

**CALIFORNIA STATE UNIVERSITY,
FRESNO FOUNDATION**

ANNUAL REPORT

2022-23

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

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California State University Fresno, Foundation
Corporate Information
For the Year Ended June 30, 2023

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	Las Vegas, Nevada
Dr. Saúl Jiménez-Sandoval	Fresno, California
Mr. Larry Johanson	Fresno, California
Ms. Maurine Jones	Fresno, California
Dr. Claude C. Laval III	Fresno, California
Mr. Jason Liao	Clovis, 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	Clovis, 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
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:

Ms. Debbie Astone	Executive Director
Mr. Keith Kompisi	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, 2023

Audit Committee:

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

Budget Committee:

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

Governance Committee:

Mr. George Soares	Chair
Dr. Eric Hanson	
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, 2023

CORPORATE DATA

Executive Offices

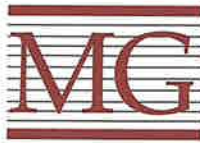
4910 N. Chestnut Ave.
Fresno, CA 93726-1852
Telephone: (559) 278-0850

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

INDEPENDENT AUDITORS' REPORT

*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

Stalin Hernandez, C.P.A.
Accountancy Corporation

Richard L. Holland, C.P.A.

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

Tom Collins, C.P.A.
Accountancy Corporation

Robert G. Rose, C.P.A.

Ginger A. Lozano, C.P.A.
Retired

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.

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, 2022 and 2023, 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, 2022 and 2023, 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. On pages 34 to 41, the accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information on pages 42 to 43 is presented for purposes of additional analysis and is also not a required part of the financial statements. The information reflected on pages 51 to 56 is presented as required by the Chancellor of the California State University. Such information and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 20, 2023, 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 Krieger & Company LLP

Fresno, California
September 20, 2023

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION
THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION
STATEMENTS OF FINANCIAL POSITION
AT JUNE 30 2022 AND 2023

	2022 TOTAL	2023 TOTAL
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents (Note 1, Pg. 11)	\$ 76,425,761	\$ 90,850,295
Receivables:		
Grants and contracts	10,309,838	12,533,096
Pledges receivable (Note 3)	3,547,224	3,063,925
Other accounts receivable	9,898,446	10,482,535
Notes receivable, net (Note 4)	5,239	4,967
Total Receivables	23,760,748	26,084,523
Prepaid expenses	134,892	201,153
Total Current Assets	100,321,400	117,135,971
Operating lease right-of-use assets (Note 13)	611,498	387,096
Long-term investments, at market (Note 5)	191,500,210	209,679,065
Non-current receivables:		
Pledges receivable (Note 3)	7,506,453	3,886,079
Allowance for uncollectibles	(300,000)	(300,000)
Net pledges receivable	7,206,453	3,586,079
Notes receivable, net (Note 4)	378,346	391,139
Other receivable, non-current (Note 9)	267,340	267,039
Total non-current receivables	7,852,139	4,244,257
Land and improvements	454,658	454,658
Capital Assets:		
Equipment	602,391	609,999
Less accumulated depreciation	(593,287)	(598,899)
Net Capital Assets	9,104	11,100
TOTAL ASSETS	\$ 300,749,009	\$ 331,912,147
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 3,289,504	\$ 2,838,050
Note payable (Note 10)	2,000,000	0
Accrued salaries and benefits payable	1,656,716	1,813,438
Current portion of operating lease liabilities (Note 13)	224,519	228,636
Receipts in excess of expenditures on specific sponsored programs	9,196,780	21,303,693
Accrued compensated balances	73,577	73,721
Unitrust agreement liabilities - current portion (Note 9)	34,792	29,291
Annuity agreement liabilities - current portion (Note 9)	57,145	57,320
Total Current Liabilities	16,533,033	26,344,149
Operating lease liabilities, net of current portion shown above (Note 13)	386,979	158,460
Long-term liabilities:		
Accounts payable	1,007,394	1,124,064
Note payable (Note 10)	0	2,000,000
Annuity agreement liabilities - long-term portion (Note 9)	248,850	236,315
Agency accounts	3,587,863	4,016,572
Total Liabilities	21,764,119	33,879,560
Net Assets:		
Without donor restrictions (Deficit)	(4,247,064)	1,468,715
Without donor restrictions-board designated reserves (Note 11)	9,968,223	5,802,855
With donor restrictions (Note 12)	273,263,730	290,761,016
Total Net Assets	278,984,889	298,032,586
TOTAL LIABILITIES AND NET ASSETS	\$ 300,749,009	\$ 331,912,147

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, 2022 AND 2023

	2022 TOTAL	2023 TOTAL
<u>Changes in Net Assets Without Donor Restrictions:</u>		
Revenues, Gains and Other Support:		
Federal grants and contracts	\$ 22,174,585	\$ 24,676,362
State grants and contracts	18,979,959	11,802,231
Other grants and contracts	4,506,031	3,815,016
Indirect cost recovery from sponsored programs	3,848,798	3,751,315
Contribution income	0	0
Handling fees	178,206	222,001
Investment income	2,744,822	2,681,560
Realized/unrealized gains (losses)	(8,694,505)	(546,832)
Endowment administrative fees	1,561,000	1,561,000
Income for campus support	10,814,346	7,007,116
Other	19,237	53,535
Net assets released from restrictions:		
Satisfaction of program restrictions (Note 12)	2,041,680	8,424,413
Appropriation from donor endowments and subsequent satisfaction of any related donor restrictions (Note 12)	9,022,272	9,063,843
Total Revenues, Gains and Other Support Without Donor Restrictions	67,196,431	72,511,560
 Expenses and Losses:		
Instruction	17,460,443	8,985,791
Public service	18,306,370	22,446,952
Research	9,893,761	8,860,867
Special Programs	4,089,837	3,971,054
Campus Support	11,681,020	13,944,775
Student grants and scholarships	5,311,020	5,773,326
Management and general	2,971,061	3,241,762
Endowment administrative fees	1,561,000	1,561,000
Donations to agency accounts (surplus allocation)	6,262,798	2,175,622
Total Expenses and Losses (Note 14)	77,537,310	70,961,149
Changes in Net Assets Without Donor Restrictions	(10,340,879)	1,550,411
 <u>Changes in Net Assets With Donor Restrictions:</u>		
Gain (loss) on investments:		
Realized	\$ 1,506,405	\$ (2,950,776)
Unrealized	(17,507,907)	13,449,897
Investment income	9,171,705	10,231,293
Contributions - Net	16,740,517	11,331,268
Change in value of split interest agreement	(3,590)	(27,133)
Non-operating expense	3,408,840	2,950,992
Net assets released from restrictions (Note 12)	(11,063,952)	(17,488,255)
Changes in Net Assets With Donor Restrictions:	2,252,020	17,497,286
 Total Increase (Decrease) in Net Assets	(8,088,859)	19,047,697
Net Assets at Beginning of Year	287,073,748	278,984,889
Net Assets at End of Year	\$ 278,984,889	\$ 298,032,586

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, 2022 AND 2023

	2022 TOTAL	2023 TOTAL
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (8,088,859)	\$ 19,047,697
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	4,961	5,612
Bad debt expense	41,302	1,540,000
Forgiveness of notes receivable	2,500	20,000
Contributions restricted for long-term investment	(8,238,509)	(6,600,480)
Transfers to campus programs	84,933	53,501
Net realized and unrealized (gains) and losses on investments	12,270,669	(16,163,744)
Changes in value of split interest agreements	298,422	61,380
Changes in assets and liabilities:		
Grants, contracts and accounts receivable	(3,035,387)	(2,807,348)
Pledges receivable	733,212	2,563,673
Prepaid expenses	(4,519)	(66,261)
Accounts payable	(394,172)	(334,783)
Accrued salaries and benefits	275,650	156,722
Accrued compensated balances	4,131	144
Receipts in excess of expenditures	2,732,040	12,106,913
Agency accounts	(190,790)	428,709
Net cash provided (used) by operating activities	(3,504,416)	10,011,735
Cash flows from investing activities:		
Purchase of investments	(13,861,452)	(11,537,729)
Proceeds from sales and maturities of investments	9,472,235	9,469,117
Increase in notes receivable	(43,306)	(38,188)
Payments received on notes receivable	23,949	5,667
Acquisition of capital assets	0	(7,608)
Increase in other receivables	(267,340)	301
Net cash provided (used) by investing activities	(4,675,914)	(2,108,440)
Cash flows from financing activities:		
Contributions restricted for long-term investment	8,238,509	6,600,480
Payments on split interest agreements	(80,197)	(79,241)
Net cash provided (used) by financing activities	8,158,312	6,521,239
Net increase (decrease) in cash	(22,018)	14,424,534
Cash at beginning of year	76,447,779	76,425,761
Cash at end of year	<u>\$ 76,425,761</u>	<u>\$ 90,850,295</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, 2022 AND 2023

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 (\$13,544,829 and \$9,242,228 for the years ended June 30, 2022 and 2023, respectively), in the State of California Local Agency Investment Fund (LAIF) (\$8,871,382 and \$4,762,126 for the years ended June 30, 2022 and 2023, respectively), and within a balanced investment portfolio with Goldman Sachs (\$54,009,550 and \$76,845,941 for the years ended June 30, 2022 and 2023, respectively).

