

**CALIFORNIA STATE UNIVERSITY,
FRESNO FOUNDATION**

ANNUAL REPORT

2025-26

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

TABLE OF CONTENTS

	<u>Page Number</u>
Corporate Information	1 - 3
Independent Auditors' Report	4 - 6
Statements of Financial Position	7
Statements of Activities	8
Statements of Cash Flows	9
Notes to the Financial Statements	10 - 32
General Fund Administration Cost Center	33
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 <u>Government Auditing Standards</u>	34 - 35
Schedule of Findings	36
Additional Information Restated for California State University Reporting	37 - 43

California State University Fresno, Foundation
Corporate Information
For the Year Ended June 30, 2026

BOARD OF GOVERNORS:

Ms. Carol Chandler	Selma, California
Mr. Nat DiBuduo	Fresno, California
Ms. Joan Eaton	Fresno, California
Dr. Eric Hanson	Fresno, California
Mr. Rod Higgins	Las Vegas, Nevada
Dr. Saúl Jiménez-Sandoval	Fresno, California
Mr. Larry Johanson	Fresno, California (thru December 2025)
Ms. Maurine Jones	Fresno, California
Dr. Claude C. Laval III	Fresno, California
Mr. Jason Liao	Clovis, California
Mr. Will 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	Clovis, California
Ms. Kim Ruiz-Beck	Fresno, California
Mr. Mark Ruof	Fresno, California
Ms. Lorraine Salazar	Fresno, California
Mr. Bill Shaughnessy	Atherton, California
Mr. Bill Smittcamp	Clovis, California
Mr. George Soares	Hanford, California
Mr. Richard F. Spencer	Fresno, California
Mr. Kyle Stephenson	Fresno, California
Mr. A. Emory Wishon III	Fresno, California
Mr. O. James Woodward 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:

Mr. Brady Crook	Executive Director
Ms. Elizabeth Sinor	Director of Finance

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, 2026

Audit Committee:

Ms. Joan Eaton	Chair
Ms. Carol Chandler	
Mr. Jason Liao	
Mr. Will Lyles	
Mr. Chris Morse	
Mr. Bill Smittcamp	

Budget Committee:

Dr. Claude Laval III	Chair
Mr. Dennis Parnagian	
Mr. Mark Ruof	
Mr. Bill Shaughnessy	
Mr. George Soares	

Development Committee:

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

Governance Committee:

Mr. George Soares	Chair
Dr. Eric Hanson	
Mr. Claude Laval III	
Ms. Kim Ruiz-Beck	
Mr. Jim Woodward	

Investment Committee:

Mr. A. Emory Wishon III	Chair
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, 2026

CORPORATE DATA

Executive Offices

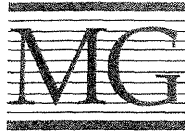
4910 N. Chestnut Ave.
Fresno, CA 93726-1852
Telephone: (559) 278-0850

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.
45th Floor
San Francisco, CA 94104
Telephone: (415) 393-7500



Moore Grider & Company LLP
Certified Public Accountants

*A Partnership Including
Accountancy Corporations*

INDEPENDENT AUDITORS' REPORT

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.

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

Kendall K. Wheeler, C.P.A.

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

Richard L. Holland, C.P.A.

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

Denise S. Hurst, C.P.A.

Richard Lake, C.P.A.

Terry L. Stone, C.P.A.

Abel M. Cabello, E.A.

Kelli D. Steele, C.P.A.

Michiko Rosenthal, C.P.A.

Shaina M. Miracle, C.P.A.

Franklin Daniel, C.P.A.

Steve Thapar, C.P.A.

Christina R. Thompson, C.P.A.

Dallin M. Jones, C.P.A.

Stuart J. Mallam, C.P.A.

Esmeralda G. Carmona, C.P.A.

Hector M. Ibarra, C.P.A.

Pina D. Patel, C.P.A.

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

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

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

Report on the 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, 2025 and 2026, 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, 2025 and 2026, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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. The accompanying supplementary information on page 33 is presented for purposes of additional analysis and is not a required part of the financial statements. The information reflected on pages 37 to 43 is presented as required by the Chancellor of the California State University. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, 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 15, 2026, 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.

More Krieger & Company LLP

Fresno, California
September 15, 2026

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION
THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION
STATEMENTS OF FINANCIAL POSITION
AT JUNE 30 2025 AND 2026

	2025 TOTAL	2026 TOTAL
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents (Note 1, Pg. 11)	\$ 109,519,735	\$ 110,510,563
Receivables:		
Grants and contracts	21,113,752	15,855,956
Pledges receivable (Note 3)	2,453,157	2,686,330
Other accounts receivable	12,701,865	15,709,803
Total Receivables	36,268,775	34,252,089
Prepaid expenses	450,944	467,044
Total Current Assets	146,239,454	145,229,696
Operating lease right-of-use assets	427,602	196,586
Long-term investments, at market (Note 5)	258,245,038	293,302,530
Non-current receivables:		
Pledges receivable (Note 3)	7,121,515	6,841,515
Allowance for uncollectibles	(300,000)	(300,000)
Net pledges receivable	6,821,515	6,541,515
Notes receivable, net (Note 4)	399,636	419,187
Other receivable, non-current (Note 9)	129,437	188,705
Total non-current receivables	7,350,588	7,149,407
Land and improvements	454,658	454,658
Capital Assets:		
Equipment	627,634	1,092,020
Less accumulated depreciation	(606,327)	(656,445)
Net Capital Assets	21,307	435,575
TOTAL ASSETS	\$ 412,738,646	\$ 446,768,452
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 4,977,601	\$ 5,455,143
Note payable (Note 10)	2,000,000	0
Accrued salaries and benefits payable	2,337,952	2,409,017
Current portion of operating lease liabilities (Note 13)	237,574	208,948
Receipts in excess of expenditures		
on specific sponsored programs	31,785,118	28,725,640
Accrued compensated balances	62,058	66,290
Annuity agreement liabilities - current portion (Note 9)	46,397	46,561
Total Current Liabilities	41,446,700	36,911,599
Operating lease liabilities, net of current portion shown above (Note 13)	208,948	0
Long-term liabilities:		
Accounts payable	1,436,453	1,549,570
Annuity agreement liabilities - long-term portion (Note 9)	10,189	7,741
Agency accounts	3,585,065	301,310
Total Liabilities	46,687,355	38,770,220
Net Assets:		
Without donor restrictions	6,785,573	7,871,449
Without donor restrictions-board designated reserves (Note 11)	6,572,259	6,928,670
With donor restrictions (Note 12)	352,693,459	393,198,113
Total Net Assets	366,051,291	407,998,232
TOTAL LIABILITIES AND NET ASSETS	\$ 412,738,646	\$ 446,768,452

