

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SACRAMENTO, CALIFORNIA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2024 AND 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

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**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
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YEARS ENDED JUNE 30, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The University Foundation at Sacramento State
Sacramento, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The University Foundation at Sacramento State (the Foundation), a component unit of California State University, Sacramento, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the 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 the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS 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 GAAS 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 the 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 the 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements. The schedule of net position, the schedule of revenues, expenses, and changes in net position, note to supplementary information and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying schedule of net position, the schedule of revenues, expenses, and changes in net position, note to supplementary information and other information, is fairly stated, in all material respects, in relation to the basic 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 25, 2024 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 the 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 the Foundation's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sacramento, California
September 25, 2024

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023**

This section of The University Foundation at Sacramento State (the Foundation's) annual financial report presents management's discussion and analysis of the financial performance of the Foundation during the fiscal years ended June 30, 2024 and 2023. This discussion has been prepared by management along with the financial statements and related note disclosures and should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes. The financial statements, notes, and this discussion are the responsibility of management.

Financial Highlights

- Total restricted contributions and gifts, along with return on investments, fees and other income, and additions to permanent endowments, received during fiscal year 2024 amounted to \$25.5 million.
- Total Foundation funds used in support of University projects in fiscal year 2024 totaled \$6.3 million.
- Foundation operating gain during fiscal year 2024 was \$15.1 million.
- Total increase in net position, including additions to permanent endowments, amounted to \$17.9 million.

Financial Highlights Prior Year

- Total restricted contributions and gifts, along with return on investments, fees and other income, and additions to permanent endowments, received during fiscal year 2023 amounted to \$22.8 million.
- Total Foundation funds used in support of University projects in fiscal year 2023 totaled \$6.1 million.
- Foundation operating gain during fiscal year 2023 was \$11.6 million.
- Total increase in net position, including additions to permanent endowments, amounted to \$16.0 million.

Overview of the Financial Statements

The financial statements presented herein include all the activities of the Foundation as prescribed by statements of the Governmental Accounting Standards Board (GASB). The Foundation is a component unit of the California State University, Sacramento (the University or CSUS).

The *Statements of Net Position* present information on all the Foundation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Foundation is improving or deteriorating.

The *Statements of Revenues, Expenses, and Changes in Net Position* present information showing how net position changed during the two most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023**

The *Statements of Cash Flows* present information about the cash receipts and cash payments of the Foundation during the two most recent fiscal years. When used with related disclosures and information in the other financial statements, the information provided in these statements should help financial report users assess the Foundation's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments, and the effects on the Foundation's financial position of its cash and its noncash investing, capital, and related financing transactions during the year.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the Foundation's basic financial statements. The notes are included immediately following the basic financial statements within this report.

**The Foundation's Net Position
(Amounts Expressed in Thousands)**

| | 2024 | 2023 | 2022 |
|------------------------|------------|------------|-----------|
| ASSETS | | | |
| Current Assets | \$ 6,837 | \$ 8,611 | \$ 9,043 |
| Noncurrent Assets | 120,982 | 100,893 | 84,420 |
| Total Assets | 127,819 | 109,504 | 93,463 |
| LIABILITIES | | | |
| Current Liabilities | 974 | 546 | 472 |
| Noncurrent Liabilities | - | - | - |
| Total Liabilities | 974 | 546 | 472 |
| NET POSITION | | | |
| Restricted: | | | |
| Expendable | 44,372 | 29,847 | 18,711 |
| Nonexpendable | 80,241 | 77,427 | 73,004 |
| Unrestricted | 2,232 | 1,684 | 1,276 |
| Total Net Position | \$ 126,845 | \$ 108,958 | \$ 92,991 |

The \$18.3 million increase in total assets between fiscal years 2024 and 2023 was primarily due to a \$20.1 million increase in restricted long-term investments, offset by a \$1.2 million decrease in restricted short-term investments, along with a \$543 thousand net decrease in cash and restricted cash.

The \$428 thousand increase in total liabilities in 2024, compared to 2023, was primarily due to an increase in accounts payable.

The \$16 million increase in total assets between fiscal years 2023 and 2022 was primarily due to a \$16.4 million increase in restricted long-term investments, and a \$515 thousand decrease in cash.

The \$74 thousand increase in total liabilities in 2023, compared to 2022, was primarily due to an increase in accounts payable.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023**

**The Foundation's Changes in Net Position
(Amounts Expressed in Thousands)**

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---|--------------------------|--------------------------|-------------------------|
| OPERATING REVENUES (LOSSES) | | | |
| Contributions and Gifts | \$ 6,928 | \$ 7,259 | \$ 6,250 |
| Fees and Other | 470 | 1,023 | 114 |
| Investment Income (Loss) | 15,299 | 10,094 | (11,149) |
| Total Operating Revenues (Losses) | <u>22,697</u> | <u>18,376</u> | <u>(4,785)</u> |
| OPERATING EXPENSES | | | |
| University Projects | 6,593 | 6,082 | 5,888 |
| General and Administration | 1,004 | 732 | 1,098 |
| Total Operating Expenses | <u>7,597</u> | <u>6,814</u> | <u>6,986</u> |
| OPERATING INCOME (LOSS) | <u>15,100</u> | <u>11,562</u> | <u>(11,771)</u> |
| INCOME (LOSS) BEFORE ADDITIONS TO PERMANENT ENDOWMENTS | 15,100 | 11,562 | (11,771) |
| ADDITIONS TO PERMANENT ENDOWMENTS | <u>2,787</u> | <u>4,405</u> | <u>3,305</u> |
| CHANGES IN NET POSITION | 17,887 | 15,967 | (8,466) |
| Net Position - Beginning of Year | <u>108,958</u> | <u>92,991</u> | <u>101,457</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 126,845</u></u> | <u><u>\$ 108,958</u></u> | <u><u>\$ 92,991</u></u> |

The Foundation's receipt of contributions and gifts showed a decrease of \$331 thousand in 2024 compared to 2023. This is primarily due to larger gifts received for multiple funds in 2023.

