedge funds	2,924,902	0	0	0	2,924,902
Total short-term investments	70,159,324	62,685,154	0	0	7,474,170
<b>Long-term investments:</b>					
Corporate bonds	\$ 10,255,853	\$ 10,255,853	\$ 0	\$ 0	\$ 0
Mutual funds	125,404,669	125,404,669	0	0	0
Money market funds	955,962	955,962	0	0	0
Municipal bonds	141,712	141,712	0	0	0
U.S. treasury securities	10,070,197	10,070,197	0	0	0
Equity securities	6,989,492	6,989,492	0	0	0
Exchange traded funds (ETFs)	508,522	508,522	0	0	0
Alternative investments:					
Private equity	38,215,449	0	0	0	38,215,449
Hedge funds	5,884,165	0	0	0	5,884,165
Real estate investments	9,352	9,352	0	0	0
Life income contracts	428,374	376,643	0	51,731	0
Investment in LLC	602,848	0	0	0	602,848
Total long-term investments, at market	199,466,595	154,712,402	0	51,731	44,702,462
<b>Total</b>	<b>\$ 269,625,919</b>	<b>\$ 217,397,556</b>	<b>\$ 0</b>	<b>\$ 51,731</b>	<b>\$ 52,176,632</b>

\* 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, 2022:

	Recurring	Total	Level 1	Level 2	Level 3	Net Asset Value (NAV)
<b>Short-term investments:*</b>						
State of California Local Agency Investment Fund (LAIF)	\$	8,871,382	\$ 0	\$ 0	\$ 0	\$ 8,871,382
Corporate bonds		9,576,388	9,576,388	0	0	0
Mutual funds		33,960,588	33,960,588	0	0	0
Money market funds		123,729	123,729	0	0	0
U.S. treasury securities		6,447,008	6,447,008	0	0	0
Alternative investments:						
Hedge funds		3,901,837	0	0	0	3,901,837
Total short-term investments		62,880,932	50,107,713	0	0	12,773,219
<b>Long-term investments:</b>						
Corporate bonds	\$	11,027,037	\$ 11,027,037	\$ 0	\$ 0	\$ 0
Mutual funds		109,092,785	109,092,785	0	0	0
Money market funds		2,300,844	2,300,844	0	0	0
Municipal bonds		115,076	115,076	0	0	0
U.S. treasury securities		7,468,237	7,468,237	0	0	0
Equity securities		5,825,991	5,825,991	0	0	0
Exchange traded funds (ETFs)		406,577	406,577	0	0	0
Alternative investments:						
Private equity		48,364,311	0	0	0	48,364,311
Hedge funds		5,926,489	0	0	0	5,926,489
Real estate investments		10,175	10,175	0	0	0
Life income contracts		366,956	314,925	0	52,031	0
Investment in LLC		595,732	0	0	0	595,732
Total long-term investments, at market		191,500,210	136,561,647	0	52,031	54,886,532
<b>Total</b>		<b>\$ 254,381,142</b>	<b>\$ 186,669,360</b>	<b>\$ 0</b>	<b>\$ 52,031</b>	<b>\$ 67,659,751</b>

\* 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, 2021 and 2022:

	2021	2022
<b>Level 3 Assets at beginning of year</b>	\$ 47,956	\$ 51,731
Transfer in (out) of Level 3	0	0
Purchases	0	0
Sales	0	0
Unrealized gains (losses)	3,775	300
<b>Level 3 Assets at the end of the year</b>	<u>\$ 51,731</u>	<u>\$ 52,031</u>

### Note 7 – Endowment

The Foundation's endowment (the Endowment) consists of approximately 846 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, 2021 and 2022, 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 the Foundation 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, 2021:

	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	\$ 135,454,207	\$ 135,454,207
Accumulated investment gains	0	64,967,803	64,967,803
Total funds	<u>\$ 0</u>	<u>\$ 200,422,010</u>	<u>\$ 200,422,010</u>

## NOTES TO THE FINANCIAL STATEMENTS

Endowment net assets consist of the following at June 30, 2022:

	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	\$ 144,094,023	\$ 144,094,023
Accumulated investment gains	0	49,134,296	49,134,296
Total funds	<u>\$ 0</u>	<u>\$ 193,228,319</u>	<u>\$ 193,228,319</u>

### Changes in Endowment Net Assets

The following schedule shows changes in endowment net assets for the year ending June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2020	\$ 0	\$ 153,324,068	\$ 153,324,068
Activity in pooled endowment assets:			
Investment return net:			
Investment income	0	7,200,978	7,200,978
Net appreciation	0	36,235,543	36,235,543
Total investment return, net	<u>0</u>	<u>43,436,521</u>	<u>43,436,521</u>
Contributions *	0	12,408,289	12,408,289
Transfers to campus programs	0	(190,000)	(190,000)
Appropriation of endowment assets for expenditure	0	(8,871,528)	(8,871,528)
Net increase in pooled endowment assets	<u>0</u>	<u>3,346,761</u>	<u>3,346,761</u>
Net increase in other endowment net assets *	0	314,660	314,660
Endowment net assets, June 30, 2021	<u>\$ 0</u>	<u>\$ 200,422,010</u>	<u>\$ 200,422,010</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, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2021	\$ 0	\$ 200,422,010	\$ 200,422,010
Activity in pooled endowment assets:			
Investment return net:			
Investment income	0	9,090,156	9,090,156
Net appreciation (depreciation)	0	(16,001,502)	(16,001,502)
Total investment return, net	0	(6,911,346)	(6,911,346)
Contributions *	0	8,824,860	8,824,860
Transfers to campus programs	0	(84,933)	(84,933)
Appropriation of endowment assets for expenditure	0	(9,432,159)	(9,432,159)
Net increase (decrease) in pooled endowment assets	0	(692,232)	(692,232)
Net increase in other endowment net assets *	0	409,887	409,887
Endowment net assets, June 30, 2022	<u>\$ 0</u>	<u>\$ 193,228,319</u>	<u>\$ 193,228,319</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, 2021 deficiencies of this nature exist in 16 donor-restricted endowment funds, which together have an original gift value of \$4,024,595, fair value of \$3,756,378, and a deficiency of \$268,217. As of June 30, 2022 deficiencies of this nature exist in 118 donor-restricted endowment funds, which together have an original gift value of \$33,741,863, fair value of \$32,140,141, and a deficiency of \$1,601,722. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of 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, 2021 and 2022 (as a percentage of the endowment's average market value for the twelve (12) quarters ending the preceding December 31), was 5.81% and 5.53%, 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 \$181,926 and \$1,219,912 from underwater endowment funds for the years ended June 30, 2021 and 2022, respectively,

### Note 8 – Related Party Transactions

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, 2021 and 2022 were \$672,434 and \$646,136, respectively.

The Foundation also reimburses the Association for the salaries and benefits of persons employed by the Association but performing services for the Foundation. The amounts reimbursed for the years ended June 30, 2021 and 2022 were \$882,712 and \$837,124, respectively. Benefit reimbursement includes current year defined benefit pension contributions and retired employees' health benefit payments. 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

The Foundation reimburses the University for the salaries of University personnel working on grants and contracts. The amounts reimbursed for the years ended June 30, 2021 and 2022 were \$1,906,259 and \$2,017,103, respectively.

During the years ended June 30, 2021 and 2022 the Foundation donated equipment to the University with a cost of \$359,801 and \$311,254, respectively. The donation expense is included in Campus Support.

During the years ended June 30, 2021 and 2022 the Foundation donated equipment to the Agricultural Foundation of California State University, Fresno with a cost of \$29,370 and \$8,260, respectively. The donation expense is included in Campus Support.