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, 2025 AND 2026

	2025 TOTAL	2026 TOTAL
<u>Changes in Net Assets Without Donor Restrictions:</u>		
Revenues, Gains and Other Support:		
Federal grants and contracts	\$ 42,165,969	\$ 37,693,276
State grants and contracts	20,974,376	24,646,948
Other grants and contracts	3,994,194	3,771,994
Indirect cost recovery from sponsored programs	7,127,627	6,102,926
Handling fees	241,733	256,948
Investment income	3,845,037	4,210,364
Realized/unrealized gains (losses)	1,451,345	842,451
Endowment administrative fees	1,561,000	2,213,159
Income for campus support	14,508,880	9,921,291
Other	165,113	327,248
Net assets released from restrictions:		
Satisfaction of program restrictions (Note 12)	8,764,730	9,557,905
Appropriation from donor endowments and subsequent satisfaction of any related donor restrictions (Note 12)	10,208,252	12,117,087
Total Revenues, Gains and Other Support Without Donor Restrictions	115,008,256	111,661,597
Expenses and Losses:		
Instruction	15,809,121	17,965,413
Public service	37,099,069	33,934,774
Research	14,226,349	14,212,032
Special Programs	5,037,053	6,490,371
Campus Support	22,234,722	18,580,455
Student grants and scholarships	5,669,590	5,851,452
Management and general	4,245,003	4,806,390
Endowment administrative fees	1,561,000	2,213,159
Donations to agency accounts (surplus allocation)	8,805,166	6,168,004
Total Expenses and Losses (Note 14)	114,687,073	110,222,050
Changes in Net Assets Without Donor Restrictions	321,183	1,439,547
<u>Changes in Net Assets With Donor Restrictions:</u>		
Gain (loss) on investments:		
Realized	\$ (608,642)	\$ 1,983,080
Unrealized	15,705,316	23,920,258
Investment income	11,999,221	13,683,034
Contributions - Net	23,476,941	12,568,619
Change in value of split interest agreement	244,713	(40,000)
Non-operating revenue	4,768,420	10,067,395
Net assets released from restrictions (Note 12)	(18,972,982)	(21,674,992)
Changes in Net Assets With Donor Restrictions:	36,612,987	40,507,394
Total Increase (Decrease) in Net Assets	36,934,169	41,946,941
Net Assets at Beginning of Year	329,117,122	366,051,291
Net Assets at End of Year	\$ 366,051,291	\$ 407,998,232

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, 2025 AND 2026

	2025 TOTAL	2026 TOTAL
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 36,934,169	\$ 41,946,941
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	2,693	50,118
Bad debt expense	215,250	375,410
Forgiveness of notes receivable	40,606	7,500
Contributions restricted for long-term investment	(8,863,714)	(5,661,884)
Transfers to campus programs	16,000	3,000
Net realized and unrealized (gains) and losses on investments	(22,540,028)	(34,012,804)
Changes in value of split interest agreements	32,049	53,319
Operating lease contract modification	15,844	(6,558)
Changes in assets and liabilities:		
Grants, contracts and accounts receivable	735,320	2,001,401
Pledges receivable	(1,447,268)	(80,126)
Prepaid expenses	(193,938)	(16,100)
Accounts payable	1,465,373	(1,409,343)
Accrued salaries and benefits payable	352,560	71,064
Accrued compensated balances	(17,846)	4,232
Receipts in excess of expenditures on specific sponsored programs	6,279,095	(3,059,478)
Agency accounts	(27,266)	(3,283,755)
Net cash provided (used) by operating activities	<u>12,998,900</u>	<u>(3,017,063)</u>
Cash flows from investing activities:		
Purchase of investments	(13,944,481)	(13,697,128)
Proceeds from sales and maturities of investments	10,673,819	12,649,441
Increase in notes receivable	(42,829)	(34,582)
Payments received on notes receivable	10,525	7,530
Acquisition of capital assets	(17,635)	(464,386)
Increase in other receivables	(44,988)	(59,268)
Net cash provided (used) by investing activities	<u>(3,365,589)</u>	<u>(1,598,393)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	8,863,714	5,661,884
Payments on split interest agreements	(70,621)	(55,603)
Net cash provided (used) by financing activities	<u>8,793,092</u>	<u>5,606,281</u>
Net increase (decrease) in cash	18,426,403	990,828
Cash at beginning of year	91,093,332	109,519,735
Cash at end of year	<u>\$ 109,519,735</u>	<u>\$ 110,510,563</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, 2025 AND 2026

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 (\$9,329,456 and \$9,757,438 for the years ended June 30, 2025 and 2026, respectively), in the State of California Local Agency Investment Fund (LAIF) (\$5,540,432 and \$5,771,440 for the years ended June 30, 2025 and 2026, respectively), and within a balanced investment portfolio with Goldman Sachs (\$94,649,847 and \$94,981,685 for the years ended June 30, 2025 and 2026, respectively).

The Federal Depository Insurance Corporation insures cash balances held in banks up to \$250,000. At June 30, 2025 and 2026 the Foundation's uninsured cash balances held in banks totaled \$10,021,254 and \$9,652,934, 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 the amount management expects to collect from outstanding balances. Management provides for expected credit losses through a charge to earnings and a credit to a valuation allowance based on historical experience, current conditions, and reasonable and supportable forecasts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Investments

Investments are primarily held in corporate bonds, mutual funds, money market funds, municipal bonds, equity securities, U.S. treasury securities, private equity securities and other alternative investments 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 \$31,785,118 and \$ 28,725,640 at June 30, 2025 and 2026, 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 30th 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 41.3% 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 11.72% and 11.78% for the years ended June 30, 2024 and 2025, 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 both 2024 and 2025 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, 2024 and 2025, 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.