Investment income increased by \$5.2 million in 2024 compared to 2023, mainly due to increased realized gains in 2024.

Operating expenses increased by \$783 thousand in 2024, compared to 2023, mainly due to increased travel, purchase of instructional equipment, implementation of new computer system upgrade and costs covered by Foundation to relieve some of the budget pressures on the University budget.

The Foundation's receipt of contributions and gifts showed an increase of \$1 million in 2023 compared to 2022. This is primarily due to larger gifts received for multiple funds in 2023.

Investment income increased by \$21.2 million in 2023 compared to 2022, mainly due to unrealized gains in 2023 vs. unrealized losses in 2022.

Operating expenses decreased by \$172 thousand in 2023, compared to 2022, mainly due to a decrease in various program costs.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023**

Request for Information

The financial report is designed to provide a general overview of the Foundation's finances. For questions concerning any information in this report or for additional financial information, please contact California State University, Sacramento, Gina Curry, Associate Vice President, Financial Services, 6000 J Street, Sacramento, California, 95819, or call (916) 278-7461.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023**

| ASSETS | 2024 | 2023 |
|---|----------------|----------------|
| CURRENT ASSETS | | |
| Cash | \$ 2,450,638 | \$ 3,058,774 |
| Restricted Cash | 448,697 | 383,977 |
| Short-Term Investments | 1,121,488 | 1,079,376 |
| Restricted Short-Term Investments | 2,745,311 | 4,028,615 |
| Total Cash and Cash Equivalents | 6,766,134 | 8,550,742 |
| Receivables: | | |
| Unrestricted Receivables | 17,171 | 8,478 |
| Restricted Receivables | 52,862 | 51,661 |
| Total Current Assets | 6,836,167 | 8,610,881 |
| NONCURRENT ASSETS | | |
| Cash Surrender Value of Life Insurance Policies | 241,690 | 223,220 |
| Restricted Long-Term Investments | 120,740,021 | 100,669,716 |
| Total Noncurrent Assets | 120,981,711 | 100,892,936 |
| Total Assets | \$ 127,817,878 | \$ 109,503,817 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts Payable and Accrued Expenses | \$ 973,544 | \$ 546,317 |
| Total Liabilities | 973,544 | 546,317 |
| NET POSITION | | |
| Restricted: | | |
| Expendable | 44,371,870 | 29,847,023 |
| Nonexpendable | 80,240,736 | 77,426,933 |
| Unrestricted | 2,231,728 | 1,683,544 |
| Total Net Position | 126,844,334 | 108,957,500 |
| Total Liabilities and Net Position | \$ 127,817,878 | \$ 109,503,817 |

See accompanying Notes to Financial Statements.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023**

| | 2024 | 2023 |
|--------------------------------------|-----------------------|-----------------------|
| OPERATING REVENUES | | |
| Contributions and Gifts - Noncapital | \$ 6,927,709 | \$ 7,259,200 |
| Fees and Other | 469,868 | 1,022,864 |
| Investment Income | 15,298,645 | 10,093,859 |
| Total Operating Revenues | 22,696,222 | 18,375,923 |
| OPERATING EXPENSES | | |
| University Projects | 6,592,187 | 6,082,518 |
| General and Administration | 1,004,509 | 732,137 |
| Total Operating Expenses | 7,596,696 | 6,814,655 |
| OPERATING INCOME | 15,099,526 | 11,561,268 |
| NONOPERATING REVENUES | | |
| Additions to Permanent Endowments | 2,787,308 | 4,405,485 |
| CHANGES IN NET POSITION | 17,886,834 | 15,966,753 |
| Net Position - Beginning of Year | 108,957,500 | 92,990,747 |
| NET POSITION - END OF YEAR | \$ 126,844,334 | \$ 108,957,500 |

See accompanying Notes to Financial Statements.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

| | 2024 | 2023 |
|--|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash Received from Campus Community | \$ 7,369,213 | \$ 8,223,773 |
| Investment Income Received | 3,087,070 | 2,526,846 |
| Cash Paid to Suppliers | <u>(7,169,469)</u> | <u>(6,741,361)</u> |
| Net Cash Provided by Operating Activities | 3,286,814 | 4,009,258 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Endowments Received | <u>2,787,308</u> | <u>4,405,485</u> |
| Net Cash Provided by Noncapital Financing Activities | 2,787,308 | 4,405,485 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from Sale of Long-Term Investments | 33,384,167 | 15,141,726 |
| Long-Term Investments Purchased | <u>(41,242,897)</u> | <u>(23,997,109)</u> |
| Net Cash Used by Investing Activities | <u>(7,858,730)</u> | <u>(8,855,383)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (1,784,608) | (440,640) |
| Cash and Cash Equivalents - Beginning of Year | <u>8,550,742</u> | <u>8,991,382</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u><u>\$ 6,766,134</u></u> | <u><u>\$ 8,550,742</u></u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Operating Income | \$ 15,099,526 | \$ 11,561,268 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | |
| Change in Fair Value of Investments | (1,931,042) | (7,159,537) |
| Realized Gain on Investments | (10,280,533) | (407,476) |
| (Increase) Decrease in Noncash Assets: | | |
| Cash Surrender Value of Life Insurance Policies | (18,470) | (50,152) |
| Unrestricted Accounts Receivable | (8,693) | 36,147 |
| Restricted Receivables | (1,201) | (44,286) |
| Increase (Decrease) in Noncash Liabilities: | | |
| Accounts Payable and Accrued Expenses | <u>427,227</u> | <u>73,294</u> |
| Net Cash Provided by Operating Activities | <u><u>\$ 3,286,814</u></u> | <u><u>\$ 4,009,258</u></u> |

See accompanying Notes to Financial Statements.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The California State University Sacramento Trust Foundation was established in 1986 as the philanthropic arm of California State University, Sacramento (the University or CSUS), to promote, assist, and enhance the educational mission of CSUS. In May 2006, the California State University Sacramento Trust Foundation changed its name to The University Foundation at Sacramento State (the Foundation). The Foundation is a governmental nonprofit, tax exempt California State University auxiliary organization located on the campus of California State University, Sacramento.