## NOTES TO THE FINANCIAL STATEMENTS

Account receivable and accounts payable at June 30, 2021 and 2022 include the following amounts due from and due to related parties:

	2021	2022
University:		
Accounts receivable	\$ 567,651	\$ 101,659
Accounts payable	1,296,852	549,818
Association:		
Accounts receivable	103,886	164,905
Accounts payable	9,413	20,593

### **Note 9 – Charitable Gift Annuities and Charitable Remainder Unitrust**

The CSU Fresno Foundation (Foundation) is the beneficiary of six charitable gift annuities. These annuities represent assets received in the form of contributions. The donors receive a fixed distribution amount for a specified period of time. The Foundation will receive the residual value of assets upon the death of the donors.

The assets of five of these annuity agreements are recorded as investments by the Foundation and are administered by a large national bank, while one is held and administered on the Foundation's behalf by the California State University Foundation, an auxiliary of the California State University Office of the Chancellor.

In 1998 a charitable remainder unitrust 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 donors. The donors receive a variable distribution amount for a specified period of time.

Financial information related to the charitable gift annuities and charitable remainder unitrust as of June 30, 2021 and 2022 is as follows:

	2021	2022
Assets:		
Receivables	\$ 0	\$ 267,340
Investments	<u>1,088,788</u>	<u>880,239</u>
Total Assets	1,088,788	1,147,579
Liabilities		
Annuity agreement liabilities	(91,360)	(305,995)
Unitrust agreement liabilities	<u>(31,202)</u>	<u>(34,792)</u>
Total Liabilities	<u>(122,562)</u>	<u>(340,787)</u>
Net assets with donor restrictions	<u>\$ 966,226</u>	<u>\$ 806,792</u>

## NOTES TO THE FINANCIAL STATEMENTS

### **Note 10 – Note Payable**

The note payable as of June 30, 2021 and 2022, is as follows:

Note Payable	2021	2022
1.0% Trinity Health Corporation, unsecured, payable in its entirety on or before December 31, 2022. Interest is paid annually each December 31 <sup>st</sup> .	\$ 2,000,000	\$ 2,000,000
Long term portion	<u>\$ 2,000,000</u>	<u>\$ 0</u>

Interest accrued during fiscal year 2021 and fiscal year 2022 was \$10,000 each year.

### **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 Reserves” are the following:

Board Designated Reserves	2021	2022
<b>General Fund:</b>		
Reserve for Contingency - General	<u>\$ 4,549,268</u>	<u>\$ 8,871,383</u>
New California Ventures, LLC	<u>\$ 602,848</u>	<u>\$ 595,732</u>
<b>Designated Fund:</b>		
Reserve for Contingency – Sponsored Programs	<u>\$ 316,657</u>	<u>\$ 401,108</u>
Charitable Gift Annuities Reserve	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Support to California State University, Fresno	<u>\$ 197,449</u>	<u>\$ 0</u>
<b>Total Board Designated Reserves</b>	<u><b>\$ 5,766,222</b></u>	<u><b>\$ 9,968,223</b></u>

Management believes that as of June 30, 2021 and 2022 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, 2021 and June 30, 2022:

	2021	2022
<b>Subject to expenditure for specified purpose:</b>		
Campus programs	\$ 52,398,842	\$ 61,812,629
Chairs and professorships	1,981,936	2,093,062
Building project	2,958,145	2,925,764
Athletics	3,073,294	2,834,737
Scholarships	8,141,538	8,137,412
	<u>68,553,755</u>	<u>77,803,604</u>
<b>Subject to passage of time:</b>		
Beneficial interests in annuity agreements – Maturity at death of donors	40,643	29,385
<b>Subject to Foundation spending policy and appropriation:</b>		
Investment in perpetuity, the income from which is expendable to support:		
Educational programs	70,649,851	71,505,458
Scholarships	101,829,061	94,877,418
Chairs and professorships	17,953,551	16,932,374
Student loans	5,868,169	5,525,907
Campus programs	4,121,378	4,387,162
	<u>200,422,010</u>	<u>193,228,319</u>
<b>Not subject to appropriation or expenditure:</b>		
Funds available for student loans	1,995,303	2,202,422
<b>Total net assets with donor restrictions:</b>	<u>\$ 271,011,711</u>	<u>\$ 273,263,730</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, 2021 and 2022:

	2021	2022
<b>Satisfaction of program restrictions:</b>		
Campus programs	\$ 3,609,946	\$ 632,291
Chairs and professorships	75,359	234,383
Scholarships	438,423	1,175,006
	4,123,728	2,041,680
<b>Appropriation from donor endowments and subsequent satisfaction of any related donor restrictions:</b>		
Educational programs	515,880	594,928
Scholarships	4,702,125	4,826,042
Chairs and professorships	744,814	772,191
Student loans	244,041	260,556
Campus programs	2,350,008	2,568,555
	8,556,868	9,022,272
<b>Total net assets released from restrictions:</b>	<b>\$ 12,680,596</b>	<b>\$ 11,063,952</b>

### **Note 13 – Leases and Agreements**

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 2027.

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 \$5,057 per month. The lease expires in March 2027.

The Foundation has entered into an operating lease agreement with Ray Morgan Company for the use of office equipment by the Fresno State Foundation (4910 N. Chestnut Ave. Fresno, CA). The payment is \$896 per month. The lease expires in May 2023.

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 \$2,800 per month. The lease expires in June 2023.

The Foundation has entered into an operating lease for residential space at 5180 N. Primitivo Way, Fresno, CA for a sponsored program (Wayfinders). The payment is \$1,580 per month. The lease expires in July 2023.

The Foundation has entered into an operating lease agreement with Wizix Technology Group, Inc. for the use of office equipment for a sponsored program (Health & Human Services). The payment is \$299 per month. The lease expires in February 2024.

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 \$11,716 per month. The lease expires in June 2024.

## NOTES TO THE FINANCIAL STATEMENTS

The Foundation has entered into an operating lease agreement with KBA Document Solutions for the use of office equipment for a sponsored program (Bay Area Academy). The payment is \$245 per month. The lease expires in February 2023.

Rental expenses under operating leases during the fiscal year 2021 and fiscal year 2022 were \$15,120 and \$7,915, respectively.

Future minimum payments on the leases are as follows:

Year Ended June 30:

2023	\$	270,139
2024	\$	204,870
2025	\$	63,082
2026	\$	60,690
2027	\$	45,518

### Note 14 – 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, 2021:

Expenses	Program	General & Administrative	Fund Raising (Development)	Total
Salaries and wages – grants and contracts	\$ 15,087,105	\$ 0	\$ 0	\$ 15,087,105
Fringe benefits – grants and contracts	4,232,037			4,232,037
Salaries and wages – support staff		700,058		700,058
Fringe benefits – support staff		657,791		657,791
Equipment	1,114,818			1,114,818
Student support	6,710,637			6,710,637
Campus support	10,797,479			10,797,479
Overhead	3,222,209			3,222,209
Donations-agency accounts		3,764,154		3,764,154
Other costs – grants and contracts	9,962,412			9,962,412
Other costs – general and administrative		5,585,888		5,585,888
Other costs - development			360,000	360,000
Total expenses	<u>\$ 51,126,697</u>	<u>\$ 10,707,891</u>	<u>\$ 360,000</u>	<u>\$ 62,194,588</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2022:

Expenses	Program	General & Administrative	Fund Raising (Development)	Total
Salaries and wages – grants and contracts	\$ 15,490,054	\$ 0	\$ 0	\$ 15,490,054
Fringe benefits – grants and contracts	4,095,382			4,095,382
Salaries and wages – support staff		752,777		752,777
Fringe benefits – support staff		434,287		434,287
Equipment	1,307,255			1,307,255
Student support	7,831,760			7,831,760
Campus support	11,681,020			11,681,020
Overhead	3,825,114			3,825,114
Donations-agency accounts		6,262,798		6,262,798
Other costs – grants and contracts	19,557,343			19,557,343
Other costs – general and administrative		5,939,520		5,939,520
Other costs - development			360,000	360,000
Total expenses	<u>\$ 63,787,928</u>	<u>\$ 13,389,382</u>	<u>\$ 360,000</u>	<u>\$ 77,537,310</u>

### Note 15 – 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 2021 and fiscal year 2022 were \$785,847 and \$820,793, respectively.