Leases

The Foundation determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the accompanying statements of financial position.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The individual operating lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation is required to use the CSU Systemwide Incremental Borrowing Rate at the start date of the lease.

The Foundation has elected to apply the short-term lease exception to all leases with a term of one year or less. Lease payments are recognized on a straight-line basis over the term of the lease. These leases are not included as lease liabilities or right of use assets on the statements of financial position.

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 \$5,540,432 and \$6,145,000 as of June 30, 2025 and 2026, respectively (Note 11). 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.

NOTES TO THE FINANCIAL STATEMENTS

At June 30, 2025 and 2026, the following financial assets were available to meet general expenditures within one year:

	2025	2026
Financial assets, at year-end		
Cash and cash equivalents	\$ 109,519,735	\$ 110,510,563
Receivables	43,619,363	40,585,197
Long-term investments	258,245,038	293,302,530
Total financial assets	411,384,135	444,398,290
Less those unavailable for general expenditures within one year, due to:		
Donor imposed restrictions:		
Restricted by donor with purpose restrictions	(88,827,056)	(96,357,547)
Subject to appropriation and satisfaction of donor restrictions	(263,866,403)	(296,840,566)
Board designations:		
Board designated reserves	(6,572,259)	(6,928,670)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 52,118,417</u>	<u>\$ 44,271,507</u>

Note 3 – Pledges Receivable

At June 30, 2025 and 2026, pledges receivable includes the following unconditional pledges to give:

Pledges Receivable	2025	2026
Unconditional pledges to give before unamortized discount and allowance for uncollectible pledges	\$ 12,906,790	\$ 12,671,121
Less: Unamortized discount	(3,332,118)	(3,143,276)
Subtotal	9,574,672	9,527,845
Less: Allowance for uncollectible pledges	(300,000)	(300,000)
Net unconditional pledges to give	<u>\$ 9,274,672</u>	<u>\$ 9,227,845</u>
Current portion	<u>\$ 2,453,157</u>	<u>\$ 2,686,330</u>
Long term portion	<u>\$ 7,121,515</u>	<u>\$ 6,841,515</u>
Amounts due in:		
Less than one year	\$ 2,624,878	\$ 2,874,372
One to five years	6,119,412	5,746,749
More than five years	4,162,500	4,050,000
Total	<u>\$ 12,906,790</u>	<u>\$ 12,671,121</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 2025 and 2026. Pledges receivable are considered a

NOTES TO THE FINANCIAL STATEMENTS

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:			2025	2026
Beginning of year balance	\$	11,530,634	\$	12,906,790
New pledges		6,393,966		3,061,468
Pledge payments received		(4,802,560)		(3,170,184)
Write-offs		(215,250)		(126,953)
End of year balance	\$	<u>12,906,790</u>	\$	<u>12,671,121</u>

Note 4 – Notes Receivable

The Foundation maintains a Student Loan Fund that allows students to borrow funds as approved by the University's Office of Financial Aid. The Foundation wrote off uncollectable student loans of \$0 for both the years ended June 30, 2025 and 2026. 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 totaled \$40,606 and \$7,500 for the years ended June 30, 2025 and 2026, respectively.

Notes receivable for the years ended June 30, 2025 and 2026 are as follows:

Note Receivable (Interest Rate)	2025	2026
Student loans (1% - 12%)	\$ 414,636	\$ 434,187
Less allowance for uncollectible student loans	(15,000)	(15,000)
Net notes receivable	<u>\$ 399,636</u>	<u>\$ 419,187</u>
Current portion	<u>\$ 0</u>	<u>\$ 0</u>
Long term portion	<u>\$ 399,636</u>	<u>\$ 419,187</u>

Note 5 – Long-Term Investments

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

Unrealized gains or losses occur when the fair value of investments increases or decreases as of June 30th each year. Realized gains or losses occur when an investment is sold. However, the amount of the realized gain or loss reflected on the statements of activities should not include any unrealized gain or loss recognized in prior years. With the large number of securities comprising long-term investments, it is impractical for the Foundation to determine the amount of unrealized gain or loss previously recognized on securities sold during the years ended June 30, 2025 and 2026. 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, 2025 and 2026.

NOTES TO THE FINANCIAL STATEMENTS

Long-term investment activity at fair value for the year ended June 30, 2025 is as follows:

Long-term investments	Total
Long-term investments at beginning of year	\$ 232,450,349
Additions	8,869,267
Amounts withdrawn for scholarships and donor restricted purposes	(10,723,490)
Return on investments:	
Dividends and interest	5,108,885
Realized gains (losses)	3,408,700
Unrealized gains (losses)	19,131,327
Total return on investments	27,648,912
Long-term investments at end of year	<u>\$ 258,245,038</u>

Long-term investment activity at fair value for the year ended June 30, 2026 is as follows:

Long-term investments	Total
Long-term investments at beginning of year	\$ 258,245,038
Additions	8,182,262
Amounts withdrawn for scholarships and donor restricted purposes	(13,105,653)
Return on investments:	
Dividends and interest	5,968,078
Realized gains (losses)	6,536,482
Unrealized gains (losses)	27,476,323
Total return on investments	39,980,883
Long-term investments at end of year	<u>\$ 293,302,530</u>

NOTES TO THE FINANCIAL STATEMENTS

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

Long-term investments	2025	2026
Corporate bonds	\$ 11,857,788	\$ 11,098,651
Mutual funds	155,609,134	167,978,367
Money market funds	2,404,841	3,374,399
Municipal bonds	132,409	120,674
U.S. treasury securities	11,098,169	15,502,592
Equity securities	9,897,327	11,392,537
Exchange traded funds (ETFs)	485,790	15,398,581
Alternative investments:		
Private equity	48,189,805	50,210,610
Hedge funds	7,562,605	8,794,417
Real estate investments	13,556	0
Other alternative investments	10,058,190	8,946,023
Life income contracts	401,805	408,272
Investment in LLC	533,619	77,407
Total long-term investments, at market	<u>\$ 258,245,038</u>	<u>\$ 293,302,530</u>

Note 6 – Fair Value Measurements

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

FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant observable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

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, other alternative investments, 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, 2025 and 2026.