The Federal Depository Insurance Corporation insures cash balances held in banks up to \$250,000. At June 30, 2022 and 2023 the Foundation's uninsured cash balances held in banks totaled \$13,931,234 and \$8,992,337, 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 corporate bonds, mutual funds, 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 \$9,196,780 and \$ 21,303,693 at June 30, 2022 and 2023, 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 9.14% and 10.14% for the years ended June 30, 2022 and 2023, 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 2022 and 2023 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, 2022 and 2023, 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.

Reclassifications

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

Adoption of New Accounting Standard

Leases – In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases* (ASC 842). This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Foundation adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the earliest comparative period presented.

The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as an expense as incurred, and 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 \$8,871,383 and \$4,762,126 as of June 30, 2022 and 2023, 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.

NOTES TO THE FINANCIAL STATEMENTS

At June 30, 2022 and 2023, the following financial assets were available to meet general expenditures within one year:

	2022	2023
Financial assets, at year-end		
Cash and cash equivalents	\$ 76,425,761	\$ 90,850,295
Receivables	31,612,887	30,328,780
Prepaid expenses	134,892	201,153
Long-term investments	191,500,210	209,679,065
Total financial assets	299,673,750	331,059,293
Less those unavailable for general expenditures within one year, due to:		
Donor imposed restrictions:		
Restricted by donor with purpose restrictions	(80,006,026)	(80,091,152)
Subject to appropriation and satisfaction of donor restrictions	(193,257,704)	(210,669,864)
Board designations:		
Board designated reserves	(9,968,223)	(5,802,855)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 16,441,797</u>	<u>\$ 34,495,422</u>

Note 3 – Pledges Receivable

At June 30, 2022 and 2023, pledges receivable includes the following unconditional pledges to give:

Pledges Receivable	2022	2023
Unconditional pledges to give before unamortized discount and allowance for uncollectible pledges	\$ 14,448,526	\$ 9,506,585
Less: Unamortized discount	(3,394,849)	(2,556,581)
Subtotal	11,053,677	6,950,004
Less: Allowance for uncollectible pledges	(300,000)	(300,000)
Net unconditional pledges to give	<u>\$ 10,753,677</u>	<u>\$ 6,650,004</u>
Current portion	<u>\$ 3,547,224</u>	<u>\$ 3,063,925</u>
Long term portion	<u>\$ 7,206,453</u>	<u>\$ 3,586,079</u>
Amounts due in:		
Less than one year	\$ 3,795,529	\$ 3,278,400
One to five years	6,282,361	2,215,685
More than five years	4,370,636	4,012,500
Total	<u>\$ 14,448,526</u>	<u>\$ 9,506,585</u>

NOTES TO THE FINANCIAL STATEMENTS

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 2022 and 2023. 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:			2022	2023
Beginning of year balance	\$	15,237,425	\$	14,448,526
New pledges		7,902,892		995,500
Pledge payments received		(8,650,489)		(4,397,441)
Write-offs		(41,302)		(1,540,000)
End of year balance	\$	<u>14,448,526</u>	\$	<u>9,506,585</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, 2022 and 2023. 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, 2022 and 2023 totaled \$2,500 and \$20,000 for the years ended June 30, 2022 and 2023, respectively.

Notes receivable for the years ended June 30, 2022 and 2023 are as follows:

Note Receivable (Interest Rate)	2022	2023
Student loans (1% - 12%)	\$ 398,585	\$ 411,106
Less allowance for uncollectible student loans	(15,000)	(15,000)
Net notes receivable	<u>\$ 383,585</u>	<u>\$ 396,106</u>
Current portion	<u>\$ 5,239</u>	<u>\$ 4,967</u>
Long term portion	<u>\$ 378,346</u>	<u>\$ 391,139</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

NOTES TO THE FINANCIAL STATEMENTS

during the years ended June 30, 2022 and 2023. 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, 2022 and 2023.

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 investment activity at fair value for the year ended June 30, 2023 is as follows:

Long-term investments	Total
Long-term investments at beginning of year	\$ 191,500,210
Additions	6,641,419
Amounts withdrawn for scholarships and donor restricted purposes	(9,476,741)
Return on investments:	
Dividends and interest	4,850,433
Realized gains (losses)	213,367
Unrealized gains (losses)	15,950,377
Total return on investments	21,014,177
Long-term investments at end of year	<u>\$ 209,679,065</u>

NOTES TO THE FINANCIAL STATEMENTS

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

Long-term investments	2022	2023
Corporate bonds	\$ 11,027,037	\$ 10,834,703
Mutual funds	109,092,785	122,999,648
Money market funds	2,300,844	1,776,948
Municipal bonds	115,076	111,176
U.S. treasury securities	7,468,237	6,924,531
Equity securities	5,825,991	7,008,750
Exchange traded funds (ETFs)	406,577	447,297
Alternative investments:		
Private equity	48,364,311	44,032,420
Hedge funds	5,926,489	6,178,321
Real estate investments	10,175	24,290
Other alternative investments	0	8,377,362
Life income contracts	366,956	375,510
Investment in LLC	595,732	588,109
Total long-term investments, at market	<u>\$ 191,500,210</u>	<u>\$ 209,679,065</u>

Note 6 – Fair Value Measurements

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

As a practical expedient, the Foundation is permitted under GAAP to estimate the fair value of an investment at the measurement date using the reported net asset value (NAV) without further adjustment unless the entity expects to sell the investment at a value other than NAV or the NAV is not calculated in accordance with GAAP. The Foundation's investments in certain private equity, hedge funds, other alternative, private credit 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, 2022 and 2023.

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, 2022 and 2023.

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, 2022:

Recurring	Total	Level 1	Level 2	Level 3	Net Asset Value (NAV)
Short-term investments:*					
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
Long-term investments:					
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
Total	\$ 254,381,142	\$ 186,669,360	\$ 0	\$ 52,031	\$ 67,659,751

* 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, 2023:

Recurring	Total	Level 1	Level 2	Level 3	Net Asset Value (NAV)
Short-term investments:*					
State of California Local Agency Investment Fund (LAIF)	\$ 4,762,126	\$ 0	\$ 0	\$ 0	\$ 4,762,126
Municipal bonds	1,486,049	1,486,049	0	0	0
Corporate bonds	59,133,324	59,133,324	0	0	0
Money market funds	15,479,181	15,479,181	0	0	0
Alternative investments:					
Hedge funds	747,387	0	0	0	747,387
Total short-term investments	81,608,067	76,098,554	0	0	5,509,513
Long-term investments:					
Corporate bonds	\$ 10,834,703	\$ 10,834,703	\$ 0	\$ 0	\$ 0
Mutual funds	122,999,648	122,999,648	0	0	0
Money market funds	1,776,948	1,776,948	0	0	0
Municipal bonds	111,176	111,176	0	0	0
U.S. treasury securities	6,924,531	6,924,531	0	0	0
Equity securities	7,008,750	7,008,750	0	0	0
Exchange traded funds (ETFs)	447,297	447,297	0	0	0
Alternative investments:					
Private equity	44,032,420	0	0	0	44,032,420
Hedge funds	6,178,321	0	0	0	6,178,321
Real estate investments	24,290	24,290	0	0	0
Other alternative	8,377,362	0	0	0	8,377,362
Life income contracts	375,510	284,856	0	90,654	0
Investment in LLC	588,109	0	0	0	588,109
Total long-term investments, at market	209,679,065	150,412,199	0	90,654	59,176,212
Total	\$ 291,287,132	\$226,510,753	\$ 0	\$ 90,654	\$ 64,685,925

* 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, 2022 and 2023:

	2022	2023
Level 3 Assets at beginning of year	\$ 51,731	\$ 52,031
Transfer in (out) of Level 3	0	0
Purchases	0	0
Sales	0	0
Unrealized gains (losses)	300	38,623
Level 3 Assets at the end of the year	<u>\$ 52,031</u>	<u>\$ 90,654</u>

Note 7 – Endowment

The Foundation's endowment (the Endowment) consists of approximately 874 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, 2022 and 2023, 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, 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>

NOTES TO THE FINANCIAL STATEMENTS

Endowment net assets consist of the following at June 30, 2023:

	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	\$ 149,776,074	\$ 149,776,074
Accumulated investment gains	0	60,893,790	60,893,790
Total funds	<u>\$ 0</u>	<u>\$ 210,669,864</u>	<u>\$ 210,669,864</u>

Changes in Endowment Net Assets

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	<u>0</u>	<u>(6,911,346)</u>	<u>(6,911,346)</u>
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	<u>0</u>	<u>(692,232)</u>	<u>(692,232)</u>
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).			