### Note 16 – Post Retirement Obligation

As described in Note 8 – “Related Party Transactions”, 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, 2021 and 2022, is included in accounts payable (long-term portion) and accrued salaries and benefits payable (current portion) as follows:

	2021	2022
Current portion	\$ 78,738	\$ 86,225
Long-term portion	<u>901,656</u>	<u>900,309</u>
Total	<u>\$ 980,394</u>	<u>\$ 986,534</u>

## NOTES TO THE FINANCIAL STATEMENTS

As of both June 30, 2021 and 2022, the post retirement obligation is unfunded. Benefit payments during fiscal years 2021 and 2022 totaled \$62,824 and \$103,805 respectively.

### **Note 17 - Subsequent Events**

Management has evaluated subsequent events through September 19, 2022 (date financial statements available to be issued) and determined no events have occurred subsequent to June 30, 2022 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, 2022**

<u>Federal Grantor/Program Title or Cluster Title</u>	<u>Assistance Listine Number</u>	<u>Pass-Through Grantor</u>	<u>Pass-Through Grant Award or Contract Number</u>	<u>Federal Program Expenditures</u>	<u>Expenditures to Subrecipients</u>
<b>Research &amp; Development Cluster</b>					
<b>U.S. Department of Agriculture:</b>					
<b>Direct programs:</b>					
Agricultural Research_Basic and Applied Research	10.001			\$ 17,134	
Hispanic Serving Institutions Education Grants, Special Research Grants	10.223			\$ 171,061	\$ 27,745
Agriculture and Food Research	10.310			\$ 78,099	
Forestry Research	10.652			\$ 2,721	
Research Joint Venture and Cost Reimbursable Agreements	10.707			\$ 28,726	
Technical Agricultural Assistance	10.960			\$ 47,251	
Technical Agricultural Assistance	10.961			\$ 38,551	
Cochran Fellowship Program-International Training-Foreign Participant	10.962			\$ 36,147	
<b>Subtotal U.S. Department of Agriculture direct programs:</b>				<u>\$ 419,691</u>	<u>\$ 27,745</u>
<b>Pass-through programs from:</b>					
Specialty Crop Block Grant Program - Farm Bill	10.170	California State University, Chico Research Foundation	SUB21-002	\$ 42,554	
Specialty Crop Block Grant Program - Farm Bill	10.170	California State University, Fresno/California Department of Food & Agriculture	18-0001-060-SC-AMD 2	\$ 23,256	
Specialty Crop Block Grant Program - Farm Bill	10.170	California State University, Fresno/California Department of Food & Agriculture	19-0001-039-SF-AMD 1	\$ 165,022	\$ 82,009
Specialty Crop Block Grant Program - Farm Bill	10.170	California State University, Fresno/California Department of Food & Agriculture	21-0001-015-SF	\$ 11,189	
Specialty Crop Research Initiative	10.309	The Regents of the University of California, UC Riverside	S-001050	\$ 24,457	
Agriculture and Food Research Initiative (AFRI)	10.310	University of Illinois	095689-17507 AMD 1 -2	\$ 67,668	
Agriculture and Food Research Initiative (AFRI)	10.310	The Regents of the University of California, UC Davis	A22-1253-S002	\$ 2,162	
Environmental Quality Incentives Program	10.912	The Regents of the University of California, UC Davis	A22-1843-S001	\$ 1,148	
<b>Subtotal U.S. Department of Agriculture pass-through programs:</b>				<u>\$ 337,457</u>	<u>\$ 82,009</u>
<b>Total U.S. Department of Agriculture:</b>				<u>\$ 757,147</u>	<u>\$ 109,754</u>
<b>Department of Defense:</b>					
<b>Direct programs:</b>					
Basic Scientific Research	12.431			\$ 5,000	
Basic, Applied, and Advanced Research in Science and Engineering	12.630			\$ 335,534	
<b>Subtotal Department of Defense direct programs:</b>				<u>\$ 340,534</u>	<u>\$ -</u>
<b>Total Department of Defense</b>				<u>\$ 340,534</u>	<u>\$ -</u>
<b>Department of Justice:</b>					
<b>Pass-through programs from:</b>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	County of Fresno Probation Department	None	\$ (713)	
Second Chance Act Prisoner Reentry Initiative	16.812	Insight Garden Program	01	\$ 11,422	
<b>Subtotal Department of Justice pass-through programs:</b>				<u>\$ 10,709</u>	<u>\$ -</u>
<b>Total Department of Justice:</b>				<u>\$ 10,709</u>	<u>\$ -</u>
<b>Department of Transportation:</b>					
<b>Direct programs:</b>					
Railroad Safety	20.301			\$ 77,465	\$ 14,074
<b>Subtotal Department of Transportation direct programs:</b>				<u>\$ 77,465</u>	<u>\$ 14,074</u>
<b>Total Department of Transportation:</b>				<u>\$ 77,465</u>	<u>\$ 14,074</u>
<b>National Aeronautics and Space Administration:</b>					
<b>Pass-through programs from:</b>					
Science	43.001		RITM0036028	\$ 5,500	
Science	43.001	NASA Minds	None	\$ 96	
Science	43.001	NASA Minds	None	\$ 1,327	
Aeronautics	43.002	Jet Propulsion Laboratory	1556698 AMD 9	\$ 184,417	

**California State University, Fresno Foundation  
Schedule of Expenditures of Federal Awards  
For Fiscal Year Ended June 30, 2022**