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, 2025 and 2026.

Corporate Bonds, Commercial Paper, Mutual 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.

Cash and Cash Equivalents, Money Market Funds, and 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, 2025:

Recurring	Total	Level 1	Level 2	Level 3	Net Asset Value (NAV)
Short-term investments:*					
State of California Local Agency Investment Fund (LAIF)	\$ 5,540,432	\$ 0	\$ 0	\$ 0	\$ 5,540,432
U.S. treasury securities	19,792,040	19,792,040	0	0	0
Corporate bonds	18,198,824	18,198,824	0	0	0
Money market funds	18,955,672	0	0	0	18,955,672
Commercial Paper	1,982,312	1,982,312	0	0	0
Mutual funds	33,967,591	33,967,591	0	0	0
Exchange traded funds	1,753,408	1,753,408	0	0	0
Total short-term investments	100,190,279	75,694,175	0	0	24,496,104
Long-term investments:					
Corporate bonds	\$ 11,857,788	\$ 11,857,788	\$ 0	\$ 0	\$ 0
Mutual funds	155,609,134	155,609,134	0	0	0
Money market funds	2,404,841	0	0	0	2,404,841
Municipal bonds	132,409	132,409	0	0	0
U.S. treasury securities	11,098,169	11,098,169	0	0	0
Equity securities	9,897,327	9,897,327	0	0	0
Exchange traded funds (ETFs)	485,790	485,790	0	0	0
Alternative investments:					
Private equity	48,189,805	0	0	0	48,189,805
Hedge funds	7,562,605	0	0	0	7,562,605
Real estate investments	13,556	13,556	0	0	0
Other alternative	10,058,190	0	0	0	10,058,190
Life income contracts	401,805	307,964	0	93,841	0
Investment in LLC	533,619	0	0	0	533,619
Total long-term investments, at market	258,245,038	189,402,137	0	93,841	68,749,060
Total	<u>\$ 358,435,317</u>	<u>\$ 265,096,312</u>	<u>\$ 0</u>	<u>\$ 93,841</u>	<u>\$ 93,245,164</u>

* 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, 2026:

Recurring	Total	Level 1	Level 2	Level 3	Net Asset Value (NAV)
Short-term investments:*					
State of California Local Agency Investment Fund (LAIF)	\$ 5,771,440	\$ 0	\$ 0	\$ 0	\$ 5,771,440
U.S. treasury securities	18,878,214	18,878,214	0	0	0
Corporate bonds	57,161,793	57,161,793	0	0	0
Money market funds	18,941,678	0	0	0	18,941,678
Commercial Paper	0	0	0	0	0
Mutual funds	0	0	0	0	0
Exchange traded funds	0	0	0	0	0
Total short-term investments	100,753,125	76,040,007	0	0	24,713,118
Long-term investments:					
Corporate bonds	\$ 11,098,651	\$ 11,098,651	\$ 0	\$ 0	\$ 0
Mutual funds	167,978,367	167,978,367	0	0	0
Money market funds	3,374,399	0	0	0	3,374,399
Municipal bonds	120,674	120,674	0	0	0
U.S. treasury securities	15,502,592	15,502,592	0	0	0
Equity securities	11,392,537	11,392,537	0	0	0
Exchange traded funds (ETFs)	15,398,581	15,398,581	0	0	0
Alternative investments:					
Private equity	50,210,610	0	0	0	50,210,610
Hedge funds	8,794,417	0	0	0	8,794,417
Real estate investments	0	0	0	0	0
Other alternative	8,946,023	0	0	0	8,946,023
Life income contracts	408,272	329,166	0	79,106	0
Investment in LLC	77,407	0	0	0	77,407
Total long-term investments, at market	293,302,530	221,820,568	0	79,106	71,402,856
Total	\$ 394,055,655	\$ 297,860,575	\$ 0	\$ 79,106	\$ 96,115,974

* 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, 2024 and 2025:

	2025	2026
Level 3 Assets at beginning of year	\$ 94,283	\$ 93,841
Transfer in (out) of Level 3	0	0
Purchases	0	0
Sales	0	0
Unrealized gains (losses)	(442)	(14,735)
Level 3 Assets at the end of the year	<u>\$ 93,841</u>	<u>\$ 79,106</u>

Note 7 – Endowment

The Foundation's endowment (the Endowment) consists of approximately 920 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, 2025 and 2026, 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, 2025:

	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	\$ 169,361,373	\$ 169,361,373
Accumulated investment gains	0	94,505,030	94,505,030
Total funds	<u>\$ 0</u>	<u>\$ 263,866,403</u>	<u>\$ 263,866,403</u>

NOTES TO THE FINANCIAL STATEMENTS

Endowment net assets consist of the following at June 30, 2026:

	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	\$ 175,090,919	\$ 175,150,187
Accumulated investment gains	0	121,690,380	121,690,379
Total funds	<u>\$ 0</u>	<u>\$ 296,781,299</u>	<u>\$ 296,840,566</u>