NOTES TO THE FINANCIAL STATEMENTS

The following schedule shows changes in endowment net assets for the year ending June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2022	\$ 0	\$ 193,228,319	\$ 193,228,319
Activity in pooled endowment assets:			
Investment return net:			
Investment income	0	10,154,932	10,154,932
Net appreciation (depreciation)	0	10,499,121	10,499,121
Total investment return, net	0	20,654,053	20,654,053
Contributions *	0	5,904,836	5,904,836
Transfers to campus programs	0	(53,501)	(53,501)
Appropriation of endowment assets for expenditure	0	(9,461,917)	(9,461,917)
Net increase (decrease) in pooled endowment assets	0	(3,610,582)	(3,610,582)
Net increase in other endowment net assets *	0	398,073	398,073
Endowment net assets, June 30, 2023	<u>\$ 0</u>	<u>\$ 210,669,864</u>	<u>\$ 210,669,864</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, 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. As of June 30, 2023 deficiencies of this nature exist in 50 donor-restricted endowment funds, which together have an original gift value of \$9,302,634, fair value of \$8,698,851, and a deficiency of \$603,783. 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, 2022 and 2023 (as a percentage of the endowment's average market value for the twelve (12) quarters ending the preceding December 31), was 5.53% and 5.17%, respectively. The Foundation permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. The Foundation Board appropriated for expenditure \$1,219,912 and \$403,792 from underwater endowment funds for the years ended June 30, 2022 and 2023, 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, 2022 and 2023 were \$646,136 for each year.

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, 2022 and 2023 were \$837,124 and \$813,915, 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, 2022 and 2023 were \$2,017,103 and \$2,472,354, respectively.

During the years ended June 30, 2022 and 2023 the Foundation donated equipment to the University with a cost of \$311,254 and \$278,078, respectively. The donation expense is included in Campus Support.

During the years ended June 30, 2022 and 2023 the Foundation donated equipment to the Agricultural Foundation of California State University, Fresno with a cost of \$8,260 and \$6,050, respectively. The donation expense is included in Campus Support.

NOTES TO THE FINANCIAL STATEMENTS

Account receivable and accounts payable at June 30, 2022 and 2023 include the following amounts due from and due to related parties:

	2022	2023
University:		
Accounts receivable	\$ 101,659	\$ 430,079
Accounts payable	549,818	539,614
Association:		
Accounts receivable	164,905	223,206
Accounts payable	20,593	39,658

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, 2022 and 2023 is as follows:

	2022	2023
Assets:		
Receivables	\$ 267,340	\$ 267,039
Investments	<u>880,239</u>	<u>890,791</u>
Total Assets	1,147,579	1,157,830
Liabilities		
Annuity agreement liabilities	(305,995)	(293,635)
Unitrust agreement liabilities	<u>(34,792)</u>	<u>(29,291)</u>
Total Liabilities	<u>(340,787)</u>	<u>(322,926)</u>
Net assets with donor restrictions	<u>\$ 806,792</u>	<u>\$ 834,904</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 10 – Note Payable

The note payable as of June 30, 2022 and 2023, is as follows:

Note Payable	2022	2023
1.0% Trinity Health Corporation, unsecured, payable in its entirety on or before December 31, 2022 and extended to December 31, 2025. Interest is paid annually each December 31 st .	\$ 2,000,000	\$ 2,000,000
Long term portion	\$ 0	\$ 2,000,000

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

Years Ended June 30	Amount	
	Principal	Interest
2024	\$ 0	\$ 20,000
2025	0	20,000
2026	2,000,000	10,000
Total	<u>\$ 2,000,000</u>	<u>\$ 50,000</u>

Interest accrued during fiscal years 2022 and 2023 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.

NOTES TO THE FINANCIAL STATEMENTS

Included in “Net Assets, Without Donor Restrictions – Board Designated Reserves” are the following:

Board Designated Reserves	2022	2023
General Fund:		
Reserve for Contingency - General	<u>\$ 8,871,383</u>	<u>\$ 4,762,126</u>
New California Ventures, LLC	<u>\$ 595,732</u>	<u>\$ 588,109</u>
Designated Fund:		
Reserve for Contingency – Sponsored Programs	<u>\$ 401,108</u>	<u>\$ 352,620</u>
Charitable Gift Annuities Reserve	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Total Board Designated Reserves	<u>\$ 9,968,223</u>	<u>\$ 5,802,855</u>

Management believes that as of June 30, 2022 and 2023 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, 2022 and June 30, 2023:

	2022	2023
Subject to expenditure for specified purpose:		
Campus programs	\$ 61,812,629	\$ 64,733,807
Chairs and professorships	2,093,062	2,028,349
Building project	2,925,764	1,740,984
Athletics	2,834,737	1,212,598
Scholarships	8,137,412	7,966,447
	<u>77,803,604</u>	<u>77,682,185</u>
Subject to passage of time:		
Beneficial interests in annuity agreements – Maturity at death of donors	29,385	29,311
Subject to Foundation spending policy and appropriation:		
Investment in perpetuity, the income from which is expendable to support:		
Educational programs	71,505,458	81,344,726
Scholarships	94,877,418	102,248,068
Chairs and professorships	16,932,374	17,599,301
Student loans	5,525,907	5,906,911
Campus programs	4,387,162	3,570,858
	<u>193,228,319</u>	<u>210,669,864</u>
Not subject to appropriation or expenditure:		
Funds available for student loans	2,202,422	2,379,656
Total net assets with donor restrictions:	<u>\$ 273,263,730</u>	<u>\$ 290,761,016</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, 2022 and 2023:

	2022	2023
Satisfaction of program restrictions:		
Campus programs	\$ 632,291	\$ 6,763,767
Chairs and professorships	234,383	173,892
Scholarships	1,175,006	1,486,754
	<u>2,041,680</u>	<u>8,424,413</u>
Appropriation from donor endowments and subsequent satisfaction of any related donor restrictions:		
Educational programs	594,928	531,991
Scholarships	4,826,042	4,895,733
Chairs and professorships	772,191	703,184
Student loans	260,556	249,475
Campus programs	2,568,555	2,683,459
	<u>9,022,272</u>	<u>9,063,842</u>
Total net assets released from restrictions:	<u>\$ 11,063,952</u>	<u>\$ 17,488,255</u>

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. Right-of-use assets obtained in exchange for lease obligations as of June 30, 2022 were \$611,498. The discount rates related to the Foundation's lease liabilities as of June 30, 2022 and 2023 range from 3.57% to 3.698%. The discount rate is the CSU Systemwide Borrowing Rate at the start date of the lease.