<u>Federal Grantor/Program Title or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor</u>	<u>Pass-Through Grant Award or Contract Number</u>	<u>Federal Program Expenditures</u>	<u>Expenditures to Subrecipients</u>
<b>Subtotal National Aeronautics and Space Administration pass-through programs:</b>				\$ 191,341	\$ -
<b>Total National Aeronautics and Space Administration:</b>				\$ 191,341	\$ -
<b>National Endowment for the Arts:</b>					
<b>Direct programs:</b>					
Promotion of the Arts Grants to Organizations and Individuals	45.024			\$ 605	
<b>Subtotal National Endowment for the Arts direct programs:</b>				\$ 605	\$ -
<b>Total National Endowment for the Arts:</b>				\$ 605	\$ -
<b>National Science Foundation:</b>					
<b>Direct programs:</b>					
Engineering	47.041			\$ 41,428	
Engineering	47.041			\$ 24,796	
Engineering	47.041			\$ 78,289	
Engineering	47.041			\$ 139,715	\$ 88,751
Mathematical and Physical Sciences	47.049			\$ 38,878	
Geosciences	47.050			\$ 36,404	
Geosciences	47.050			\$ 2,367	
Geosciences	47.050			\$ 17,062	\$ 8,182
Computer and Information Science and Engineering	47.070			\$ 15,631	
Computer and Information Science and Engineering	47.070			\$ 56,805	
Biological Sciences	47.074			\$ 99,753	
Biological Sciences	47.074			\$ 8,049	
Biological Sciences	47.074			\$ 730,256	
Biological Sciences	47.074			\$ 13,090	
Education and Human Resources	47.076			\$ 32,644	
Education and Human Resources	47.076			\$ 226,546	
Education and Human Resources	47.076			\$ 75,441	\$ 3,740
Education and Human Resources	47.076			\$ 224,495	\$ 22,007
Education and Human Resources	47.076			\$ 26,214	
Education and Human Resources	47.076			\$ 127,096	\$ 24,311
Education and Human Resources	47.076			\$ 103,707	
Education and Human Resources	47.076			\$ 34,480	
Education and Human Resources	47.076			\$ 59,813	\$ 14,783
Office of International Science	47.079			\$ 119,607	\$ 23,611
<b>Subtotal National Science Foundation direct programs:</b>				\$ 2,332,567	\$ 185,385
<b>Pass-through programs from:</b>					
Mathematical and Physical Sciences	47.049	San Jose State University	PD1963	\$ 1,090	
Computer and Information Science and Engineering	47.070	American Society for Engineers	CISE-2021-004	\$ 5,834	\$ 2,299
Education and Human Resources	47.076	San Francisco State University	S18-0006	\$ 3,129	
Education and Human Resources	47.076	California State University, East Bay	W1206-415	\$ 10,675	
Education and Human Resources	47.076	Foundation State Center Community College District	1833999-CSU	\$ 2,730	
Education and Human Resources	47.076	University Enterprise, Inc.	534931A	\$ 512,060	
Education and Human Resources	47.076	University Enterprise, Inc.	533083 AMD 3	\$ 7,606	
Education and Human Resources	47.076	University Enterprise, Inc.	533083 AMD 4	\$ 10,406	
<b>Subtotal National Science Foundation pass-through programs:</b>				\$ 553,530	\$ 2,299
<b>Total National Science Foundation:</b>				\$ 2,886,097	\$ 187,684
<b>Department of Energy:</b>					
<b>Pass-through programs from:</b>					
Office of Science Financial Assistance Program	81.049	Brookhaven National Laboratory	394168	\$ 44,118	
<b>Subtotal U.S. Department of Energy pass-through programs:</b>				\$ 44,118	\$ -
<b>Total Department of Energy:</b>				\$ 44,118	\$ -
<b>U.S. Department of Education</b>					
<b>Direct programs:</b>					
American History and Civics Education	84.422			\$ 316,716	\$ 37,314
<b>Subtotal U.S. Department of Education direct programs:</b>				\$ 316,716	\$ 37,314
<b>Pass-through programs:</b>					
School Safety National Activities	84.184	Clovis Unified School District	3220280	\$ 35,200	
School Safety National Activities	84.184	Clovis Unified School District	3210139	\$ 14,850	
<b>Subtotal U.S. Department of Education pass-through programs:</b>				\$ 50,050	\$ -
<b>Total U.S. Department of Education</b>				\$ 366,766	\$ 37,314
<b>Department of Health and Human Services:</b>					
<b>Direct programs:</b>					
Discovery and Applied Research	93.286			\$ 96,732	
Biomedical Research and Research Training	93.859			\$ 57,775	
Biomedical Research and Research Training	93.859			\$ 10,673	
Biomedical Research and Research Training	93.859			\$ 56,817	

**California State University, Fresno Foundation  
Schedule of Expenditures of Federal Awards  
For Fiscal Year Ended June 30, 2022**

Federal Grantor/Program Title or Cluster Title	Assistance Listing Number	Pass-Through Grantor	Pass-Through Grant Award or Contract Number	Federal Program Expenditures	Expenditures to Subrecipients
Biomedical Research and Research Training	93.859			\$ 18,261	
Biomedical Research and Research Training	93.859			\$ 85,555	
Biomedical Research and Research Training	93.859			\$ 2,522	
Biomedical Research and Research Training	93.859			\$ 67,189	
Biomedical Research and Research Training	93.859			\$ 254,414	
Biomedical Research and Research Training	93.859			\$ 225,024	
Biomedical Research and Research Training	93.859			\$ 217,069	
Biomedical Research and Research Training	93.859			\$ 59,524	
Aging Research	93.866			\$ 71,009	
<b>Subtotal Department of Health and Human Services direct programs:</b>				\$ 1,222,564	\$ -
<b>Department of Health and Human Services:</b>					
<b>Pass-through programs:</b>					
Arthritis, Musculoskeletal & Skin Diseases Research	93.846	Neuromuscular Dynamics, LLC	None	\$ 17,299	
Allergy and Infectious Diseases Research	93.855	UC Office of the President, Merced	F105GXA87700	\$ 13,756	
<b>Subtotal Department of Health and Human Services pass-through programs:</b>				\$ 31,055	
<b>Total Department of Health and Human Services</b>				\$ 1,253,619	\$ -
<b>Total Research and Development Cluster</b>				\$ 5,928,401	\$ 348,826
<b>TRIO Cluster</b>					
<b>Department of Education:</b>					
<b>Direct programs:</b>					
TRIO Student Support Services	84.042			\$ 262,266	
TRIO Student Support Services	84.042			\$ 319,878	
TRIO Student Support Services	84.042			\$ 269,386	
TRIO Talent Search	84.044			\$ 114,516	
TRIO Talent Search	84.044			\$ 56,768	
TRIO Talent Search	84.044			\$ 287,165	
TRIO Talent Search	84.044			\$ 200,653	
TRIO Upward Bound	84.047			\$ 441,440	
TRIO Upward Bound	84.047			\$ 303,562	
TRIO Educational Opportunity Centers	84.066			\$ 71,503	
TRIO Educational Opportunity Centers	84.066			\$ 290,751	
TRIO McNair Post Baccalaureate Achievement	84.217			\$ 348,101	
<b>Subtotal Department of Education direct programs:</b>				\$ 2,965,989	\$ -
<b>Total TRIO Cluster</b>				\$ 2,965,989	\$ -
<b>Highway Safety Cluster</b>					
<b>Department of Transportation:</b>					
<b>Pass-through programs from:</b>					
National Priority Safety Program	20.616	Office of Traffic Safety/California State University, Fresno	OP21019 / SA89892	\$ 108,139	\$ -
National Priority Safety Program	20.616	Office of Traffic Safety/California State University, Fresno	OP22017 / SA91559	\$ 185,659	\$ -
<b>Subtotal Department of Transportation pass-through programs:</b>				\$ 293,798	\$ -
<b>Total Highway Safety Cluster</b>				\$ 293,798	\$ -
<b>Economic Development Cluster</b>					
<b>Department of Commerce:</b>					
<b>Pass-through programs from:</b>					
Economic Adjustment Assistance	11.307	Chico State Enterprise	C20-0010	\$ 75,000	
Economic Adjustment Assistance	11.307	Valley Vision	07-79-07295	\$ 156	
<b>Subtotal Department of Commerce pass-through programs:</b>				\$ 75,156	\$ -
<b>Total Economic Development Cluster</b>				\$ 75,156	\$ -
<b>SNAP Cluster</b>					
<b>Department of US Department of Agriculture:</b>					
<b>Pass-through programs from:</b>					
Supplemental Nutrition Assistance Program	10.551	County of Fresno	21-010	\$ 2,320	
Supplemental Nutrition Assistance Program	10.551	California Department of Social Services- California Department of Public Health /Chico State Enterprises	18-7015	\$ 19,959	
Supplemental Nutrition Assistance Program	10.551	California Department of Social Services- California Department of Public Health /CSU Chico Research Foundation	A22-0055-S016	\$ 40,708	
State Admin Matching Grants for the Supplemental Nutrition Assistance Program	10.561	California Department of Social Services- California Department of Public Health/Chico State Enterprises	SUB20-013	\$ 37,830	

**California State University, Fresno Foundation  
Schedule of Expenditures of Federal Awards  
For Fiscal Year Ended June 30, 2022**