The Foundation receives contributions and performs activities for the benefit of the University community.

Basis of Presentation

The Foundation operates as a business enterprise and is a component unit of the University. The accompanying financial statements reflect the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Foundation accounts for the general activities of the organization, gifts, and contributions to the Foundation that have been restricted by donors as to the purposes for which the funds may be used, and endowment funds that have been contributed to the Foundation for which the donor has specified that the principal may not be expended. Income earned from the investment of endowment funds is generally expendable within the restrictions specified by the donors.

Proprietary funds distinguish operating from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are contributions and gifts, fees and other, and investment income. Operating expenses include University projects and general and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents consist of cash on hand, cash in commercial accounts, short-term money market funds (excluding the charitable remainder unitrusts), and deposits in the State of California Investment Pooled Money Investment Account Local Agency Investment Fund (LAIF).

Restricted Cash and Short-Term Investments

Restricted cash and short-term investments represent restricted donations.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Investments

Excess cash is pooled for investing purposes. Interest, dividend income, and net realized gains and losses from the sale of such marketable securities are recorded as investment income on the statements of revenues, expenses, and changes in net position. The Foundation's policies authorize investment of excess funds in certificates of deposit, savings accounts, federally guaranteed notes and bills, money market funds, equity, and other fixed income securities and mutual funds.

These investment securities are exposed to risks, such as interest rate and various capital market fluctuations. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect the financial statements.

Fair Value Measurements

The Foundation categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

That framework provides a fair value hierarchy that classifies assets and liabilities into three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. Valuations within these levels are based upon the following:

Level 1 – Quoted market prices for identical instruments traded in active exchange markets.

Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3 – Model based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Foundation's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management's judgment and estimation which may be significant.

Following is a description of the valuation methodologies used for assets measured at fair value for the years ended June 30, 2024 and 2023.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Fair Value Measurements (Continued)

Money Market Funds and Certificates of Deposit: Amounts are in interest bearing deposit accounts, which at times may be more than the Federal Deposit Insurance Corporation insurance limit. The Foundation does not consider these amounts for use in general operations; therefore, they are not classified as cash and cash equivalents.

Mutual Funds, Equity Securities, and Exchange Traded Funds: Each investor will typically receive units of participation or shares. These shares are valued daily, based on the underlying securities owned, and are usually publicly traded equity securities. Equity securities are instruments that signify an ownership position in a corporation and represent a claim on its proportional share in the corporation's assets and profits. Ownership is determined by the number of shares an investor owns divided by the total number of shares outstanding. Mutual funds, equity securities, and exchange traded funds are valued daily based on the closing market price in the active exchange markets.

Bonds and Fixed Income Securities: Corporate and municipal bonds and other debt and fixed income securities are generally valued by a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value. Each bond series has a unique set of variables including coupon payment, number of payments, interest rate, and the maturity value. These factors are used to determine the estimated market value and can be determined daily.

LAIF: The investment in LAIF is measured and reported at amortized cost and is part of the State of California Pooled Money Investment Account (PMIA), which, as of June 30, 2024 and 2023, had a balance of \$178 billion and \$178.4 billion, respectively. The weighted average maturity of PMIA investments was 217 days and 260 days as of June 30, 2024 and 2023, respectively. The total amount invested by all public agencies in LAIF as of June 30, 2024 and 2023, was \$21.9 billion and \$25.7 billion, respectively. The Local Investment Advisory Board (the Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute. The value of the pool shares in LAIF which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Foundation's portion of the pool. PMIA funds are on deposit with the state's Centralized Treasury System and are not U.S. Securities and Exchange Commission registered but are managed in compliance with the *California Government Code*, according to a statement of investment policy that sets forth permitted investment vehicles, liquidity parameters, and maximum maturity of investments. These investments consist of U.S. government securities, securities of federally sponsored agencies, domestic corporate bonds, interest bearing time deposits in California banks, prime rated commercial paper, bankers' acceptances, negotiable certificates of deposit, and repurchase and reverse repurchase agreements. The PMIA policy limits the use of reverse repurchase agreements, subject to limits of no more than 10% of the PMIA. The PMIA does not invest in leveraged products or inverse floating rate securities. Included in the PMIA's investment portfolio are asset backed securities totaling \$3 billion and \$2.7 billion as of June 30, 2024 and 2023, respectively.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Position

Certain amounts within net position have been designated by the Board of Directors with the intention of providing funds for certain University programs and activities.

Donations and Contributions

Unrestricted contributions are recorded as revenue when received. Under the accrual basis of accounting, receivables and revenues from private donations that are voluntary nonexchange transactions are recognized when all applicable eligibility requirements (required characteristics of recipients, time requirements, reimbursements, and contingencies) are met. When the revenue recognition requirements have not been met, amounts are reported as unearned revenue. Noncash donations are recorded at estimated fair market value on the date of donation.

Contributions received with donor restrictions are recorded as revenue when all applicable eligibility requirements, generally timing restrictions, have been met. Unexpended contributions with donor purpose restrictions are classified as expendable restricted net position. Additions to permanent endowments are classified as nonexpendable restricted net position, because the principal is required to be retained in perpetuity pursuant to the donor agreements.

The Foundation has received contributions by being named as owner and beneficiary of life insurance policies. Revenues are recognized when cash surrender values are established and upon receipt of any death benefit proceeds from the policies.