Lease expense for the years ended June 30, 2022 and 2023 consists of the following:

	2022	2023
Operating lease costs:		
Office Space	\$ 174,592	\$ 201,282
Warehouse space	33,600	33,600
Residential space	46,088	19,854
Copier machine	1,196	3,588
Office equipment	1,227	1,963
	<u>\$ 256,703</u>	<u>\$ 260,287</u>

NOTES TO THE FINANCIAL STATEMENTS

Supplemental cash flow information:

	2022	2023
Cash paid for leases:		
Operating cash flows	\$ 256,703	\$ 260,287

Future minimum lease payments under the non-cancellable leases as of June 30, 2023 were as follows:

Year ending June 30,	Office Space	Warehouse Space	Residential Space	Copier Machine	Office Equipment	Totals
2024	\$ 201,282	\$ 33,600	\$ 0	\$ 2,392	\$ 1,566	\$ 238,840
2025	60,690	0	0	0	0	60,690
2026	60,690	0	0	0	0	60,690
2027	45,518	0	0	0	0	45,518
Total future minimum lease payments	<u>\$ 368,180</u>	<u>\$ 33,600</u>	<u>\$ 0</u>	<u>\$ 2,392</u>	<u>\$ 1,566</u>	<u>\$ 405,738</u>
Less present value discount						18,642
						<u>387,096</u>
Less current portion						228,636
						<u>\$ 158,460</u>

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, 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>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2023:

Expenses	Program	General & Administrative	Fund Raising (Development)	Total
Salaries and wages – grants and contracts	\$ 17,169,284	\$ 0	\$ 0	\$ 17,169,284
Fringe benefits – grants and contracts	4,580,285			4,580,285
Salaries and wages – support staff		932,386		932,386
Fringe benefits – support staff		592,307		592,307
Equipment	794,980			794,980
Student support	8,183,857			8,183,857
Campus support	13,944,775			13,944,775
Overhead	3,710,693			3,710,693
Donations-agency accounts		2,175,622		2,175,622
Other costs – grants and contracts	13,290,796			13,290,796
Other costs – general and administrative		5,586,164		5,586,164
Other costs - development			0	0
Total expenses	<u>\$ 61,674,668</u>	<u>\$ 9,286,481</u>	<u>\$ 0</u>	<u>\$ 70,961,149</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 2022 and fiscal year 2023 were \$820,793 and \$874,579, 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, 2022 and 2023, is included in accounts payable (long-term portion) and accrued salaries and benefits payable (current portion) as follows:

	2022	2023
Current portion	\$ 86,225	\$ 70,930
Long-term portion	<u>900,309</u>	<u>992,920</u>
Total	<u>\$ 986,534</u>	<u>\$ 1,063,850</u>

NOTES TO THE FINANCIAL STATEMENTS

As of both June 30, 2022 and 2023, the post retirement obligation is unfunded. Post retirement expense during fiscal years 2022 and 2023 totaled \$84,878 and \$158,734, respectively. This expense is included in fringe-benefits support staff. Benefit payments during fiscal years 2022 and 2023 totaled \$78,738 and \$81,418 respectively.

Note 17 - Subsequent Events

Management has evaluated subsequent events through September 20, 2023 (date financial statements available to be issued) and determined no events have occurred subsequent to June 30, 2023 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, 2023**

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
Research & Development Cluster					
U.S. Department of Agriculture:					
Direct programs:					
Hispanic Serving Institutions Education Grants, Special Research Grants	10.223			\$ 155,846	\$ 22,339
Hispanic Serving Institutions Education Grants, Special Research Grants	10.223			\$ 18,849	
Hispanic Serving Institutions Education Grants, Special Research Grants	10.223			\$ 6,613	
Agriculture and Food Research	10.310			\$ 61,761	
Capacity Building for Non-Land Grant Colleges of Agriculture	10.326			\$ 193,759	55096
Forestry Research	10.652			\$ 1,653	
Research Joint Venture and Cost Reimbursable Agreements	10.707			\$ 36,524	
Technical Agricultural Assistance	10.960			\$ 31,915	
Cochran Fellowship Program-International Training-Foreign Participant	10.962			\$ 13,125	
Cochran Fellowship Program-International Training-Foreign Participant	10.962			\$ 65,833	
Subtotal U.S. Department of Agriculture direct programs:				\$ 585,878.00	\$ 77,435
Pass-through programs from:					
Specialty Crop Block Grant Program - Farm Bill	10.170	California Department of Food and Agriculture	19-0001-039-SF Amend 1	\$ 2,251	\$ 80
Specialty Crop Block Grant Program - Farm Bill	10.170	California Department of Food and Agriculture Chico State Enterprises	SUB21-002 Amend 1	\$ 45,642	
Specialty Crop Block Grant Program - Farm Bill	10.170	California Department of Food and Agriculture	21-0001-015-SF	\$ 49,637	
Agriculture and Food Research Initiative (AFRI)	10.310	University of Illinois	095689-17507 Amend 3	\$ 49,734	
Agriculture and Food Research Initiative (AFRI)	10.310	The Regents of the University of California-Davis	A22-1253-S002	\$ 43,806	
Agriculture and Food Research Initiative (AFRI)	10.310	The Regents of the University of California-Davis	A22-1253-S002 Amend 1	\$ 29,476	\$ 5,084
Agriculture and Food Research Initiative (AFRI)	10.310	The Regents of the University of California-Davis	A22-1253-S002 Amend 1	\$ 1,742	
Agriculture and Food Research Initiative (AFRI)	10.310	The Regents of the University of California-Davis	A22-1253-S002 Amend 1	\$ 19,635	
Capacity Building for Non-Land Grant Colleges of Agriculture	10.326	Cal Poly Corporation	2021-10-51311 Amend 1	\$ 6,468	
Capacity Building for Non-Land Grant Colleges of Agriculture	10.326	Cal Poly Corporation	2021-10-51311 Amend 1	\$ 9,717	
Environmental Quality Incentives Program	10.912	The Regents of the University of California-Davis	A22-1843-S001 Amend 1	\$ 24,127	
Subtotal U.S. Department of Agriculture pass-through programs:				\$ 282,235	\$ 5,164
Total U.S. Department of Agriculture:				\$ 868,113	\$ 82,599
Department of Defense:					
Direct programs:					
Basic, Applied, and Advanced Research in Science and Engineering	12.630			\$ 42,437	
Subtotal Department of Defense direct programs:				\$ 42,437	\$ -
Total Department of Defense				\$ 42,437	\$ -
U.S. Department of the Interior:					
Direct programs:					
Threatened and Endangered Species	15.246			\$ 3,641	
Subtotal U.S. Department of the Interior direct programs:				\$ 3,641	\$ -
Total U.S. Department of the Interior				\$ 3,641	\$ -
Department of Justice:					
Pass-through programs from:					
Second Chance Act Prisoner Reentry Initiative	16.812	Insight Garden Program	None	\$ 5,717	
Subtotal Department of Justice pass-through programs:				\$ 5,717	\$ -
Total Department of Justice:				\$ 5,717	\$ -
Department of Transportation:					
Direct programs:					
Railroad Safety	20.301			\$ 46,035	
Subtotal Department of Transportation direct programs:				\$ 46,035	\$ -
Total Department of Transportation:				\$ 46,035	\$ -

California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2023

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
National Aeronautics and Space Administration:					
Pass-through programs from:					
Aeronautics	43.002	Jet Propulsion Laboratory	1556698 - AMENDMENT #9	\$ 186,875	
Subtotal National Aeronautics and Space Administration pass-through programs:				\$ 186,875	\$ -
Total National Aeronautics and Space Administration:				\$ 186,875	\$ -
National Endowment for the Arts:					
Direct programs:					
Promotion of the Arts Grants to Organizations and Individuals	45.024			\$ 3,404	
Subtotal National Endowment for the Arts direct programs:				\$ 3,404	\$ -
Total National Endowment for the Arts:				\$ 3,404	\$ -
National Science Foundation:					
Direct programs:					
Engineering	47.041			\$ 17,568	
Engineering	47.041			\$ 15,636	
Engineering	47.041			\$ 109,894	\$ 85,548
Mathematical and Physical Sciences	47.049			\$ 43,073	
Mathematical and Physical Sciences	47.049			\$ 20,779	
Mathematical and Physical Sciences	47.049			\$ 14,758	
Geosciences	47.050			\$ 38,836	
Geosciences	47.050			\$ 116,867	5282
Computer and Information Science and Engineering	47.070			\$ 6,916	
Biological Sciences	47.074			\$ 16,518	
Biological Sciences	47.074			\$ 39,022	
Social, Behavioral, and Economic Sciences	47.075			\$ 845	
STEM Education	47.076			\$ 197,439	\$ 52,107
STEM Education	47.076			\$ 3,132	
STEM Education	47.076			\$ 155,990	
STEM Education	47.076			\$ 160,940	\$ 18,316
STEM Education	47.076			\$ 81,569	
STEM Education	47.076			\$ 230,419	\$ 10,724
STEM Education	47.076			\$ 43,532	
STEM Education	47.076			\$ 144,387	\$ 26,374
STEM Education	47.076			\$ 69,798	
STEM Education	47.076			\$ 35,927	
STEM Education	47.076			\$ 40,173	\$ 4,558
STEM Education	47.076			\$ 30,783	
STEM Education	47.076			\$ 2,908	
Office of International Science	47.079			\$ 45,576	\$ 7,559
Subtotal National Science Foundation direct programs:				\$ 1,683,285	\$ 210,468
Pass-through programs from:					
Mathematical and Physical Sciences	47.049	San Jose State University	None	\$ 10,656	
STEM Education	47.076	San Francisco State University	S18-0006	\$ 26,803	
STEM Education	47.076	CSU East Bay Foundation	W1206-415	\$ 19,640	
STEM Education	47.076	State Center Community College District	1833999-CSU FRESNO FOUNDATION	\$ 8,394	
STEM Education	47.076	University Enterprises, Inc.	534931A	\$ 34,516	
STEM Education	47.076	University Enterprises, Inc.	533083 Amend 4	\$ 8,818	
STEM Education	47.076	University of Oregon	2016W0B	\$ 11,146	
STEM Education	47.076	Education, Training, and Research Associates	2150905	\$ 15,043	
	47.076	University Enterprises, Inc.	533085-A5	\$ 11,468	
Subtotal National Science Foundation pass-through programs:				\$ 146,484	\$ -
Total National Science Foundation:				\$ 1,829,769	\$ 210,468
Department of Energy:					
Direct programs:					
State Energy Program Special Projects	81.119			\$ 1,845	
American History and Civics Education	84.422			\$ 100,075	\$ 18,320
Subtotal Department of Energy direct programs:				\$ 101,920	\$ 18,320
Pass-through programs from:					
Office of Science Financial Assistance Program	81.049	Brookhaven National Lab	394168	\$ 21,306	
Office of Science Financial Assistance Program	81.049	Brookhaven National Lab	415075	\$ 21,578	
Subtotal U.S. Department of Energy pass-through programs:				\$ 42,884	\$ -
Total Department of Energy:				\$ 144,804	\$ 18,320
U.S. Department of Education					
Pass-through programs:					
School Safety National Activities	84.184	Clovis Unified School District	3220280	\$ 17,600	