Changes in Endowment Net Assets

The following schedule shows changes in endowment net assets for the year ending June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2024	\$ 0	\$ 232,840,452	\$ 232,840,452
Activity in pooled endowment assets:			
Investment return net:			
Investment income	0	11,911,927	11,911,927
Net appreciation (depreciation)	0	15,096,674	15,096,674
Total investment return, net	0	27,008,601	27,008,601
Contributions *	0	14,241,604	14,241,604
Transfers to campus programs	0	(16,000)	(16,000)
Appropriation of endowment assets for expenditure	0	(10,666,619)	(10,666,619)
Net increase (decrease) in pooled endowment assets	0	3,558,985	3,558,985
Net increase in other endowment net assets *	0	458,366	458,366
Endowment net assets, June 30, 2025	<u>\$ 0</u>	<u>\$ 263,866,403</u>	<u>\$ 263,866,403</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, 2026:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2025	\$ 0	\$ 263,866,403	\$ 263,866,403
Activity in pooled endowment assets:			
Investment return net:			
Investment income	0	13,569,029	13,569,029
Net appreciation (depreciation)	0	25,903,337	25,903,337
Total investment return, net	0	39,472,366	39,472,366
Contributions *	0	5,661,884	5,661,884
Transfers to campus programs	0	(3,000)	(3,000)
Appropriation of endowment assets for expenditure	0	(12,642,241)	(12,642,241)
Net increase (decrease) in pooled endowment assets	0	(6,983,357)	(6,983,357)
Net increase in other endowment net assets *	0	485,154	485,154
Endowment net assets, June 30, 2026	<u>\$ 0</u>	<u>\$ 296,840,566</u>	<u>\$ 296,840,566</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, 2025 deficiencies of this nature exist in 6 donor-restricted endowment funds, which together have an original gift value of \$1,166,273, fair value of \$1,047,717, and a deficiency of \$118,556. As of June 30, 2026 deficiencies of this nature exist in 7 donor-restricted endowment funds, which together have an original gift value of \$432,955, fair value of \$381,287, and a deficiency of \$51,668. 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). 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, 2025 and 2026 (as a percentage of the endowment's average market value for the twelve (12) quarters ending the preceding December 31), was 4.98% and 5.25%, 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 \$51,000 and \$15,421 from underwater endowment funds for the years ended June 30, 2025 and 2026, 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, 2025 and 2026 were \$680,750 and \$781,275, 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, 2025 and 2026 were \$700,968 and \$705,528, 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, 2025 and 2026 were \$3,340,421 and \$3,653,378, respectively.

During the years ended June 30, 2025 and 2026 the Foundation donated equipment to the University with a cost of \$1,414,109 and \$1,320,513, respectively. The donation expense is included in Campus Support.

During the years ended June 30, 2025 and 2026 the Foundation donated equipment to the Agricultural Foundation of California State University, Fresno with a cost of \$29,511 and \$0, respectively. The donation expense is included in Campus Support.

NOTES TO THE FINANCIAL STATEMENTS

Accounts receivable and accounts payable at June 30, 2025 and 2026 include the following amounts due from and due to related parties:

	2025	2026
University:		
Accounts receivable	\$ 513,794	\$ 551,884
Accounts payable	1,480,913	410,424
Association:		
Accounts receivable	306,650	371,409
Accounts payable	226,951	21,559

Note 9 – Charitable Gift Annuities and Charitable Remainder Unitrust

The CSU Fresno Foundation (Foundation) is the beneficiary of eight 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 three are 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.

Financial information related to the charitable gift annuities and charitable remainder unitrust as of June 30, 2025 and 2026 is as follows:

	2025	2026
Assets:		
Receivables	\$ 129,437	\$ 188,705
Investments	<u>951,816</u>	<u>1,052,522</u>
Total Assets	1,081,253	1,241,227
Liabilities		
Annuity agreement liabilities	<u>(56,586)</u>	<u>(54,302)</u>
Net assets with donor restrictions	<u>\$ 1,024,667</u>	<u>\$ 1,186,925</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 10 – Note Payable

The note payable as of June 30, 2025 and 2026, is as follows:

Note Payable	2025	2026
1.0% Trinity Health Corporation, unsecured, payable in its entirety on or before December 31, 2025. Interest is paid annually each December 31 st . Paid in full at June 30, 2026	\$ 2,000,000	\$ 0
Long term portion	<u>\$ 0</u>	<u>\$ 0</u>

Interest accrued during fiscal years 2025 and 2026 was \$10,000 and \$0 respectively.

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	2025	2026
General Fund:		
Reserve for Contingency - General	<u>\$ 5,540,432</u>	<u>\$ 6,145,000</u>
New California Ventures, LLC	<u>\$ 533,619</u>	<u>\$ 77,407</u>
Designated Fund:		
Reserve for Contingency – Sponsored Programs	<u>\$ 429,517</u>	<u>\$ 634,831</u>
Charitable Gift Annuities Reserve	<u>\$ 68,691</u>	<u>\$ 71,432</u>
Total Board Designated Reserves	<u>\$ 6,572,259</u>	<u>\$ 6,928,670</u>

Management believes that as of June 30, 2025 and 2026 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, 2025 and June 30, 2026:

	2025	2026
Subject to expenditure for specified purpose:		
Campus programs	\$ 69,182,350	\$ 76,983,805
Chairs and professorships	2,447,849	2,823,781
Building project	4,490,000	3,300,000
Athletics	1,105,000	1,070,000
Scholarships	8,851,519	9,182,450
	86,076,718	93,360,036
Subject to passage of time:		
Beneficial interests in annuity agreements – Maturity at death of donors	484	484
Subject to Foundation spending policy and appropriation:		
Investment in perpetuity, the income from which is expendable to support:		
Educational programs	104,585,247	117,190,663
Scholarships	121,075,017	135,205,717
Chairs and professorships	28,312,774	33,550,289
Student loans	6,915,295	7,660,651
Campus programs	2,978,070	3,233,246
	263,866,403	296,840,566
Not subject to appropriation or expenditure:		
Funds available for student loans	2,749,854	2,997,027
Total net assets with donor restrictions:	<u>\$ 352,693,459</u>	<u>\$ 393,198,113</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, 2025 and 2026:

	2025	2026
Satisfaction of program restrictions:		
Campus programs	\$ 7,520,782	\$ 8,248,233
Chairs and professorships	205,060	410,931
Scholarships	1,038,888	898,741
	8,764,730	9,557,905
Appropriation from donor endowments and subsequent satisfaction of any related donor restrictions:		
Educational programs	755,837	867,613
Scholarships	5,249,433	5,862,730
Chairs and professorships	894,088	1,408,461
Student loans	229,509	254,673
Campus programs	3,079,385	3,723,610
	10,208,252	12,117,087
Total net assets released from restrictions:	\$ 18,972,982	\$ 21,674,992

Note 13 – Operating Leases

The Foundation has various operating leases under long-term non-cancelable lease agreements. The leases expire at various dates through 2027. The discount rates related to the Foundation's lease liabilities as of June 30, 2025 and 2026 range from 3.66% to 4.91%. The discount rate is the CSU Systemwide Borrowing Rate at the start date of the lease.