Approximately 44% and 37% of all donation revenues were received from five donors at June 30, 2024 and 2023, respectively.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Accordingly, actual results could differ from those estimates.

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the *Internal Revenue Code* (IRC) and comparable state statutes and is not classified as a private foundation under (509)(a) of the IRC. Contributions to the Foundation qualify as charitable contributions.

Subsequent Events

We have evaluated subsequent events through September 25, 2024, the date the financial statements were available to be issued.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS

The Foundation had the following cash and investments:

| | <u>2024</u> | <u>2023</u> |
|----------------------------|-----------------------|-----------------------|
| Cash and Restricted Cash: | | |
| Deposits | \$ 2,899,335 | \$ 3,442,751 |
| Investments: | | |
| Money Market Deposit | 3,905,906 | 1,119,463 |
| LAIF | 30,981 | 4,028,615 |
| Mutual Funds: | | |
| Equity | 8,607,160 | 6,260,271 |
| Fixed Income | 13,173,567 | 10,708,255 |
| Other | 4,699,689 | 2,084,435 |
| Exchange Traded Funds: | | |
| Equity | 76,888,424 | 65,940,691 |
| Fixed Income | 13,563,247 | 12,544,715 |
| Real Estate | 3,447,201 | 2,827,015 |
| Equity Securities | 290,645 | 264,247 |
| Total Investments | <u>124,606,820</u> | <u>105,777,707</u> |
| Total Cash and Investments | <u>\$ 127,506,155</u> | <u>\$ 109,220,458</u> |

The following is a schedule of the assets at fair value, by level within the fair value hierarchy:

| | 2024 | | | |
|--|-----------------------|---------------------|------------------------|-----------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Net Asset Value</u> | <u>Total</u> |
| Investments: | | | | |
| Money Market-WFB | \$ - | \$ 70,088 | \$ - | \$ 70,088 |
| Money Market-Sand Hill | - | 3,835,818 | - | 3,835,818 |
| Pooled Investments: | | | | |
| Local Agency Investment Fund | - | - | 30,981 | 30,981 |
| Mutual Funds by Investment Objective: | | | | |
| Bond and Fixed Income Funds | 13,173,567 | - | - | 13,173,567 |
| International Funds | 5,443,628 | - | - | 5,443,628 |
| Growth Funds | 3,163,532 | - | - | 3,163,532 |
| Total Return Funds | 4,699,689 | - | - | 4,699,689 |
| Exchange Traded Funds by Investment Objective: | | | | |
| Bond and Fixed Income Funds | 13,563,247 | - | - | 13,563,247 |
| Blend Funds | 62,053,133 | - | - | 62,053,133 |
| Real Assets Funds | 3,447,201 | - | - | 3,447,201 |
| International Funds | 14,835,291 | - | - | 14,835,291 |
| Equity Securities by Industry Type: | | | | |
| Consumer Discretionary | 23,431 | - | - | 23,431 |
| Consumer Staples | 6,216 | - | - | 6,216 |
| Financials | 29,319 | - | - | 29,319 |
| Health Care | 33,943 | - | - | 33,943 |
| Industrials | 21,141 | - | - | 21,141 |
| Information Technology | 128,972 | - | - | 128,972 |
| Materials | 5,396 | - | - | 5,396 |
| International | 42,227 | - | - | 42,227 |
| Total Assets at Fair Value | <u>\$ 120,669,933</u> | <u>\$ 3,905,906</u> | <u>\$ 30,981</u> | <u>\$ 124,606,820</u> |

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

| | 2023 | | | |
|--|-----------------------|---------------------|---------------------|-----------------------|
| | Level 1 | Level 2 | Net Asset Value | Total |
| Investments: | | | | |
| Money Market Funds | \$ - | \$ 1,119,463 | \$ - | \$ 1,119,463 |
| Pooled Investments: | | | | |
| Local Agency Investment Fund | - | - | 4,028,615 | 4,028,615 |
| Mutual Funds by Investment Objective: | | | | |
| Bond and Fixed Income Funds | 10,708,255 | - | - | 10,708,255 |
| International Funds | 3,421,695 | - | - | 3,421,695 |
| Growth Funds | 2,838,576 | - | - | 2,838,576 |
| Total Return Funds | 2,084,435 | - | - | 2,084,435 |
| Exchange Traded Funds by Investment Objective: | | | | |
| Bond and Fixed Income Funds | 12,544,715 | - | - | 12,544,715 |
| Blend Funds | 47,748,241 | - | - | 47,748,241 |
| Growth Funds | 4,901,418 | - | - | 4,901,418 |
| Real Assets Funds | 2,827,015 | - | - | 2,827,015 |
| International Funds | 13,291,032 | - | - | 13,291,032 |
| Equity Securities by Industry Type: | | | | |
| Consumer Discretionary | 24,044 | - | - | 24,044 |
| Consumer Staples | 4,231 | - | - | 4,231 |
| Financials | 24,378 | - | - | 24,378 |
| Health Care | 30,268 | - | - | 30,268 |
| Industrials | 23,924 | - | - | 23,924 |
| Information Technology | 108,271 | - | - | 108,271 |
| Materials | 5,674 | - | - | 5,674 |
| International | 43,457 | - | - | 43,457 |
| Total Assets at Fair Value | <u>\$ 100,629,629</u> | <u>\$ 1,119,463</u> | <u>\$ 4,028,615</u> | <u>\$ 105,777,707</u> |

The Foundation's Board of Directors periodically reviews and updates, as necessary, the Foundation's investment policies. These policies establish investment guidelines, asset allocation targets, and allowable investments for endowment funds, current funds, and charitable remainder unitrust funds.