**California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2023**

Federal Grantor/Program Title or Cluster Title	Assistance Listing	Pass-Through Grantor	Pass-Through Grant Award or Contract	Federal Program	Expenditures to
	Number		Number	Expenditures	Subrecipients
School Safety National Activities	84.184	Clovis Unified School District	3230338	\$ 22,000	
Subtotal U.S. Department of Education pass-through programs:				\$ 39,600	\$ -
Total U.S. Department of Education				\$ 39,600	\$ -
Department of Health and Human Services:					
Direct programs:					
Discovery and Applied Research	93.286			\$ 96,812	
Biomedical Research and Research Training	93.859			\$ 4,887	
Biomedical Research and Research Training	93.859			\$ 53,963	
Biomedical Research and Research Training	93.859			\$ 44,059	
Biomedical Research and Research Training	93.859			\$ 76,428	
Biomedical Research and Research Training	93.859			\$ 262,862	
Biomedical Research and Research Training	93.859			\$ 169,334	
Biomedical Research and Research Training	93.859			\$ 407,955	
Biomedical Research and Research Training	93.859			\$ 142,084	
Biomedical Research and Research Training	93.859			\$ 123,671	
Biomedical Research and Research Training	93.859			\$ 88,659	
Biomedical Research and Research Training	93.859			\$ 49,915	
Subtotal Department of Health and Human Services direct programs:				\$ 1,520,629	\$ -
Department of Health and Human Services:					
Pass-through programs:					
Cancer Detection and Diagnosis Research	93.394	University of Nebraska	34-2095-2	\$ 34,171	
Cancer Detection and Diagnosis Research	93.396	University of Nebraska	34-2005-2114-001	\$ 2,746	
Congressional Directives	93.493	State Center Community College District	12-20-281530-95530-FHO	\$ 126,717	
Arthritis, Musculoskeletal & Skin Diseases Research	93.846	Neuromuscular Dynamics, LLC	None	\$ 9,570	
Subtotal Department of Health and Human Services pass-through programs:				\$ 173,204	\$ -
Total Department of Health and Human Services				\$ 1,693,833	\$ -
Total Research and Development Cluster				\$ 4,864,228	\$ 311,387 **
TRIO Cluster					
Department of Education:					
Direct programs:					
TRIO Student Support Services	84.042			\$ 581	
TRIO Student Support Services	84.042			\$ 184,165	
TRIO Student Support Services	84.042			\$ 334,288	
TRIO Talent Search	84.044			\$ 246,035	
TRIO Talent Search	84.044			\$ (8)	
TRIO Talent Search	84.044			\$ 363,077	
TRIO Talent Search	84.044			\$ 284,533	
TRIO Upward Bound	84.047			\$ 222,930	
TRIO Upward Bound	84.047			\$ 171,846	
TRIO Upward Bound	84.047			\$ 222,813	
TRIO Upward Bound	84.047			\$ 137,420	
TRIO Educational Opportunity Centers	84.066			\$ (40)	
TRIO Educational Opportunity Centers	84.066			\$ 434,537	
TRIO McNair Post Baccalaureate Achievement	84.217			\$ 209,371	
TRIO McNair Post Baccalaureate Achievement	84.217			\$ 177,827	
Subtotal Department of Education direct programs:				\$ 2,989,375	\$ -
Total TRIO Cluster				\$ 2,989,375	\$ -
Highway Safety Cluster					
Department of Transportation:					
Pass-through programs from:					
Railroad Safety	20.301	Federal Railroad Administration Michigan Technological University	2009035Z5	\$ 1,287	\$ -
National Priority Safety Program	20.616	Office of Traffic Safety CSU Fresno	OP22017 SA91559	\$ 43,281	\$ -
National Priority Safety Program	20.616	Office of Traffic Safety CSU Fresno	OP23005 SA93500	\$ 173,974	\$ -
Subtotal Department of Transportation pass-through programs:				\$ 218,542	\$ -
Total Highway Safety Cluster				\$ 218,542	\$ -
SNAP Cluster					
Department of US Department of Agriculture:					
Pass-through programs from:					
Supplemental Nutrition Assistance Program	10.551	County of Fresno, Department of Public Health	22-426	\$ 1,706	

**California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2023**

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
Supplemental Nutrition Assistance Program	10.551	California Department of Social Services Chico State Enterprises	2221643	\$ 53,829	
State Admin Matching Grants for the Supplemental Nutrition Assistance Program	10.561	California Department of Social Services Chico State Enterprises	SUB20-013 Amend 3	\$ 100,884	
Subtotal U.S. Department of Agriculture pass-through programs:				\$ 156,419	\$ -
Total SNAP Cluster				\$ 156,419	\$ -
Other Programs					
U.S. Department of Agriculture:					
Direct programs:					
Plant and Animal Disease, Pest Control and Animal Care	10.025			\$ 19,863	
Plant and Animal Disease, Pest Control and Animal Care	10.025			\$ 21,787	
Coronavirus Food Assistance	10.132			\$ 43,850	
Dairy Business Innovation Initiatives	10.176			\$ 343,014	\$ 22,093 **
Dairy Business Innovation Initiatives	10.176			\$ 440,946	\$ 137,985 **
Dairy Business Innovation Initiatives	10.176			\$ 7,918	\$ 5,000 **
Hispanic Serving Institutions Education Grants, Special Research Grants	10.223			\$ 62,702	
Hispanic Serving Institutions Education Grants, Special Research Grants	10.223			\$ 4,124	
Food Insecurity Nutrition Incentive Grants Program	10.331			\$ 61,670	
Rural Business Development Grant	10.351			\$ 62,503	
Rural Business Development Grant	10.351			\$ 25,413	
Outreach and Assistance for Socially Disadvantaged Farmers & Ranchers & Vet Farmers	10.443			\$ 13,188	
Soil and Water Conservation	10.902			\$ 25,203	
Soil and Water Conservation	10.902			\$ 19,408	
Subtotal U.S. Department of Agriculture direct programs:				\$ 1,151,589	\$ 165,078
Pass-through programs from:					
Farmers Market and Local Food	10.175	West Fresno Family Resource Center	None	\$ 48,663	
Farm and Ranch Stress Assistance Network Competitive Grants Program	10.525	CA Department of Food and Agriculture	21-0504-003-SF	\$ 3,245	
Farm and Ranch Stress Assistance Network Competitive Grants Program	10.525	CA Department of Food and Agriculture	21-0504-005-SF	\$ 30,000	
Summer Food Service Program	10.559	CA Department of Education -Child Nutrition	04095-SFSP-10	\$ 9,622	
Subtotal U.S. Department of Agriculture pass-through programs:				\$ 91,530	\$ -
Total U.S. Department of Agriculture:				\$ 1,243,119	\$ 165,078
Department of Commerce:					
Pass-through programs from:					
Connecting Minority Communities Pilot Program	11.028	CSU Fresno	SA 93864	\$ 21,037	
Economic Development Technical Assistance	11.303	Chico State Enterprises	A23-0036-S001	\$ 26,684	
Subtotal Department of Commerce pass-through programs:				\$ 47,721	\$ -
Total Department of Commerce:				\$ 47,721	\$ -
National Security Agency					
Direct Programs:					
Gencyber Grants Program	12.903			\$ 11,762	
Subtotal National Security Agency direct programs:				\$ 11,762	\$ -
Total National Security Agency:				\$ 11,762	\$ -
US Department of the Interior					
Direct programs:					
San Joaquin River Restoration	15.555			\$ 1,338	
Subtotal US Department of Interior direct programs:				\$ 1,338	\$ -
Total US Department of the Interior				\$ 1,338	\$ -
Department of the Treasury:					
Pass-through programs from:					
Coronavirus State and Local Fiscal Recovery Funds	21.027	CA Governor's Office of Planning and Research	CCSFRF006	\$ 1,009,836	\$ 339,438 **
Subtotal Department of the Treasury pass-through programs:				\$ 1,009,836	\$ 339,438
Total Department of Treasury:				\$ 1,009,836	\$ 339,438
National Endowment Humanities:					
Pass-through programs from:					