Lease expense for the years ended June 30, 2025 and 2026 consists of the following:

	2025	2026
Operating lease costs:		
Buildings	\$ 246,229	\$ 241,429
Copier machine	3,900	3,900
	\$ 250,129	\$ 245,329

NOTES TO THE FINANCIAL STATEMENTS

Supplemental cash flow information:

	2025	2026
Cash paid for leases:		
Operating cash flows	\$ <u>250,129</u>	\$ <u>245,329</u>

Future minimum lease payments under the non-cancellable leases as of June 30, 2026 were as follows:

Year ending June 30,	Buildings	Copier Machine	Totals
2027	\$ 210,322	\$ 2,600	\$ 212,922
Less present value discount			3,974
			<u>208,948</u>
Less current portion			208,948
			<u>\$ 0</u>

	2025	2026
Weighted average remaining lease term:		
Operating lease	2 Years	1 Year
Weighted average discount rate:		
Operating lease	3.63%	4.29%

NOTES TO THE FINANCIAL STATEMENTS

Note 14 – Expenses and Losses

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, 2025:

Expenses	Program	General & Administrative	Fund Raising (Development)	Total
Salaries and wages – grants and contracts	\$ 22,370,126	\$ 0	\$ 0	\$ 22,370,126
Fringe benefits – grants and contracts	5,892,864			5,892,864
Salaries and wages – support staff		1,041,176		1,041,176
Fringe benefits – support staff		827,142		827,142
Equipment	1,389,462			1,389,462
Student support	10,630,286			10,630,286
Campus support	22,234,722			22,234,722
Overhead	7,077,135			7,077,135
Donations-agency accounts		8,805,166		8,805,166
Other costs – grants and contracts	26,803,592			26,803,592
Other costs – general and administrative		7,255,401		7,255,401
Other costs - development			360,000	360,000
Total expenses	<u>\$ 96,398,187</u>	<u>\$ 17,928,885</u>	<u>\$ 360,000</u>	<u>\$ 114,687,072</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2026:

Expenses	Program	General & Administrative	Fund Raising (Development)	Total
Salaries and wages – grants and contracts	\$ 22,233,043	\$ 0	\$ 0	\$ 23,233,043
Fringe benefits – grants and contracts	6,417,982			6,417,982
Salaries and wages – support staff		1,163,905		1,163,905
Fringe benefits – support staff		592,205		592,205
Equipment	780,017			780,017
Student support	10,825,599			10,825,599
Campus support	18,580,455			18,580,455
Overhead	6,068,857			6,068,857
Donations-agency accounts		6,168,004		6,168,004
Other costs – grants and contracts	26,609,664			26,609,664
Other costs – general and administrative		9,422,319		9,422,319
Other costs - development			360,000	360,000
Total expenses	<u>\$ 92,515,617</u>	<u>\$ 17,346,433</u>	<u>\$ 360,000</u>	<u>\$ 110,222,050</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 2025 and fiscal year 2026 were \$1,081,504 and \$1,185,336, 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, 2025 and 2026, is included in accounts payable (long-term portion) and accrued salaries and benefits payable (current portion) as follows:

	2025	2026
Current portion	\$ 95,671	\$ 99,824
Long-term portion	<u>1,285,014</u>	<u>1,289,198</u>
Total	<u>\$ 1,380,685</u>	<u>\$ 1,389,022</u>

NOTES TO THE FINANCIAL STATEMENTS

As of both June 30, 2025 and 2026, the post-retirement obligation is unfunded. Post retirement expense during fiscal years 2025 and 2026 totaled \$388,146 and \$104,008, respectively. This expense is included in fringe-benefits support staff. Benefit payments during fiscal years 2025 and 2026 totaled \$94,310 and \$95,671 respectively.

Note 17 – Risks and Uncertainties

The Foundation receives significant funding from federal sources, including research grants, and other sponsored programs. Effective January 27, 2025, the Office of Management and Budget (OMB) issued a memorandum temporarily pausing the disbursement of federal funding following a series of executive orders and required federal agencies to review all federal financial assistance programs. Subsequently, institutions receiving federal funding were subject to policy and regulatory changes as well as other actions impacting the funding for various programs and compliance activities. These changes did not have a material impact to the financial statements for the year ended June 30, 2026. The future impact on the availability, timing, and terms of federal programs cannot be predicted, and the impact on the Foundation's operations could be material in future periods.

Note 18 - Subsequent Events

Management has evaluated subsequent events through September 14, 2026 (date financial statements available to be issued) and determined no events have occurred subsequent to June 30, 2026 that would require adjustment to, or disclosure in the financial statements.

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION
GENERAL FUND ADMINISTRATION COST CENTER - CHANGE IN NET ASSETS
July 1, 2025 to June 30, 2026

<u>INDIRECT COSTS AND OTHER INCOME:</u>	<u>BUDGET</u>	<u>ACTUAL</u>
Indirect cost recovery	\$ 4,250,000	\$ 6,066,317
1% Surcharge (for grants with no IDC)	-	36,609
Handling charges	200,000	256,948
Subtotal - Indirect and Handling	4,450,000	6,359,874
Miscellaneous Income	-	3,599
Short term investments	3,000,000	3,738,867
Endowment administrative fee	1,561,000	2,213,159
 Total Income	 9,011,000	 12,315,499
<u>EXPENSES:</u>		
Personnel:		
Monthly	1,094,327	1,117,543
Student	54,655	46,362
Employee benefits	557,181	490,541
Retired employee benefit (actual and accrual)	145,500	101,664
Accounting (audit)	92,000	79,925
Bad Debt Expense	-	248,457
Board/Committee meetings	40,000	15,645
Consultants	500	-
Management services	781,275	781,275
Depreciation	43,279	50,118
Dues and Memberships	36,350	36,505
Equipment leasing	5,494	(1,230)
Employee recruitment	1,000	3,719
General insurance	440,891	440,076
Legal fees:		
General	2,500	-
Employment	2,500	-
Sponsored Programs/Patents	15,000	17,574
Gifts	2,500	12,971
Licenses, permits and fees	46,078	43,784
Miscellaneous	4,350	5,749
Office Equipment	2,250	1,345
Office supplies	37,500	35,989
Postage	10,000	12,304
Repairs and maintenance	30,146	39,517
Software	127,967	127,966
Travel/training	25,000	10,631
Telephone	5,400	3,972
Utilities	37,500	34,756
Advancement Gift Assessment	360,000	360,000
University Indirect Costs	557,900	557,900
Total Expenses	4,559,043	4,675,058
 Gross Surplus Available For Distribution	 \$ 4,451,957	 \$ 7,640,441