The Foundation applies the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment to GASB Statement No. 3*, which requires governmental entities to provide proper disclosures on common deposit and investment risks related to interest rate risk, credit risk, custodial credit risk, and concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk of loss due to the fair value of an investment falling as a result of rising interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Foundation's investment policy for current funds limits its investment portfolio for fixed income securities to an average maturity of between one and one half to three years. Generally, endowment funds invested in fixed income securities are limited to between 15% and 30% of total endowment funds invested; charitable remainder unitrust funds invested in fixed income securities are limited to between 15% and 30% of total charitable remainder unitrust funds; and current funds are limited entirely to either fixed income securities or cash equivalents. There is no interest rate risk for money market accounts as they are available on demand. Refer to the tables on page 18 for the interest rate risk disclosures as of June 30, 2024 and 2023.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. Credit risk is measured by the assignment of ratings by nationally recognized statistical rating organizations. Investments in commercial paper should be rated A-1 by Standard & Poor's and P-1 by Moody's Investors Service, and the senior long-term debt of the issuer must be rated above investment grade. Refer to the tables on page 19 for the credit risk disclosures as of June 30, 2024 and 2023.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. The *California Government Code* requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The Foundation does not have a policy regarding custodial credit risk for deposits.

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments that are in the possession of the counterparty. The Foundation does not have an investment policy for custodial credit risk.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Foundation's investment policy generally limits fixed income securities to those rated above investment grade. The Foundation's Board of Directors may give permission for some investment managers to purchase bonds below investment grade, but no more than 10% of the portfolio may be invested in securities below investment grade. The Foundation's investment policy generally prohibits investments in the following vehicles without prior permission from the Foundation's Board of Directors: short sales, derivatives, margin purchases, acting as an underwriter, options trading, restricted or private placement investments, foreign securities (except those traded on an organized exchange), securities of the investment manager's firm or affiliated firms, futures, commodities, currency hedges, working interests in oil or gas wells, and tobacco stocks. For fixed income securities, except for U.S. Treasury and agency obligations, no more than 5% of the portfolio assets shall be invested in the securities of a single issuer. Generally, no more than 15% of the endowment or charitable remainder unitrust portfolios shall be invested in a single industry. Banker's acceptances and certificates of deposit should only be purchased from institutions with equity in excess of 5% of assets and profitable operations. As of June 30, 2024 and 2023, there were no investments that represented 5% or more of the Foundation's investment portfolio.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

The following indicates the credit and interest rate risk of investments as of June 30, 2024 and 2023. The credit ratings listed are for Standard & Poor's and Moody's Investors Services, whichever rating is lower.

| | Fair Value | Net Asset Value | Less Than One Year | One to Five Years | Five to Ten Years | More Than Ten Years | Weighted Average Maturity |
|------------------------|---------------|--------------------|-----------------------|----------------------|----------------------|------------------------|---------------------------------|
| <u>June 30, 2024</u> | | | | | | | |
| LAIF | \$ - | \$ 30,981 | \$ - | \$ - | \$ - | \$ - | 217 Days |
| Mutual Funds: | | | | | | | |
| Fixed Income | \$ 13,173,567 | \$ - | \$ 1,056,117 | \$ 5,107,970 | \$ 4,404,480 | \$ 2,605,000 | |
| Exchange Traded Funds: | | | | | | | |
| Fixed Income | \$ 13,563,247 | \$ - | \$ 1,264,959 | \$ 4,620,614 | \$ 4,133,619 | \$ 3,544,055 | |
| | | | | | | | |
| | Fair Value | Net Asset Value | Less Than One Year | One to Five Years | Five to Ten Years | More Than Ten Years | Weighted Average Maturity |
| <u>June 30, 2023</u> | | | | | | | |
| LAIF | \$ - | \$ 4,028,615 | \$ - | \$ - | \$ - | \$ - | 260 Days |
| Mutual Funds: | | | | | | | |
| Fixed Income | \$ 10,708,255 | \$ - | \$ 606,789 | \$ 3,184,092 | \$ 2,955,746 | \$ 3,961,628 | |
| Exchange Traded Funds: | | | | | | | |
| Fixed Income | \$ 12,544,715 | \$ - | \$ 722,090 | \$ 2,938,893 | \$ 3,884,254 | \$ 4,999,478 | |

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

| <u>June 30, 2024</u> | <u>Fair Value</u> | <u>AAA</u> | <u>AA</u> | <u>AA-</u> | <u>A+</u> | <u>A</u> | <u>BBB</u> | <u>BB</u> | <u>B</u> | <u>Below B</u> | <u>Not Rated</u> |
|----------------------|-------------------|--------------|--------------|--------------|--------------|-----------|------------|--------------|-----------|----------------|------------------|
| LAIF | \$ 30,981 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 30,981 |
| Mutual Funds: | | | | | | | | | | | |
| Fixed Income | \$ 13,173,567 | \$ 1,534 | \$ 4,667,455 | \$ - | \$ 6,132,553 | \$ 36 | \$ 813 | \$ 2,364,296 | \$ 4,080 | \$ 1,915 | \$ 885 |
| Exchange Traded | | | | | | | | | | | |
| Funds: | | | | | | | | | | | |
| Fixed Income | \$ 13,563,247 | \$ 3,774,620 | \$ 237,724 | \$ 8,237,256 | \$ 1,171,336 | \$ 54,071 | \$ 60,644 | \$ 13,249 | \$ 9,854 | \$ 4,347 | \$ 146 |
| <u>June 30, 2023</u> | <u>Fair Value</u> | <u>AAA</u> | <u>AA</u> | <u>AA-</u> | <u>A+</u> | <u>A</u> | <u>BBB</u> | <u>BB</u> | <u>B</u> | <u>Below B</u> | <u>Not Rated</u> |
| LAIF | \$ 4,028,615 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,028,615 |
| Mutual Funds: | | | | | | | | | | | |
| Fixed Income | \$ 10,708,255 | \$ 1,415 | \$ 3,730,710 | \$ - | \$ 5,057,881 | \$ - | \$ 1,099 | \$ 1,909,724 | \$ 4,812 | \$ 2,048 | \$ 566 |
| Exchange Traded | | | | | | | | | | | |
| Funds: | | | | | | | | | | | |
| Fixed Income | \$ 12,544,715 | \$ 4,282,499 | \$ 4,569,041 | \$ 2,973,240 | \$ 576,086 | \$ 54,477 | \$ 60,535 | \$ 12,492 | \$ 10,292 | \$ 2,958 | \$ 3,095 |

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment Income

The rate of return on investments varies with the rate of return of the underlying portfolios. For the years ended June 30, 2024 and 2023, the rate of return earned on investments governed under the Foundation's investment policy approximated 15.6% and 12.0%, respectively.