**California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2023**

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	
Promotion of the Humanities Federal/State Partnership	45.129	California Humanities	HFAQ21-248	\$ 2,459		
Promotion of the Humanities Federal/State Partnership	45.129	California Humanities	RP-3003	\$ 3,224		
Promotion of the Humanities Federal/State Partnership	45.129	California Humanities	HFAQ21-265/SO-268663-20	\$ 4,998		
Subtotal National Endowment Humanities pass-through programs:				\$ 10,681	\$ -	
Total National Endowment Humanities				\$ 10,681	\$ -	
Small Business Administration:						
Direct programs:						
The Growth Accelerator Fund	59.065			\$ 18,621		
Women's Business Ownership Assistance	59.403			\$ 146,559		
Subtotal Small Business Administration direct programs:				\$ 165,180	\$ -	
Total Small Business Administration				\$ 165,180	\$ -	
Environmental Protection Agency:						
Pass-through programs:						
Performance Partnership Grants	66.605	Department of Pesticide Regulation	21-C0016 Amend I	\$ 29,476		
Subtotal Environmental Protection Agency pass-through programs:				\$ 29,476	\$ -	
Total Environmental Protection Agency				\$ 29,476	\$ -	
U.S. Department of Energy:						
Pass-through Programs from:						
Renewable Energy Research and Development	81.087	Alliance for Sustainable Energy	None	\$ 1,218		
Subtotal Department of Energy pass-through programs:				\$ 1,218	\$ -	
Total U.S. Department of Energy				\$ 1,218	\$ -	
U.S. Department of Education:						
Direct programs:						
Higher Education_Institutional Aid	84.031			\$ 579,948	\$ 372,724	**
Higher Education_Institutional Aid	84.031			\$ 208,656		**
Higher Education_Institutional Aid	84.031			\$ 120,941		**
Migrant Education: College Assistance Migrant Program	84.149			\$ 473,948		
Child Care Access Means Parents in School	84.335			\$ 334,257		**
Asian American and Native American Pacific Islander-Serving Institutions Program	84.382			\$ 238,918		
Transition Programs For Students With Intellectual Disabilities Into Higher Education	84.407			\$ 540,551		
Subtotal U.S. Department of Education direct programs:				\$ 2,497,219	\$ 372,724	
Pass-through programs from:						
Migrant Education_State Grant Program	84.011	Merced County Office of Education	None	\$ 22,291		
Migrant Education_State Grant Program	84.011	Merced County Office of Education	None	\$ 20,597		
Migrant Education_State Grant Program	84.011	Monterey County Office of Education	None	\$ 142,140		
Migrant Education_State Grant Program	84.011	Porterville Unified School District	None	\$ 8,429		
Subtotal Migrant Education_State Grant Program				\$ 193,457	\$ -	
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	Cal Poly Pomona Foundation	S20-008960-FRESNO	\$ 13,057		
Subtotal Title I State Agency Program for Neglected and Delinquent Children and Youth				\$ 13,057	\$ -	
Career and Technical Education-Basic Grants to States	84.048	CA Department of Education	CN210052	\$ 10,680		
Subtotal Career and Technical Education-Basic Grants to States				\$ 10,680	\$ -	
Migrant Education College Assistance Migrant Program	84.149	Merced County Superintendent of Schools	None	\$ 102,013		
Migrant Education College Assistance Migrant Program	84.149	Fresno County Superintendent of Schools	None	\$ 26,446		
Migrant Education College Assistance Migrant Program	84.149	Fresno County Superintendent of Schools	None	\$ 9,755		
Migrant Education College Assistance Migrant Program	84.149	Kern County Superintendent of Schools	C#302494	\$ 26,067		
Migrant Education College Assistance Migrant Program	84.149	Fresno County Superintendent of Schools	None	\$ 2,361		
Migrant Education College Assistance Migrant Program	84.149	Monterey County Superintendent of Schools	None	\$ 33,771		
Subtotal Migrant Education College Assistance Migrant Program				\$ 200,413	\$ -	

**California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2023**

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
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	CN210021 21CSMP-ESSER-CWP	\$ 135	
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	CN210095 ESSA21-CWP-FRESNO	\$ (2,137)	
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	CN210095 ESSA22-CRLP-FRESNO	\$ 38,884	
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	CN210095 ESSA22-CWLP-FRESNO	\$ 36,989	
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	CN210095 ESSA22-CWP-FRESNO	\$ 23,610	
Supporting Effective Instruction State Grants	84.367	CDE/University of California, Office of the President	CN210095 ESSA22-CMP-FRESNO	\$ 24,174	
Subtotal Supporting Effective Instruction State Grants				\$ 121,655	\$ -
Subtotal U.S. Department of Education pass-through programs:				\$ 539,262	\$ -
Total U.S. Department of Education				\$ 3,036,481	\$ 372,724
Department of Health and Human Services:					
Direct programs:					
Mental & Behavioral Health Education	93.732			\$ 280,161	
Subtotal National Organizations of State and Local Officials direct programs:				\$ 280,161	\$ -
Pass-through programs from:					
National Organizations of State and Local Officials	93.011	Fresno Building Healthy Communities	G32HS42606-01-00 NO.1	\$ 60,568	
Subtotal National Organizations of State and Local Officials pass-through programs:				\$ 60,568	\$ -
Community Programs to Improve Minority Health Grant Program	93.137	Fresno Building Healthy Communities City of Fresno	None	\$ 86,281	
Subtotal Community Programs to Improve Minority Health Grant pass-through programs:				\$ 86,281	\$ -
Innovative State & Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke	93.435	CDC/County of Fresno	19-100	\$ 20,229	
Innovative State & Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke	93.435	County of Fresno	A-19-099	\$ 31,353	
Innovative State & Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke	93.435	County of Fresno	A-19-099	\$ 71,870	
Subtotal Innovative State & Local Public Health Strategies to prevent and manage Diabetes and Heart Disease and Stroke pass-through programs:				\$ 123,452	\$ -
Child Welfare Research Training or Demonstration	93.648	County of San Mateo	R077029	\$ 2,604	
Child Welfare Research Training or Demonstration	93.648	County of San Mateo	R077029	\$ 73,737	
Subtotal Child Welfare Research Training or Demonstration pass-through programs:				\$ 76,341	\$ -
Foster Care Title IV-E	93.658	San Francisco County	P-600 HSA	\$ 3,825	
Foster Care Title IV-E	93.658	CA Department of Social Services	21-3011	\$ 10,213	
Foster Care Title IV-E	93.658	County of Monterey	5010-150	\$ 209	
Foster Care Title IV-E	93.658	Costa Contra County	19-826-4	\$ 371	
Foster Care Title IV-E	93.658	CA Department of Social Services	21-3010	\$ 40,314	
Foster Care Title IV-E	93.658	County of Ventura	C2122.02	\$ (31)	
Foster Care Title IV-E	93.658	Child and Family Policy Institute of CA	None	\$ 4,428	
Foster Care Title IV-E	93.658	CA Department of Social Services/The Regents of the University of California-Berkeley	10500	\$ 75,831	
Foster Care Title IV-E	93.658	CA Department of Social Services	21-3010 A2	\$ 3,462,445	
Foster Care Title IV-E	93.658	County of Ventura	C2223.01	\$ 277,850	
Foster Care Title IV-E	93.658	CA Department of Social Services/The Regents of the University of California-	10500	\$ 1,774,663	
Foster Care Title IV-E	93.658	CA Department of Social Services	22-3011-A2	\$ 3,685,059	
Foster Care Title IV-E	93.658	San Francisco County	None	\$ 310,885	
Foster Care Title IV-E	93.658	County of Monterey	5010-243	\$ 77,353	
Foster Care Title IV-E	93.658	County of Monterey	7420022R	\$ 123,367	
Foster Care Title IV-E	93.658	Contra Costa County	19-826-4	\$ 158,420	
Subtotal Foster Care Title IV-E pass-through programs:				\$ 10,005,202	\$ -
Subtotal Department of Health and Human Services pass-through programs:				\$ 10,351,844	\$ -
Total Department of Health and Human Services:				\$ 10,632,005	\$ -
Corporate National Community Service:					
Pass-through programs from:					
AmeriCorps	94.006	Corporation for National and Community Service Jumpstart for Young Children, Inc.	3240200	\$ 24,881	