<u>Federal Grantor/Program Title or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor</u>	<u>Pass-Through Grant Award or Contract Number</u>	<u>Federal Program Expenditures</u>	<u>Expenditures to Subrecipients</u>
<b>Subtotal U.S. Department of Agriculture pass-through programs:</b>				\$ 100,817	\$ -
<b>Total SNAP Cluster</b>				<u>\$ 100,817</u>	<u>\$ -</u>
<b>Other Programs</b>					
<b>U.S. Department of Agriculture:</b>					
<b>Direct programs:</b>					
Plant and Animal Disease, Pest Control and Animal Care	10.025			\$ 7,471	
Plant and Animal Disease, Pest Control and Animal Care	10.025			\$ 29,508	
Coronavirus Food Assistance	10.132			\$ 13,523	
Dairy Business Innovation Initiatives	10.176			\$ 8,749	
Hispanic Serving Institutions Education Grants, Special Research Grants	10.223			\$ 28,621	
Rural Business Development Grant	10.351			\$ 11,733	
Soil and Water Conservation	10.902			<u>\$ 14,845</u>	
<b>Subtotal U.S. Department of Agriculture direct programs:</b>				<u>\$ 114,450</u>	<u>\$ -</u>
<b>Total U.S. Department of Agriculture:</b>				<u>\$ 114,450</u>	<u>\$ -</u>
<b>Department of Commerce:</b>					
<b>Direct Programs:</b>					
Cluster Grants	11.020			\$ 80,966	
<b>Subtotal Department of Commerce direct programs:</b>				<u>\$ 80,966</u>	<u>\$ -</u>
<b>Pass-through programs from:</b>					
Economic Development_Technical Assistance	11.303	Economic Development Administration/California State University, Chico Research Foundation	ED17SEA3030036	\$ 950	
Economic Development_Technical Assistance	11.303	Economic Development Administration/California State University, Chico Research Foundation	ED17SEA3030036/ C20-0009	\$ 79,485	
<b>Subtotal Department of Commerce pass-through programs:</b>				<u>\$ 80,435</u>	<u>\$ -</u>
<b>Total Department of Commerce:</b>				<u>\$ 161,401</u>	<u>\$ -</u>
<b>Department of the Treasury:</b>					
<b>Pass-through programs from:</b>					
Coronavirus Relief Fund	21.019	Fresno Building Healthy Communities	None	\$ 33,113	
Coronavirus Relief Fund	21.019	Fresno Building Healthy Communities	None	\$ 120,786	
Coronavirus State and Local Fiscal Recovery Funds	21.027	Office of Planning and Research	CCSFRF006	\$ 38,722	
<b>Subtotal Department of the Treasury pass-through programs:</b>				<u>\$ 192,620</u>	<u>\$ -</u>
<b>Total Department of Treasury:</b>				<u>\$ 192,620</u>	<u>\$ -</u>
<b>National Endowment Humanities:</b>					
<b>Pass-through programs from:</b>					
Promotion of the Humanities Federal/State Partnership	45.129	California Humanities	HFAQ19-165	\$ 7	
Promotion of the Humanities Federal/State Partnership	45.129	California Humanities	HFAQ21-248	\$ 2,619	
Promotion of the Humanities Federal/State Partnership	45.129	California Humanities	RP-3003	<u>\$ 6,768</u>	
<b>Subtotal National Endowment Humanities pass-through programs:</b>				<u>\$ 9,394</u>	<u>\$ -</u>
<b>Total National Endowment Humanities</b>				<u>\$ 9,394</u>	<u>\$ -</u>
<b>Small Business Administration:</b>					
<b>Direct programs:</b>					
The Growth Accelerator Fund	59.065			<u>\$ 1,199</u>	
<b>Subtotal Small Business Administration direct programs:</b>				<u>\$ 1,199</u>	<u>\$ -</u>
<b>Total Small Business Administration</b>				<u>\$ 1,199</u>	<u>\$ -</u>
<b>Environmental Protection Agency:</b>					
<b>Pass-through programs:</b>					
Performance Partnership Grants	66.605	Department of Pesticide Regulation	21-C0016	\$ 35,320	
<b>Subtotal Environmental Protection Agency pass-through programs:</b>				<u>\$ 35,320</u>	<u>\$ -</u>
<b>Total Environmental Protection Agency</b>				<u>\$ 35,320</u>	<u>\$ -</u>
<b>U.S. Department of Education:</b>					
<b>Direct programs:</b>					
Higher Education Institutional Aid	84.031			\$ 641,163	\$ 466,061
Higher Education Institutional Aid	84.031			\$ 321,868	
Higher Education Institutional Aid	84.031			\$ 37,072	
Migrant Education: College Assistance Migrant Program	84.149			\$ 338,088	
Special Education-Personnel Development To Improve Services & Results for Children With Disabilities	84.325			\$ 13,491	
Child Care Access Means Parents in School	84.335			\$ 164,030	
Asian American and Native American Pacific Islander-Serving Institutions Program	84.382			<u>\$ 117,019</u>	

**California State University, Fresno Foundation  
Schedule of Expenditures of Federal Awards  
For Fiscal Year Ended June 30, 2022**

<u>Federal Grantor/Program Title or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor</u>	<u>Pass-Through Grant Award or Contract Number</u>	<u>Federal Program Expenditures</u>	<u>Expenditures to Subrecipients</u>
Transition Programs For Students With Intellectual Disabilities Into Higher Education	84.407			\$ (2)	
Transition Programs For Students With Intellectual Disabilities Into Higher Education	84.407			\$ 470,645	
<b>Subtotal U.S. Department of Education direct programs:</b>				\$ 2,103,375	\$ 466,061
<b>Pass-through programs from:</b>					
Title I Grants to Local Educational Agencies	84.010	Twin Rivers Unified School District	PO 212961	\$ 26,808	
<b>Subtotal Title I Grants to Local Educational Agencies</b>				\$ 26,808	\$ -
Migrant Education State Grant Program	84.011	Monterey County Office of Education	6064	\$ 34,477	
Migrant Education State Grant Program	84.011	Monterey County Office of Education	None	\$ 28,918	
<b>Subtotal Migrant Education_State Grant Program</b>				\$ 63,395	\$ -
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	Cal Poly Pomona Foundation	S20-008960-FRESNO	\$ 10,568	
<b>Subtotal Title I State Agency Program for Neglected and Delinquent Children and Youth</b>				\$ 10,568	\$ -
Career and Technical Education-Basic Grants to States	84.048	California Department of Education	CN190086	\$ 41	
Career and Technical Education-Basic Grants to States	84.048	California Department of Education	CN210052	\$ 11,403	
<b>Subtotal Career and Technical Education-Basic Grants to States</b>				\$ 11,444	\$ -
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	California Department of Rehabilitation	31043	\$ 140,868	
<b>Subtotal Rehabilitation Services_Vocational Rehabilitation Grants to States</b>				\$ 140,868	\$ -
Migrant Education College Assistance Migrant Program	84.149	Fresno County Superintendent of Schools	None	\$ (1,446)	
<b>Subtotal Migrant Education College Assistance Migrant Program</b>				\$ (1,446)	\$ -
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	ESSA20-CWP-FRESNO	\$ 201	
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	ESSA21-CRLP-FRESNO	\$ 47,991	
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	ESSA21-CMP-FRESNO	\$ 26,969	
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	ESSA21-CWLP-FRESNO	\$ 37,686	
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	ESSA21-CWP-FRESNO	\$ 39,039	
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	21CSMP-ESSER-CWP	\$ 24,988	
<b>Subtotal Supporting Effective Instruction State Grants</b>				\$ 176,874	\$ -
<b>Subtotal U.S. Department of Education pass-through programs:</b>				\$ 428,512	\$ -
<b>Total U.S. Department of Education</b>				\$ 2,531,886	\$ 466,061
<b>Department of Health and Human Services:</b>					
<b>Direct programs:</b>					
Mental & Behavioral Health Education	93.732			\$ 280,696	**
<b>Subtotal National Organizations of State and Local Officials direct programs:</b>				\$ 280,696	\$ -
<b>Pass-through programs from:</b>					
National Organizations of State and Local Officials	93.011	Fresno Building Healthy Communities	None	\$ 52,808	
<b>Subtotal National Organizations of State and Local Officials pass-through programs:</b>				\$ 52,808	\$ -
Community Programs to Improve Minority Health Grant Program	93.137	Fresno Building Healthy Communities	None	\$ 18,972	
Community Programs to Improve Minority Health Grant Program	93.137	Fresno Building Healthy Communities	None	\$ 24,274	
<b>Subtotal Community Programs to Improve Minority Health Grant pass-through programs:</b>				\$ 43,246	\$ -
Innovative State & Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke	93.435	CDC/County of Fresno	A-19-100	\$ 19,110	
Innovative State & Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke	93.435	County of Fresno	A-19-099	\$ 25,814	
Innovative State & Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke	93.435	CDC/County of Fresno	A-19-100	\$ 31,966	
Innovative State & Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke	93.435	County of Fresno	A-19-099	\$ 56,627	