Investment income for the years ended June 30, 2024 and 2023, were comprised of interest, dividends, realized gains and losses, and unrealized gains and losses due to changes in the fair value of investments held at year-end.

NOTE 3 RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in these financial statements, transactions between the Foundation and related organizations during the years ended June 30, 2024 and 2023, included the payments by the Foundation to the University of \$260,000 for each year, for accounting, tax, and administrative services. The Foundation made reimbursements to the University for salaries of University personnel working on contracts, grants, and other programs that amounted to \$624,227 and \$707,066, respectively, as well as for expenses other than salaries of University personnel that amounted to \$1,337,675 and \$1,346,629 for the years ended June 30, 2024 and 2023, respectively. Amounts due to the University totaled \$797,534 and \$439,464 at June 30, 2024 and 2023, respectively. Amounts due from the University totaled \$53,319 and \$0 at June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, the Foundation paid on behalf of the University, from expendable resources, \$260,720 and \$220,290, respectively, for capital improvements and equipment owned by the University. These amounts are presented as part of University projects expense on the statements of revenues, expenses, and changes in net position. Payments received from the University for services, space, and programs amounted to \$9,300 and \$30,000, respectively, for the years ended June 30, 2024 and 2023.

NOTE 4 ENDOWMENTS

The Foundation's endowments consist of multiple individual donor restricted funds for a variety of purposes. The amounts of net appreciation on investments of donor restricted endowments that are available for authorization for expenditure as of June 30, 2024 and 2023, were \$2,946,237 and \$2,603,854, respectively, and are included in the balance of restricted expendable net position as reported in the statements of net position.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) has been adopted by the state of California and is codified in the *Uniform Probate Code* in Sections 18501 – 18510. UPMIFA applies to institutional funds existing or established after January 1, 2009, and governs decisions made after that date.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 4 ENDOWMENTS (CONTINUED)

In its *Investment Policy and Administrative Guidelines*, the Foundation's Board of Directors has set forth the following investing goals and objectives for endowment funds:

1. The primary goal is to preserve the real value of the endowment corpus by achieving a growth rate on the principal amount of the endowment over a market cycle (three to five years) of 300 basis points over the rate of inflation as measured by the Consumer Price Index.
2. The secondary goal is to provide spendable income equivalent to the spending rate as defined in the disbursement guidelines.
3. To the extent compatible with objectives 1 and 2, investment strategy should maximize long term total return while assuming a prudent level of investment risk.

The Foundation's endowment fund spending policy allows for the allocation of income equivalent to 4% of the moving average market value of the endowment portfolio. This average market value is computed using the previous 12 quarters of portfolio activity. Income earned in excess of the spending rate may be reinvested in endowment principal. The spending policy allows for permanent endowment funds to be spent down to 80% of their historical contribution value. An endowment fund balance may decline below its historical contribution value either by the spending policy or by investment losses. The endowment fund balance will be restored to the historical contribution value in years when income earned exceeds the spending rate. There were 23 endowment accounts with balances below the historical value as of June 30, 2024, which amounted to \$106,886. There were 39 endowment accounts with balances below the historical value as of June 30, 2023, which amounted to \$148,006.

The Foundation's Board of Directors has allowed spending within the above Investment Policy and Administrative Guidelines during the years ended June 30, 2024 and 2023, in the amount of 4.0%.

NOTE 5 UNRESTRICTED NET POSITION DESIGNATED BY BOARD OF DIRECTORS

The Foundation's Board of Directors has established designations of its unrestricted net position for certain University programs and activities. As of June 30, 2024 and 2023, designated unrestricted net position totaled \$67,710 and \$61,560, respectively.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF NET POSITION
JUNE 30, 2024
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

Assets:

Current assets:

| | |
|---|------------------|
| Cash and cash equivalents | 2,899,335 |
| Short-term investments | 3,866,799 |
| Accounts receivable, net | 70,033 |
| Lease receivable, current portion | — |
| P3 receivable, current portion | — |
| Notes receivable, current portion | — |
| Pledges receivable, net | — |
| Prepaid expenses and other current assets | — |
| Total current assets | 6,836,167 |

Noncurrent assets:

| | |
|--|--------------------|
| Restricted cash and cash equivalents | — |
| Accounts receivable, net | — |
| Lease receivable, net of current portion | — |
| P3 receivable, net of current portion | — |
| Notes receivable, net of current portion | — |
| Student loans receivable, net | — |
| Pledges receivable, net | — |
| Endowment investments | 86,276,642 |
| Other long-term investments | 34,463,379 |
| Capital assets, net | — |
| Other assets | 241,690 |
| Total noncurrent assets | 120,981,711 |
| Total assets | 127,817,878 |

Deferred outflows of resources:

| | |
|---|----------|
| Unamortized loss on debt refunding | — |
| Net pension liability | — |
| Net OPEB liability | — |
| Leases | — |
| P3 | — |
| Others | — |
| Total deferred outflows of resources | — |

Liabilities:

Current liabilities:

| | |
|---|----------------|
| Accounts payable | 973,544 |
| Accrued salaries and benefits | — |
| Accrued compensated absences, current portion | — |
| Unearned revenues | — |
| Lease liabilities, current portion | — |
| SBITA liabilities - current portion | — |
| P3 liabilities - current portion | — |
| Long-term debt obligations, current portion | — |
| Claims liability for losses and loss adjustment expenses, current portion | — |
| Depository accounts | — |
| Other liabilities | — |
| Total current liabilities | 973,544 |

See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF NET POSITION (CONTINUED)
JUNE 30, 2024
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

| | |
|--|---------------------------|
| Noncurrent liabilities: | |
| Accrued compensated absences, net of current portion | — |
| Unearned revenues | — |
| Grants refundable | — |
| Lease liabilities, net of current portion | — |
| SBITA liabilities, net of current portion | — |
| P3 liabilities, net of current portion | — |
| Long-term debt obligations, net of current portion | — |
| Claims liability for losses and loss adjustment expenses, net of current portion | — |
| Depository accounts | — |
| Net other postemployment benefits liability | — |
| Net pension liability | — |
| Other liabilities | — |
| Total noncurrent liabilities | <u>—</u> |
| Total liabilities | <u>973,544</u> |
| Deferred inflows of resources: | |
| P3 service concession arrangements | — |
| Net pension liability | — |
| Net OPEB liability | — |
| Unamortized gain on debt refunding | — |
| Nonexchange transactions | — |
| Lease | — |
| P3 | — |
| Others | — |
| Total deferred inflows of resources | <u>—</u> |
| Net position: | |
| Net investment in capital assets | — |
| Restricted for: | |
| Nonexpendable – endowments | 80,240,736 |
| Expendable: | |
| Scholarships and fellowships | 12,458,774 |
| Research | — |
| Loans | — |
| Capital projects | — |
| Debt service | — |
| Others | 31,913,096 |
| Unrestricted | 2,231,728 |
| Total net position | <u><u>126,844,334</u></u> |

See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

Revenues:

Operating revenues:

| | |
|--|---|
| Student tuition and fees, gross | — |
| Scholarship allowances (enter as negative) | — |

Grants and contracts, noncapital:

| | |
|--|---------|
| Federal | — |
| State | — |
| Local | — |
| Nongovernmental | — |
| Sales and services of educational activities | — |
| Sales and services of auxiliary enterprises, gross | 469,868 |
| Scholarship allowances (enter as negative) | — |
| Other operating revenues | — |

| | |
|---------------------------------|---------|
| Total operating revenues | 469,868 |
|---------------------------------|---------|

Expenses:

Operating expenses:

| | |
|------------------------------------|-----------|
| Instruction | — |
| Research | — |
| Public service | — |
| Academic support | 2,117,526 |
| Student services | 1,425,084 |
| Institutional support | 1,432,873 |
| Operation and maintenance of plant | — |
| Student grants and scholarships | 2,621,213 |
| Auxiliary enterprise expenses | — |
| Depreciation and amortization | — |

| | |
|---------------------------------|-----------|
| Total operating expenses | 7,596,696 |
|---------------------------------|-----------|

| | |
|--------------------------------|-------------|
| Operating income (loss) | (7,126,828) |
|--------------------------------|-------------|

Nonoperating revenues (expenses):

| | |
|--|-----------|
| State appropriations, noncapital | — |
| Federal financial aid grants, noncapital | — |
| State financial aid grants, noncapital | — |
| Local financial aid grants, noncapital | — |
| Nongovernmental and other financial aid grants, noncapital | — |
| Other federal nonoperating grants, noncapital | — |
| Gifts, noncapital | 6,927,709 |
| Investment income (loss), net | 8,565,078 |
| Endowment income (loss), net | 6,733,567 |
| Interest expense | — |
| Other nonoperating revenues (expenses) | — |

| | |
|---|------------|
| Net nonoperating revenues (expenses) | 22,226,354 |
|---|------------|

| | |
|---|------------|
| Income (loss) before other revenues (expenses) | 15,099,526 |
|---|------------|

| | |
|--|------------|
| State appropriations, capital | — |
| Grants and gifts, capital | — |
| Additions (reductions) to permanent endowments | 2,787,308 |
| Increase (decrease) in net position | 17,886,834 |

Net position:

| | |
|---|-------------|
| Net position at beginning of year, as previously reported | 108,957,500 |
| Restatements | — |

| | |
|---|-------------|
| Net position at beginning of year, as restated | 108,957,500 |
|---|-------------|

| | |
|------------------------------------|-------------|
| Net position at end of year | 126,844,334 |
|------------------------------------|-------------|

See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
JUNE 30, 2024
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