California State University, Fresno Foundation
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2023

Federal Grantor/Program Title or Cluster Title	Assistance Listing	Pass-Through Grantor	Pass-Through Grant Award or Contract	Federal Program	Expenditures to
	Number		Number	Expenditures	Subrecipients
AmeriCorps	94,006	Corporation for National and Community Service Jumpstart for Young Children, Inc.	3240230	\$ 174,500	
Subtotal Corporate National Community Service pass-through programs:				\$ 199,381	\$ -
Total Corporate National Community Service:				\$ 199,381	\$ -
USAID Foreign Assistance for Programs Overseas					
Pass-through programs from:					
USAID Foreign Assistance for Programs Oversees	98,001	21PSTEM	72026318C0003-006	\$ 59,600	
Subtotal USAID Foreign Assistance for Programs Overseas pass-through programs:				\$ 59,600	\$ -
Total USAID Foreign Assistance for Programs Overseas:				\$ 59,600	\$ -
Total Other Programs:				\$ 16,447,798	\$ 877,240
Grand Total Federal Awards				\$ 24,676,362	\$ 1,188,627

** Identifies Major Federal Programs

See Note D on page 41 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, 2023

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, 2023. 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 LIT23	ESSA22-CRLP-FRESNO	CN210095	\$ 38,884
ESSA CCWLP '23	ESSA22-CWLP-FRESNO	CN210095	\$ 36,989
ESSA-CWP-SJVWP '22	ESSA21-CWP-FRESNO	CN210095	\$ (2,137)
ESSA-CWP-SJVWP '23	ESSA22-CWP-FRESNO	CN210095	\$ 23,610
ESSA-SJVMP-CMP '23	ESSA22-CMP-FRESNO	CN210095	\$ 24,174
SJV WRITING PROJECT ESSER '22	21CSMP-ESSER-CWP	CN210021	\$ 135
CDE-OFFICE CONTRACT '23	N/A	CN210052	\$ 10,680
Total California Department of Education Awards			<u>\$ 132,335</u>

COMBINING STATEMENT OF CALIFORNIA DEPARTMENT OF EDUCATION ACTIVITIES

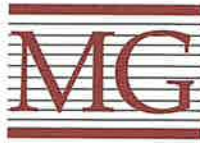
YEAR ENDED JUNE 30, 2023

	ESSA- CRLP- FRESNO CA READ LIT '23	ESSA- CCWLP '23	ESSA-CWP- SJVWP '22	ESSA-CWP- SJVWP '23	ESSA- SJVMP '23 CMP	SJV WRITING PROJECT ESSER '22	CDE-Office Contract '22 & '23	Total CDE Contracts
	CN210095 330620	CN210095 330635	CN210095 330584	CN210095 330649	CN210095 330650	CN210021 330610	CN210052 351037	
REVENUE:								
Grants & Contracts	\$ 33,389	\$ 27,899	\$ (2,137)	\$ 22,864	\$ -	\$ 135	\$ 10,680	\$ 92,830
Total Revenue:	\$ 33,389	\$ 27,899	\$ (2,137)	\$ 22,864	\$ -	\$ 135	\$ 10,680	\$ 92,830
EXPENSES:								
Salaries	\$ 27,000	\$ 18,500	\$ -	\$ 16,965	\$ 20,684	\$ -	\$ 6,900	\$ 90,049
Fringe Benefits	\$ 2,529	\$ 1,733	\$ -	\$ 4,896	\$ 1,699	\$ -	\$ 544	\$ 11,401
Total Personnel:	\$ 29,529	\$ 20,233	\$ -	\$ 21,861	\$ 22,383	\$ -	\$ 7,444	\$ 101,450
Admin Costs								\$ -
Books								\$ -
Consultant/Contractual	\$ 1,860	\$ 13,000	\$ -	\$ -	\$ -	\$ 125	\$ -	\$ 14,985
Equipment								\$ -
Indirect	\$ 2,880	\$ 2,740	\$ (158)	\$ 1,749	\$ 1,791	\$ 10	\$ 791	\$ 9,803
Meals								\$ -
Meetings								\$ -
Other	\$ 485							\$ 485
Postage							\$ 473	\$ 473
Printing								\$ -
Subcontract								\$ -
Supplies & Materials	\$ 533	\$ 1,016	\$ (1,979)				\$ 1,747	\$ 1,317
Telephone							\$ 225	\$ 225
Travel	\$ 3,597		\$ -					\$ 3,597
Total Expenses:	\$ 38,884	\$ 36,989	\$ (2,137)	\$ 23,610	\$ 24,174	\$ 135	\$ 10,680	\$ 132,335
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	\$ (5,495)	\$ (9,090)	\$ -	\$ (746)	\$ (24,174)	\$ -	\$ -	\$ (39,505)

Notes: Deficit of revenue over expenses represents expenses incurred during fiscal year ending June 30, 2023 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, 2022 to June 30, 2023

<u>INDIRECT COSTS AND OTHER INCOME:</u>	<u>BUDGET</u>	<u>ACTUAL</u>
Indirect cost recovery	\$ 3,300,000	\$ 3,751,315
Handling charges	200,000	222,001
Subtotal - Indirect and Handling	<u>3,500,000</u>	<u>3,973,316</u>
Miscellaneous Income	-	65
Short term investments	875,000	1,221,824
Endowment administrative fee	<u>1,561,000</u>	<u>1,561,000</u>
 Total Income (Loss)	 5,936,000	 6,756,205
<u>EXPENSES:</u>		
Personnel:		
Monthly	840,664	880,201
Student	59,255	52,185
Employee benefits	520,838	451,705
Retired employee benefit (actual and accrual)	136,250	140,602
Accounting (audit)	81,200	67,080
Board/Committee meetings	7,000	35,006
Consultants	500	-
Management services	646,136	646,136
CSU Trustee Scholarship	6,000	6,000
Depreciation	4,961	5,612
Dues and Memberships	13,290	10,670
Equipment leasing	6,000	4,640
Employee recruitment	1,750	406
General insurance	191,952	192,522
Legal fees:		
General	5,000	-
Employment	2,500	2,500
Sponsored Programs/Patents	2,500	-
Gifts	5,000	5,150
Licenses, permits and fees	37,425	22,870
Miscellaneous	4,600	2,820
Office Equipment	13,000	11,650
Office supplies	32,500	38,815
Postage	7,500	9,320
Repairs and maintenance	30,119	23,651
Software	57,993	47,468
Travel/training	5,500	1,583
Telephone	7,250	2,121
Utilities	28,500	31,391
Advancement Gift Assessment	360,000	-
University Indirect Costs	<u>447,700</u>	<u>447,700</u>
Total Expenses	<u>3,562,883</u>	<u>3,139,804</u>
 Gross Surplus Available For Distribution (Deficit)	 <u>\$ 2,373,117</u>	 <u>\$ 3,616,401</u>



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*

Denise S. Hurst, C.P.A.

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

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Accountancy Corporation

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Christina R. Thompson, C.P.A.

Dallin M. Jones, 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, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2023.

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

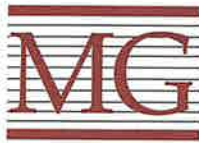
As part of obtaining reasonable assurance about whether California State University, Fresno Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which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

Purpose of this Report

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

Moore Krieder & Company LLP

Fresno, California
September 20, 2023



Moore Grider & Company LLP

Certified Public Accountants

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1923-2016

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited California State University, Fresno Foundation's compliance with the types of compliance requirements 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, 2023. 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, 2023.

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 risks 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 above 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.