Moore Grider & Company LLP

Certified Public Accountants

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

*A Partnership Including
Accountancy Corporations*

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.

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

Kendall K. Wheeler, C.P.A.

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

Richard L. Holland, C.P.A.

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

Denise S. Hurst, C.P.A.

Richard Lake, C.P.A.

Terry L. Stone, C.P.A.

Abel M. Cabello, E.A.

Kelli D. Steele, C.P.A.

Michiko Rosenthal, C.P.A.

Shaina M. Miracle, C.P.A.

Franklin Daniel, C.P.A.

Steve Thapar, C.P.A.

Christina R. Thompson, C.P.A.

Dallin M. Jones, C.P.A.

Stuart J. Mallam, C.P.A.

Esmeralda G. Carmona, C.P.A.

Hector M. Ibarra, C.P.A.

Pina D. Patel, C.P.A.

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of California State University, Fresno Foundation, which comprise the statement of financial position as of June 30, 2026, 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 15, 2026.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified the deficiency in internal control, described in the accompanying schedule of findings as item 2026-01, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether California State University, Fresno Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

California State University, Fresno Foundation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on California State University, Fresno Foundation's response to the finding identified in our audit and described in the accompanying schedule of findings. California State University, Fresno Foundation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

More Kridder & Company LLP

Fresno, California
September 15, 2026

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION

SCHEDULE OF FINDINGS

YEAR ENDED JUNE 30, 2026

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

- | | |
|---|--------------------|
| 1. Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified opinion |
| 2. Internal control over financial reporting: | |
| Material weakness identified: | Yes |
| Significant deficiencies identified: | None reported |
| 3. Noncompliance material to the financial statements noted: | No |

SECTION II – FINDING – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS:

2026-01 Promises to Give

Condition: During our testing, it was noted that a journal entry was posted to reduce Promises to Give, but the payment was not received by the Foundation until July 2026.

Criteria: Monthly Promises to Give report from Development should be used to identify discrepancies in balances on the Foundation's books as compared to Development's records.

Cause: Reductions in Promises to Give balances were posted to the general ledger based upon Development's report of collections.

Effect: Promises to Give balances were not correctly stated at June 30, 2026.

Recommendation: Reductions to Promises to Give on the Foundation's books should be based upon payments received from the donor.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding; new monthly procedures will be established to confirm that reductions on Development's report align with actual donations received by the Foundation.

ADDITIONAL INFORMATION

California State University, Fresno Foundation

Schedule of Net Position

June 30, 2026

(for inclusion in the California State University Financial Statements)

Assets:

Current assets:

Cash and cash equivalents	9,757,438
Short-term investments	100,753,125
Accounts receivable, net	31,565,759
Pledges receivable, net, current portion	2,686,330
Prepaid expenses and other current assets	467,044
Total current assets	<u>145,229,696</u>

Noncurrent assets:

Accounts receivable, net	188,705
Student loans receivable, net	419,187
Pledges receivable, net	6,541,515
Endowment investments	290,667,693
Other long-term investments	2,634,837
Capital assets, net	632,161
Other assets	454,658
Total noncurrent assets	<u>301,538,756</u>
Total assets	<u>446,768,452</u>

Liabilities:

Current liabilities:

Accounts payable	5,455,143
Accrued salaries and benefits payable	2,409,017
Accrued compensated absences - current portion	66,290
Unearned revenues	28,725,640
Lease Liabilities - current portion	208,948
Other liabilities, current	46,561
Total current liabilities	<u>36,911,599</u>

Noncurrent liabilities:

Depository accounts	301,310
Other liabilities	1,557,311
Total noncurrent liabilities	<u>1,858,621</u>
Total liabilities	<u>38,770,220</u>

Net position:

Net investment in capital assets	423,213
Restricted for:	
Endowments	296,840,566
Expendable:	
Scholarships and fellowships	9,182,451
Loans	2,997,026
Others	84,178,070
Unrestricted	14,376,906
Total net position	<u><u>407,998,232</u></u>

California State University, Fresno Foundation
Schedule of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2026
(for inclusion in the California State University Financial Statements)

Revenues:	Amount
Grants and contracts, noncapital:	
Federal	41,459,009
State	26,635,276
Nongovernmental	4,120,859
Sales and services Auxiliary Enterprises, gross	2,470,107
Scholarship allowances for sales of auxiliary enterprises	—
Other operating revenues	327,248
Total operating revenues	<u>75,012,499</u>
Expenses:	
Operating expenses:	
Instruction	24,455,784
Research	14,212,032
Public service	33,934,774
Institutional support	478,331
Student grants and scholarships	5,851,452
Auxiliary enterprise expenses	12,659,104
Depreciation and amortization	50,118
Total operating expenses	<u>91,641,595</u>
NonCapital Subsidies:	
Gifts	6,909,735
Other Noncapital Subsidies received/(provided)	1,428,231
Total NonCapital Subsidies Received:	<u>8,337,966</u>
Operating Income (Loss) and NonCapital Subsidies:	(8,291,130)
Nonoperating revenues (expenses):	
Investment income (loss), net	5,166,820
Endowment income (loss), net	39,472,367
Interest Expense	(20,000)
Additions/reductions to permanent endowments	5,618,884
Total nonoperating revenues (expenses)	<u>50,238,071</u>
Increase (decrease) in net position	41,946,941
Net position:	
Net position at beginning of year, as previously reported	366,051,291
Net position at beginning of year, as restated	<u>366,051,291</u>
Net position at end of year	<u><u>407,998,232</u></u>