**California State University, Fresno Foundation  
Schedule of Expenditures of Federal Awards  
For Fiscal Year Ended June 30, 2022**

<b>Federal Grantor/Program Title or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Grantor</b>	<b>Pass-Through Grant Award or Contract Number</b>	<b>Federal Program Expenditures</b>	<b>Expenditures to Subrecipients</b>
<b>Subtotal Innovative State &amp; Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke pass-through programs:</b>				\$ 133,516	\$ -
Child Welfare Research Training or Demonstration	93.648	County of San Mateo	R077029	\$ 1,556	
Child Welfare Research Training or Demonstration	93.648	County of San Mateo	R077029	\$ (5,188)	
Child Welfare Research Training or Demonstration	93.648	County of San Mateo	R077029	\$ 186,787	
<b>Subtotal Child Welfare Research Training or Demonstration pass-through programs:</b>				\$ 183,155	\$ -
Foster Care Title IV-E	93.658	Monterey County Department of Social Services	A-14345	\$ 31,885	
Foster Care Title IV-E	93.658	San Francisco County	P-600 HSA	\$ (11,840)	
Foster Care Title IV-E	93.658	California Department of Social Services	None	\$ 67,042	
Foster Care Title IV-E	93.658	California Department of Social Services	18-3024	\$ (768)	
Foster Care Title IV-E	93.658	County of Ventura	C2021.03	\$ 342	
Foster Care Title IV-E	93.658	California Department of Social Services	18-3023	\$ 25,441	
Foster Care Title IV-E	93.658	San Francisco County	P-600	\$ 2,967	
Foster Care Title IV-E	93.658	Contra Costa County	19-826-3	\$ 3,694	
Foster Care Title IV-E	93.658	Monterey County Department of Social Services	5010-21	\$ 26,124	
Foster Care Title IV-E	93.658	California Department of Social Services [The Regents of the University of California-Berkeley]	00010500	\$ 5,067	
Foster Care Title IV-E	93.658	California Department of Social Services	21-3011	\$ 3,011,980	
Foster Care Title IV-E	93.658	San Francisco County	P-600 HSA	\$ 393,815	
Foster Care Title IV-E	93.658	Monterey County Department of Social Services	5010-150	\$ 100,647	
Foster Care Title IV-E	93.658	Contra Costa County	19-826-4	\$ 187,897	
Foster Care Title IV-E	93.658	California Department of Social Services	21-3010	\$ 2,848,158	
Foster Care Title IV-E	93.658	County of Ventura	C2122.02	\$ 258,720	
Foster Care Title IV-E	93.658	County of Ventura	csufresnofoufy22ma01	\$ 9,670	
Foster Care Title IV-E	93.658	Child and Family Policy Institute	None	\$ 39,310	
Foster Care Title IV-E	93.658	Child and Family Policy Institute	None	\$ 52,876	
Foster Care Title IV-E	93.658	California Department of Social Services   The Regents of the University of California-Berkeley	00010500	\$ 1,746,699	
<b>Subtotal Foster Care Title IV-E pass-through programs:</b>				\$ 8,799,726	\$ - **
<b>Subtotal Department of Health and Human Services pass-through programs:</b>				\$ 9,212,450	\$ -
<b>Total Department of Health and Human Services:</b>				\$ 9,493,146	\$ -
<b>Corporate National Community Service: Pass-through programs from:</b>					
AmeriCorps	94.006	Corporation for National and Community Service   Jumpstart for Young Children, Inc.	3240200	\$ 14,248	
AmeriCorps	94.006	Corporation for National and Community Service   Jumpstart for Young Children, Inc.	3240200	\$ 151,984	
<b>Subtotal Corporate National Community Service pass-through programs:</b>				\$ 166,232	\$ -
<b>Total Corporate National Community Service:</b>				\$ 166,232	\$ -
<b>USAID Foreign Assistance for Programs Overseas Pass-through programs from:</b>					
USAID Foreign Assistance for Programs Overseas	98.001	21PSTEM	72026318C0003-006	\$ 104,776	
<b>Subtotal USAID Foreign Assistance for Programs Overseas pass-through programs:</b>				\$ 104,776	\$ -
<b>Total USAID Foreign Assistance for Programs Overseas:</b>				\$ 104,776	\$ -
<b>Total Other Programs:</b>				\$ 12,810,424	\$ 466,061
<b>Grand Total Federal Awards</b>				\$ 22,174,585	\$ 814,887

\*\* Identifies Major Federal Programs

See Note D on page 37 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, 2022**

**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, 2022. 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 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
ESSA-CRLP-FRESNO CA READ LIT22	ESSA21-CRLP-FRESNO	CN210095	\$ 47,991
ESSA CCWLP '22	ESSA21-CWLP-FRESNO	CN210095	\$ 37,686
ESSA-CWP-SJVWP '21	ESSA20-CWP-FRESNO	CN200097	\$ 201
ESSA-CWP-SJVWP '22	ESSA21-CWP-FRESNO	CN210095	\$ 39,039
ESSA-SJVMP '22 CMP	ESSA21-CMP-FRESNO	CN210095	\$ 26,969
SJV WRITING PROJECT ESSER '22	21CSMP-ESSER-CWP	CN210095	\$ 24,988
CDE-OFFICE CONTRACT '21	N/A	CN190086	\$ 41
CDE-OFFICE CONTRACT '23	N/A	CN210052	\$ 11,403
Total California Department of Education Awards			<u>\$ 188,318</u>