Mone Kridel & Company LLP

Fresno, California
September 20, 2023

CALIFORNIA STATE UNIVERSITY, FRESNO FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

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
99.xxx	Research and Development
10.176	Dairy Business Innovation Initiatives
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.031	Higher Education Institutional Aid
84.335	Child Care Access Means Parents in School
- 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, 2023

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

California State University, Fresno Foundation
Schedule of Net Position
June 30, 2023
(for inclusion in the California State University Financial Statements)

Assets:

Current assets:

Cash and cash equivalents	9,242,228
Short-term investments	81,608,067
Accounts receivable, net	23,015,631
Notes receivable, current portion	4,967
Pledges receivable, net	3,063,925
Prepaid expenses and other current assets	201,153

Total current assets	117,135,971
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Noncurrent assets:

Accounts receivable, net	267,039
Student loans receivable, net	391,139
Pledges receivable, net	3,586,079
Endowment investments	207,148,919
Other long-term investments	2,530,146
Capital assets, net	398,196
Other assets	454,658

Total noncurrent assets	214,776,176
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Total assets	331,912,147
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Liabilities:

Current liabilities:

Accounts payable	2,838,050
Accrued salaries and benefits	1,742,508
Accrued compensated absences, current portion	73,721
Unearned revenues	17,325,869
Lease liabilities, current portion	228,636
Other liabilities	86,611

Total current liabilities	22,295,395
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Noncurrent liabilities:

Lease liabilities, net of current portion	158,460
Long-term debt obligations, net of current portion	2,000,000
Depository accounts	4,016,572
Other liabilities	1,431,310

Total noncurrent liabilities	7,606,342
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Total liabilities	29,901,737
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Deferred inflows of resources:

Nonexchange transactions	3,977,824
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Total deferred inflows of resources	3,977,824
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Net position:

Restricted for:	
Nonexpendable – endowments	210,669,864
Expendable:	
Scholarships and fellowships	7,966,447
Loans	2,379,655
Others	69,745,050
Unrestricted	7,271,570

Total net position	298,032,586
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California State University, Fresno Foundation
Schedule of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023
(for inclusion in the California State University Financial Statements)

Revenues:

Operating revenues:

Grants and contracts, noncapital:

Federal	27,120,319
State	12,627,668
Nongovernmental	4,296,937
Sales and services of auxiliary enterprises, gross	1,783,001
Scholarship allowances (0)	-
Total operating revenues	45,827,925

Expenses:

Operating expenses:

Instruction	12,956,845
Research	8,860,867
Public service	22,446,952
Institutional support	101,958
Student grants and scholarships	5,773,326
Auxiliary enterprise expenses	6,870,814
Depreciation and amortization	5,612
Total operating expenses	57,016,374
Operating income (loss)	(11,188,449)

Nonoperating revenues (expenses):

Gifts, noncapital	5,479,933
Investment income (loss), net	2,134,728
Endowment income (loss), net	20,654,053
Interest expense	56,361
Other nonoperating revenues (expenses)	(3,940,264)
Net nonoperating revenues (expenses)	24,384,811
Income (loss) before other revenues (expenses)	13,196,362

Additions (reductions) to permanent endowments	5,851,335
Increase (decrease) in net position	19,047,697

Net position:

Net position at beginning of year, as previously reported	278,984,889
Net position at end of year	298,032,586

California State University, Fresno Foundation
Other Information
June 30, 2023
(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

\$ 9,342,221
\$ 9,342,221

2.1 Composition of Investments:

Investment Type	Current	Noncurrent	Total
Money market funds	15,739,181	1,776,948	17,516,129
U.S. treasury securities		6,924,531	6,924,531
Municipal bonds	1,486,049	111,176	1,597,225
Corporate bonds	59,133,324	10,834,703	69,968,027
Mutual funds		122,999,648	122,999,648
Exchange-traded funds		447,297	447,297
Equity securities		7,008,750	7,008,750
Alternative investments:			
Private equity (including limited partnerships)		44,032,420	44,032,420
Hedge funds	747,387	6,178,321	6,925,708
Real estate investments (including REITs)		24,290	24,290
Other alternative investments		8,965,471	8,965,471
State of California Local Agency Investment Fund (LAIF)	4,762,126		4,762,126
Other investments:			
Life income contracts		375,510	375,510
Total other investments		375,510	375,510
Total investments	81,608,067	209,679,065	291,287,132
Less endowment investments (enter as negative number)		(297,148,919)	(297,148,919)
Total investments, net of endowments	\$ 81,608,067	\$ 2,530,146	\$ 84,138,213

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	\$ 17,256,129	17,256,129			
U.S. treasury securities	6,924,531	6,924,531			
Municipal bonds	1,597,225	1,597,225			
Corporate bonds	69,968,027	69,968,027			
Mutual funds	122,999,648	122,999,648			
Exchange-traded funds	447,297	447,297			
Equity securities	7,008,750	7,008,750			
Alternative investments:					
Private equity (including limited partnerships)	44,032,420				44,032,420
Hedge funds	6,925,708				6,925,708
Real estate investments (including REITs)	24,290				
Other alternative investments	8,965,471				8,965,471
State of California Local Agency Investment Fund (LAIF)	4,762,126				4,762,126
Other investments:					
Life income contracts	375,510	284,856		90,654	
Total other investments	375,510	284,856		90,654	
Total investments	\$ 291,287,132	\$ 216,510,551		\$ 90,654	\$ 64,685,927

2.3 Investments held by the University under contractual agreements:

3.1 Capital Assets, excluding ROU assets:

Computation of Capital Assets, excluding ROU assets:

Investment Type	Balance June 30, 2022	Reclassification	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Revised)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
Depreciable/amortizable capital assets:									
Equipment:	602,391				602,391	7,608			609,999
Total depreciable/amortizable capital assets	602,391				602,391	7,608			609,999
Total capital assets	602,391				602,391	7,608			609,999
Less accumulated depreciation/amortization:									
Equipment:	(593,287)				(593,287)	(8,412)			(598,899)
Total accumulated depreciation/amortization	(593,287)				(593,287)	(8,412)			(598,899)
Personal property:	9,104				9,104	1,296			11,100
Total capital assets, net excluding ROU assets	\$ 9,104				\$ 9,104	\$ 1,296			\$ 11,100

Computation of capital assets - Lease-ROI, net:

3.2 Detail of depreciation and amortization expense:
Depreciation and amortization expense - capital assets, excluding ROU
assets
Total depreciation and amortization

1. Accrued compensated absences

	Balance June 30, 2022	Prior Period Adjustments/(Reductions)	Additions	Reserve amounts	Reductions (234,021) (734,923)	Balance June 30, 2023	Current Period	Noncurrent Period
Lease liabilities	\$ -	\$ 611,498	-	-	-	224,636	136,460	158,460
Total Lease, SEITA, P3 liabilities	\$ -	\$ 611,498	-	-	-	224,636	136,460	158,460
Total long-term liabilities	\$ -	\$ -	-	-	-	\$ 2,402,357	\$ 2,158,460	\$ 2,158,460

Year ending June 30:

5 Future minimum payments schedule - Long-term debt obligations:

Year ending June 30:

[illegible]

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

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
- Accounts receivable from University

Restatements

Not Applicable

⑨ Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Signatus and other salaries	Depreciation and amortization	Total operating expenses
Instruction								
Research	3,957,048	1,176,130	-	-	-	7,822,989	-	13,956,167
Public service	3,931,249	618,222	-	-	-	4,311,096	-	8,860,567
Academic support	9,380,987	2,784,933	-	-	-	10,381,032	-	21,446,952
Student services	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	101,598	-	101,598
Student grants and scholarships	-	-	-	-	5,773,326	-	-	5,773,326
Auxiliary enterprise expenses	932,386	689,452	-	-	-	5,248,776	-	6,870,614
Depreciation and amortization	-	-	-	-	-	-	5,612	5,612
Total operating expenses	\$ 18,010,670	\$ 2,569,517	-	-	\$ 5,773,326	\$ 17,865,029	\$ 5,612	\$ 57,018,574

No pension plan reported

10 Deferred outflows/inflows of resources;

Not Applicable

	\$	977,824	
Total deferred inflows - others		-	
Total deferred inflows of resources	\$	<u>977,824</u>	

Not Applicable

11 Other nonoperating revenues (expenses)

Other nonoperating revenues (expenses)	\$	24,548,907
Other nonoperating revenues		129,439,171
Other nonoperating (expenses)		
Total other nonoperating revenues (expenses)	\$	(9,910,264)