California State University, Fresno Foundation
Other Information
June 30, 2026
(for inclusion in the California State University)

1. Cash and cash equivalents

Noncurrent restricted cash and cash equivalents	0
Current cash and cash equivalents	9,757,438
Total	\$ 9,757,438

2.1 Composition of investments

Investment Type	Current	Noncurrent	Total
Money market funds	\$ 18,941,678	3,374,399	22,316,077
U.S. treasury securities	18,878,214	15,502,592	34,380,806
Municipal bonds		120,674	120,674
Corporate bonds	57,161,793	11,098,651	68,260,444
Mutual funds		167,978,367	167,978,367
Exchange traded funds		15,398,581	15,398,581
Equity securities		11,392,537	11,392,537
Alternative investments:			
Private equity (including limited partnerships)		50,210,610	50,210,610
Hedge funds		8,794,417	8,794,417
Other alternative investment types		8,946,023	8,946,023
State of California Local Agency Investment Fund (LAIF)	5,771,440		5,771,440
Other investments:			
Life Income Contracts		408,272	408,272
Investment in LLC		77,407	77,407
Total other investments:	0	485,679	485,679
Total investments	100,753,125	293,302,530	394,055,655
Less endowment investments (enter as negative number)	0	(290,667,693)	(290,667,693)
Total investments, net of endowments	\$ 100,753,125	2,634,837	103,387,962

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	22,316,077				22,316,077
U.S. treasury securities	34,380,806	34,380,806			
Municipal bonds	120,674	120,674			
Corporate bonds	68,260,444	68,260,444			
Mutual funds	167,978,367	167,978,367			
Exchange traded funds	15,398,581	15,398,581			
Equity securities	11,392,537	11,392,537			
Alternative investments:					
Private equity (including limited partnerships)	50,210,610				50,210,610
Hedge funds	8,794,417				8,794,417
Other alternative investment types	8,946,023				8,946,023
State of California Local Agency Investment Fund (LAIF)	5,771,440				5,771,440
Other investments:					
Life Income Contracts	408,272	329,166		79,106	
Investment in LLC	77,407				77,407
Total other investments:	485,679	329,166	0	79,106	77,407
Total investments	\$ 394,055,655	297,860,575	0	79,106	96,115,974

2.3 Investments held by the University under contractual agreements

Nothing to Report

3.1 Capital Assets

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2025 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Depreciable/Amortizable capital assets:									
Personal property:									
Equipment	627,634				627,634	464,386			1,092,020
Total depreciable/amortizable capital assets	627,634	0	0	0	627,634	464,386	0	0	1,092,020
Total capital assets	627,634	0	0	0	627,634	464,386	0	0	1,092,020
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Personal property:									
Equipment	(606,327)				(606,327)	(50,118)			(656,445)
Total accumulated depreciation/amortization	(606,327)	0	0	0	(606,327)	(50,118)	0	0	(656,445)
Total capital assets, net excluding ROU assets	21,307	0	0	0	21,307	414,268	0	0	435,575

Does the component unit have any capital assets held for sale?

No

Component Unit declares no capital assets for sale

Capital Assets - Right of Use, net

	Balance June 30, 2025	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Composition of capital assets - Lease ROU, net:									
Depreciable/Amortizable lease assets:									
Buildings and building improvements	1,148,345				1,148,345				1,148,345
Personal property:									
Equipment	25,232				25,232				25,232
Total depreciable/amortizable lease assets	1,173,577	0	0	0	1,173,577	0	0	0	1,173,577
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	(729,305)				(729,305)	(220,680)	(4,327)		(954,312)
Personal property:									
Equipment	(16,670)				(16,670)	(6,009)			(22,679)
Total accumulated depreciation/amortization	(745,975)	0	0	0	(745,975)	(226,689)	(4,327)	0	(976,991)
Total capital assets - lease ROU, net	427,602	0	0	0	427,602	(226,689)	(4,327)	0	196,586
Total capital assets, net including ROU assets									632,161

3.2 Detail of depreciation and amortization expense

Depreciation and amortization expense related to capital assets	\$	50,118
Amortization expense - Leases ROU		226,689
Depreciation and Amortization expense - Others		(226,689)
Total depreciation and amortization	\$	50,118

42

	Balance June 30, 2025	Prior Period Adjustments/Reclas sifications	Additions	Remeasurements	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
5. Lease, SBITA, P3 liabilities:								
Lease liabilities	446,522				(237,574)	208,948	208,948	0
Total Lease, SBITA, P3 liabilities	\$ 446,522	\$ 0	\$ 0	\$ 0	\$ (237,574)	\$ 208,948	\$ 208,948	\$ 0
Total long-term liabilities						\$ 275,238	\$ 275,238	\$ 0

Year ending June 30:
2027
2028

[illegible]

Nothing to Report

7. Transactions with related entities:

Payments to University for other than salaries of University personnel	3,653,378
Gifts-in-kind to the University from discretely presented component units	1,320,513
Accounts (payable to) University	(410,424)
Accounts receivable from University	551,884

8. Restatements

Nothing to report

9. Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	4,740,912	1,616,309	0	0		18,098,563		24,455,784
Research	6,136,817	1,194,432	0	0		6,880,783		14,212,032
Public service	11,100,900	3,610,404	0	0		19,223,470		33,934,774
Institutional support	0	0	0	0		478,331		478,331
Student grants and scholarships					5,851,452			5,851,452
Auxiliary enterprise expenses	1,163,905	757,145	0	0		10,738,055		12,659,105
Depreciation and amortization							50,118	50,118
Total operating expenses	\$ 23,142,534	\$ 7,178,290	\$ 0	\$ 0	\$ 5,851,452	\$ 55,419,202	\$ 50,118	\$ 91,641,596

No pension plan reported

N/A

10. Deferred outflows/inflows of resources:

Nothing to report

11. Other nonoperating revenues (expenses)

Nothing to report