**COMBINING STATEMENT OF CALIFORNIA DEPARTMENT OF EDUCATION ACTIVITIES**

**YEAR ENDED JUNE 30, 2022**

	ESSA- CRLP- FRESNO CA READ LIT '22	ESSA- CCWLP '22	ESSA-CWP- SJVWP '21	ESSA-CWP- SJVWP '22	ESSA- SJVMP '22 CMP		CDE-Office Contract 20 & '21	CDE-Office Contract '22 & '23	Total CDE Contracts
			CN200097				CN190086	CN210052	
	330578	330582	330545	330584	330580	330610	350746	351037	
<b>REVENUE:</b>									
Grants & Contracts	\$ 36,183	\$ 18,792	\$ 201	\$ 28,852	\$ -	\$ -	\$ 41	\$ 10,674	\$ 94,743
<b>Total Revenue:</b>	\$ 36,183	\$ 18,792	\$ 201	\$ 28,852	\$ -	\$ -	\$ 41	\$ 10,674	\$ 94,743
<b>EXPENSES:</b>									
Salaries	\$ 37,452	\$ 15,000	\$ 170	\$ 23,163	\$ 22,806	\$ 7,430	\$ -	\$ 7,169	\$ 113,190
Fringe Benefits	\$ 3,462	\$ 1,387	\$ 16	\$ 7,881	\$ 2,166	\$ 687	\$ -	\$ 535	\$ 16,134
<b>Total Personnel:</b>	\$ 40,914	\$ 16,387	\$ 186	\$ 31,044	\$ 24,972	\$ 8,117	\$ -	\$ 7,704	\$ 129,324
Admin Costs									\$ -
Books									\$ -
Consultant/Contractual	\$ 1,860	\$ 18,508		\$ 2,000		\$ 15,020			\$ 37,388
Equipment									\$ -
Indirect	\$ 3,555	\$ 2,791	\$ 15	\$ 2,892	\$ 1,997	\$ 1,851	\$ 3	\$ 845	\$ 13,949
Meals									\$ -
Meetings									\$ -
Other	\$ 933								\$ 933
Postage									\$ -
Printing									\$ -
Subcontract									\$ -
Supplies & Materials	\$ 729			\$ 2,338		\$ 38	\$ 2,179		\$ 5,284
Telephone							\$ 675		\$ 675
Travel				\$ 765					\$ 765
<b>Total Expenses:</b>	\$ 47,991	\$ 37,686	\$ 201	\$ 39,039	\$ 26,969	\$ 24,988	\$ 41	\$ 11,403	\$ 188,318
							\$ -		
<b>EXCESS (DEFICIT) OF REVENUE OVER EXPENSES</b>	\$ (11,808)	\$ (18,894)	\$ -	\$ (10,187)	\$ (26,969)	\$ (24,988)	\$ -	\$ (729)	\$ (93,575)

Notes: Deficit of revenue over expenses represents expenses incurred during fiscal year ending June 30, 2022 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, 2021 to June 30, 2022**

<b><u>INDIRECT COSTS AND OTHER INCOME:</u></b>	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>
Indirect cost recovery	\$ 3,100,000	\$ 3,848,798
Handling charges	220,000	178,206
Subtotal - Indirect and Handling	3,320,000	4,027,004
Miscellaneous Income	-	472
Short term investments	875,000	(6,729,260)
Endowment administrative fee	1,561,000	1,561,000
 Total Income (Loss)	 5,756,000	 (1,140,784)
<b><u>EXPENSES:</u></b>		
Personnel:		
Monthly	676,521	710,119
Student	52,000	42,658
Employee benefits	414,940	363,525
Retired employee benefit (actual and accrual)	125,000	70,762
Accounting (audit)	80,000	64,837
Board/Committee meetings	6,000	15,911
Consultants	500	-
Management services	646,136	646,136
CSU Trustee Scholarship	6,000	6,000
Depreciation	4,961	4,961
Dues and Memberships	12,508	10,410
Equipment leasing	6,000	7,915
Employee recruitment	750	1,406
General insurance	130,492	130,226
Legal fees:		
General	5,000	-
Employment	2,500	2,500
Sponsored Programs/Patents	2,500	611
Gifts	5,000	-
Licenses, permits and fees	23,695	23,781
Miscellaneous	4,700	2,492
Office supplies	27,165	24,530
Postage	9,500	6,390
Repairs and maintenance	30,100	22,041
Software	54,807	53,067
Travel/training	5,500	1,278
Telephone	7,250	5,650
Utilities	28,500	24,879
Advancement Gift Assessment	360,000	360,000
University Indirect Costs	434,660	434,660
Total Expenses	3,162,685	3,036,745
 Gross Surplus Available For Distribution (Deficit)	 \$ 2,593,315	 \$ (4,177,529)



# Moore Grider & Company LLP

Certified Public Accountants

*A Partnership Including  
Accountancy Corporations*

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

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

## 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

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, 2022, 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 19, 2022.

### Report on 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) as a basis for designing 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.

### **Report on 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 financial statements. 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.

*Mone Kreider & Company LLP*

Fresno, California  
September 19, 2022



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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

##### *Opinion on Each Major Federal Program*

We have audited California State University, Fresno Foundation's compliance with the types of compliance identified as subject to audit 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, 2022. 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.

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, 2022.

##### *Basis for Opinion on Each Major Federal Program*

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). Our responsibilities under those standards and Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of California State University, Fresno Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of California State University, Fresno Foundation's compliance with the compliance requirements referred to above.

### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to California State University, Fresno Foundation's federal programs.

### *Auditors' Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on California State University, Fresno Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about California State University, Fresno Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding California State University, Fresno Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of California State University, Fresno Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 California State University, Fresno Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among

other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditors' Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Moore Krieger & Company LLP*

Fresno, California  
September 19, 2022

**CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2022**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

- |  |                    |
|--|--------------------|
| ▪ Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: | 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 federal programs:                                  | Unmodified opinion                 |
| ▪ Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a): | No                                 |
| ▪ Identification of major federal programs:  |                                    |
| Assistance Listing Number  | Name of Federal Program or Cluster |
| 93.658   | Foster Care Title IV-E             |
| 93.732   | Mental & Behavioral Health         |
| ▪ 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, 2022**

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



## ADDITIONAL INFORMATION

California State University, Fresno Foundation  
Schedule of Net Position  
June 30, 2022  
(for inclusion in the California State University Financial Statements)

**Assets:**

**Current assets:**

Cash and cash equivalents	13,544,829
Short-term investments	62,880,932
Accounts receivable, net	20,208,284
Notes receivable, current portion	5,239
Pledges receivable, net	3,547,224
Prepaid expenses and other current assets	134,892

<b>Total current assets</b>	<b>100,321,400</b>
-----------------------------	--------------------

**Noncurrent assets:**

Accounts receivable, net	267,340
Student loans receivable, net	378,346
Pledges receivable, net	7,206,453
Endowment investments	189,080,631
Other long-term investments	2,419,579
Capital assets, net	9,104
Other assets	454,658

<b>Total noncurrent assets</b>	<b>199,816,111</b>
--------------------------------	--------------------

<b>Total assets</b>	<b>300,137,511</b>
---------------------	--------------------

**Deferred outflows of resources:**

Net OPEB liability	260,435
--------------------	---------

<b>Total deferred outflows of resources</b>	<b>260,435</b>
---	----------------

**Liabilities:**

**Current liabilities:**

Accounts payable	2,389,195
Accrued salaries and benefits	1,570,491
Accrued compensated absences, current portion	73,577
Unearned revenues	7,723,802
Long-term debt obligations, current portion	2,000,000
Other liabilities	91,937

<b>Total current liabilities</b>	<b>13,849,002</b>
----------------------------------	-------------------

**Noncurrent liabilities:**

Depository accounts	3,587,863
Net other postemployment benefits liability	1,246,970
Other liabilities	1,256,244

<b>Total noncurrent liabilities</b>	<b>6,091,077</b>
-------------------------------------	------------------

<b>Total liabilities</b>	<b>19,940,079</b>
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**Deferred inflows of resources:**

Nonexchange transactions	1,472,978
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<b>Total deferred inflows of resources</b>	<b>1,472,978</b>
--	------------------

**Net position:**

**Restricted for:**

Nonexpendable – endowments	193,228,319
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**Expendable:**

Scholarships and fellowships	8,137,412
Loans	2,202,422
Others	69,695,577

Unrestricted	5,721,159
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<b>Total net position</b>	<b>278,984,889</b>
---------------------------	--------------------

**California State University, Fresno Foundation**  
Schedule of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2022  
(for inclusion in the California State University Financial Statements)

**Revenues:**

**Operating revenues:**

**Grants and contracts, noncapital:**

Federal	22,174,585
State	18,979,959
Nongovernmental	4,506,031
Sales and services of auxiliary enterprises, gross	5,588,004
Scholarship allowances (0)	-

<b>Total operating revenues</b>	<b>51,248,579</b>
---------------------------------	-------------------

**Expenses:**

**Operating expenses:**

Instruction	21,550,280
Research	9,893,761
Public service	18,306,370
Institutional support	294,314
Student grants and scholarships	5,311,020
Auxiliary enterprise expenses	10,495,584
Depreciation and amortization	4,961

<b>Total operating expenses</b>	<b>65,856,290</b>
---------------------------------	-------------------

<b>Operating income (loss)</b>	<b>(14,607,711)</b>
--------------------------------	---------------------

**Nonoperating revenues (expenses):**

Gifts, noncapital	8,000,589
Investment income (loss), net	(5,868,134)
Endowment income (loss), net	(6,911,346)
Interest expense	(20,000)
Other nonoperating revenues (expenses)	2,577,815

<b>Net nonoperating revenues (expenses)</b>	<b>(2,221,076)</b>
---	--------------------

<b>Income (loss) before other revenues (expenses)</b>	<b>(16,828,787)</b>
---	---------------------

Additions (reductions) to permanent endowments	8,739,928
--	-----------

<b>Increase (decrease) in net position</b>	<b>(8,088,859)</b>
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<b>Net position at end of year</b>	<b>278,984,889</b>
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California State University, Fresno Foundation  
Other Information  
June 30, 2022  
(for inclusion in the California State University Financial Statements)

1 Cash and cash equivalents:  
Noncurrent restricted cash and cash equivalents  
Current cash and cash equivalents  
Total

	13,544,829
	13,544,829

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ 123,729.00	2,300,844.00	2,424,573.00
U.S. treasury securities	6,447,008	7,468,237	13,915,245
Municipal bonds		115,076	115,076
Corporate bonds	9,576,388	11,027,037	20,603,425
Mutual funds	33,900,388	109,092,785	143,053,373
Exchange traded funds		406,577	406,577
Equity securities		5,825,991	5,825,991
Alternative investments:			
Private equity (including limited partnerships)		48,364,311	48,364,311
Hedge funds	3,901,837	5,526,489	9,828,326
Real estate investments (including REITs)		10,175	10,175
Other alternative investment		595,732	595,732
State of California Local Agency Investment Fund (LAIF)	8,871,382		8,871,382
Other investments:			
Life Income Contracts		366,956	366,956
Total Other Investments		366,956	366,956
Total investments	62,880,932	191,500,210	254,381,142
Less endowment investments (enter as negative number)		(189,080,631)	(189,080,631)
Total investments, net of endowments	62,880,932	2,419,579	65,300,511

2.2 Fair value hierarchy in investments:

Investment Type	Total	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	\$ 2,424,573	2,424,573			
U.S. treasury securities	13,915,245	13,915,245			
Municipal bonds	115,076	115,076			
Corporate bonds	20,603,425	20,603,425			
Mutual funds	143,053,373	143,053,373			
Exchange traded funds	406,577	406,577			
Equity securities	5,825,991	5,825,991			
Alternative investments:					
Private equity (including limited partnerships)	48,364,311				48,364,311
Hedge funds	9,828,326				9,828,326
Real estate investments (including REITs)	10,175	10,175			
Other alternative investment	595,732				595,732
State of California Local Agency Investment Fund (LAIF)	8,871,382				8,871,382
Other investments:					
Life Income Contracts	366,956	314,975		52,031	
Total Other investments	366,956	314,975		52,031	
Total investments	254,381,142	186,669,360		52,031	67,659,751

2.3 Investments held by the University under contractual agreements:

3.1 Composition of capital assets:

	Balance June 30, 2021	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2021 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2022
Depreciable/Amortizable capital assets:									
Personal property:									
Equipment	602,391	-	-	-	602,391	-	-	-	602,391
Total depreciable/amortizable capital assets	602,391	-	-	-	602,391	-	-	-	602,391
Total capital assets	602,391	-	-	-	602,391	-	-	-	602,391
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Personal property:									
Equipment	(588,326)	-	-	-	(588,326)	(4,961)	-	-	(593,287)
Total accumulated depreciation/amortization	(588,326)	-	-	-	(588,326)	(4,961)	-	-	(593,287)
Total capital assets, net excluding lease assets	14,065	-	-	-	14,065	-	-	-	9,104

3.2 Detail of depreciation and amortization expense:  
Depreciation and amortization expense related to capital assets  
Total depreciation and amortization

\$ 4,961  
\$ 4,961

4 Long-term liabilities:

1. Accrued compensated absences

Balance June 30, 2021	Prior Period Adjustments/Reclassifications	Balance June 30, 2021 (Ratified)	Additions	Reductions	Balance June 30, 2022	Current Portion	Noncurrent Portion
\$ 69,446		69,446	38,359	(34,228)	\$ 73,577	\$ 73,577	\$ -

4. Long-term debt obligations:

4.1 Others:

Private Note Payable

2,000,000		2,000,000			2,000,000	2,000,000	-
2,000,000		2,000,000			2,000,000	2,000,000	-
2,000,000		2,000,000			2,000,000	2,000,000	-

Sub-total long-term debt

4.5 Unamortized net bond premium/(discount)

-		-			-	-	-
2,000,000		2,000,000			2,000,000	2,000,000	-

Total long-term debt obligations

Total long-term liabilities

2,000,000	2,000,000
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5 Lease Liabilities schedule:

6 Long-term debt obligations schedule:

Auxiliary revenue bonds (non-SRB related)				All other long-term debt obligations				Total long-term debt obligations			
Principal	Interest	Principal and Interest		Principal	Interest	Principal and Interest		Principal	Interest		

Nothing to report

Year ending June 30:

2023

Total minimum payments

Less: amounts representing interest

Present value of future minimum payments

Unamortized net premium/(discount)

Total long-term debt obligations

Less: current portion

Long-term debt obligations, net of current portion

\$ -	-	-		2,000,000	10,000	2,010,000		2,000,000	10,000		2,010,000
				2,000,000	10,000	2,010,000		2,000,000	10,000		2,010,000
											(10,000)
											2,000,000
											2,000,000
											(2,000,000)
											-

7 Transactions with related entities:  
Payments to University for salaries of University personnel working on contracts, grants, and other programs  
Gifts-in-kind to the University from discretely presented component units  
Accounts payable to University (enter as negative number)  
Accounts receivable from University (enter as positive number)

Nothing to report

8 Restatements

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
3,817,372	1,245,329	-	-	-	16,487,579	-	21,550,280
3,605,300	589,876	-	-	-	5,698,585	-	9,893,761
8,067,382	2,260,176	-	-	-	7,978,812	-	18,306,370
-	-	-	-	-	294,314	-	294,314
752,777	330,482	-	103,805	5,311,020	9,308,520	-	5,311,020
\$ 16,342,831	4,475,863	-	103,805	5,311,020	39,879,810	4,961	65,856,290

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - net OPEB liability

Total deferred outflows of resources

Deferred Inflows of Resources

Deferred inflows - nonexchange transactions

Total deferred inflows of resources

\$ 260,435

\$ 260,435

\$ 1,472,978

\$ 1,472,978

11 Other nonoperating revenues (expenses)

Other nonoperating revenues

Other nonoperating (expenses)

Total other nonoperating revenues (expenses)

21,897,536

-19,319,723

\$ 2,577,813