| | | | | |
|------------|---|----------------------------|---------------------------|----------------------------|
| 1 | Cash and cash equivalents: | | | |
| | Portion of restricted cash and cash equivalents related to endowments | | | |
| | All other restricted cash and cash equivalents | | | |
| | Noncurrent restricted cash and cash equivalents | <u>-</u> | | -Agree with SNP- |
| | Current cash and cash equivalents | <u>2,899,335</u> | | -Agree with SNP- |
| | Total | <u><u>\$ 2,899,335</u></u> | | |
| | | | | |
| 2.1 | Composition of investments: | | | |
| | Investment Type | Current | Noncurrent | Total |
| | Money market funds | 3,835,818 | 70,088 | 3,905,906 |
| | Repurchase agreements | | | - |
| | Certificates of deposit | | | - |
| | U.S. agency securities | | | - |
| | U.S. treasury securities | | | - |
| | Municipal bonds | | | - |
| | Corporate bonds | | | - |
| | Asset backed securities | | | - |
| | Mortgage backed securities | | | - |
| | Commercial paper | | | - |
| | Supranational | | | - |
| | Mutual funds | | 26,480,416 | 26,480,416 |
| | Exchange traded funds | | 94,189,517 | 94,189,517 |
| | Equity securities | | | - |
| | Alternative investments: | | | |
| | Private equity (including limited partnerships) | | | - |
| | Hedge funds | | | - |
| | Managed futures | | | - |
| | Real estate investments (including REITs) | | | - |
| | Commodities | | | - |
| | Derivatives | | | - |
| | Other alternative investment types | | | - |
| | Other external investment pools | | | - |
| | CSU Consolidated Investment Pool (formerly SWIFT) | | | - |
| | State of California Local Agency Investment Fund (LAIF) | 30,981 | | 30,981 |
| | State of California Surplus Money Investment Fund (SMIF) | | | - |
| | Other investments: | | | - |
| | | | | - |
| | | | | - |
| | | | | - |
| | | | | - |
| | | | | - |
| | Total Other investments | - | - | - |
| | Total investments | <u>3,866,799</u> | <u>120,740,021</u> | <u>124,606,820</u> |
| | Less endowment investments (enter as negative number) | - | (86,276,642) | <u>(86,276,642)</u> |
| | Total investments, net of endowments | <u>\$ 3,866,799</u> | <u>34,463,379</u> | <u>38,330,178</u> |
| | | -Agree with SNP- | -Agree with SNP- | |

See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2024
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

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 | \$ 3,905,906 | | 3,905,906 | | |
| Repurchase agreements | - | | | | |
| Certificates of deposit | - | | | | |
| U.S. agency securities | - | | | | |
| U.S. treasury securities | - | | | | |
| Municipal bonds | - | | | | |
| Corporate bonds | - | | | | |
| Asset backed securities | - | | | | |
| Mortgage backed securities | - | | | | |
| Commercial paper | - | | | | |
| Supranational | - | | | | |
| Mutual funds | 26,480,417 | 26,480,417 | | | |
| Exchange traded funds | 94,189,516 | 94,189,516 | | | |
| Equity securities | - | | | | |
| Alternative investments: | | | | | |
| Private equity (including limited partnerships) | - | | | | |
| Hedge funds | - | | | | |
| Managed futures | - | | | | |
| Real estate investments (including REITs) | - | | | | |
| Commodities | - | | | | |
| Derivatives | - | | | | |
| Other alternative investment types | - | | | | |
| Other external investment pools | - | | | | |
| CSU Consolidated Investment Pool (formerly SWIFT) | - | - | - | - | |
| State of California Local Agency Investment Fund (LAIF) | 30,981 | - | - | - | 30,981 |
| State of California Surplus Money Investment Fund (SMIF) | - | - | - | - | |
| Other investments: | - | | | | |
| | - | | | | |
| | - | | | | |
| | - | | | | |
| | - | | | | |
| | - | | | | |
| Total other investments: | - | - | - | - | - |
| Total investments | \$ 124,606,820 | 120,669,933 | 3,905,906 | — | 30,981 |

-Agree with above-

2.3 **Investments held by the University under contractual agreements:**

Instruction: Amounts should agree with University's investments held on behalf of Discretely Presented Component Units.

| | Current | Noncurrent | Total |
|--|---------|------------|-------|
| Investments held by the University under contractual agreements e.g. - CSU Consolidated Investment Pool (formerly SWIFT): | | | \$ - |

See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2024
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

Capital Assets, Right of Use

| Composition of capital assets - Lease ROU, net: | Balance June 30, 2023 | Prior Period Reclassifications | Prior Period Additions | Prior Period Reductions | Balance June 30, 2023 (Restated) | Additions | Remeasurements | Reductions | Balance June 30, 2024 |
|---|--------------------------|-----------------------------------|---------------------------|----------------------------|--|-----------|----------------|------------|--------------------------|
| Non-depreciable/Non-amortizable lease assets: | | | | | | | | | |
| Land and land improvements | — | | | | — | | | | — |
| Total non-depreciable/non-amortizable lease assets | — | | | | — | | | | — |
| Depreciable/Amortizable lease assets: | | | | | | | | | |
| Land and land improvements | — | | | | — | | | | — |
| Buildings and building improvements | — | | | | — | | | | — |
| Improvements, other than buildings | — | | | | — | | | | — |
| Infrastructure | — | | | | — | | | | — |
| Personal property: | | | | | | | | | |
| Equipment | — | | | | — | | | | — |
| Total depreciable/amortizable lease assets | — | | | | — | | | | — |
| Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number) | | | | | | | | | |
| Land and land improvements | — | | | | — | | | | — |
| Buildings and building improvements | — | | | | — | | | | — |
| Improvements, other than buildings | — | | | | — | | | | — |
| Infrastructure | — | | | | — | | | | — |
| Personal property: | | | | | | | | | |
| Equipment | — | | | | — | | | | — |
| Total accumulated depreciation/amortization | — | | | | — | | | | — |
| Total capital assets - lease ROU, net | — | | | | — | | | | — |

-Agree with SNP-

| Composition of capital assets - SBITA ROU, net | Balance June 30, 2023 | Reclassifications | Prior Period Additions | Prior Period Reductions | Balance June 30, 2023 (Restated) | Additions | Remeasurements | Reductions | Balance June 30, 2024 |
|--|--------------------------|-------------------|---------------------------|----------------------------|--|-----------|----------------|------------|--------------------------|
| Depreciable/Amortizable SBITA assets: | | | | | | | | | |
| Software | — | | | | — | | | | — |
| Total depreciable/amortizable SBITA assets | — | | | | — | | | | — |
| Less accumulated depreciation/amortization: | | | | | | | | | |
| Software | — | | | | — | | | | — |
| Total accumulated depreciation/amortization | — | | | | — | | | | — |
| Total capital assets - SBITA ROU, net | — | | | | — | | | | — |

-Agree with SNP-

See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2024
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

| Composition of capital assets - P3 ROU, net: | Balance June 30, 2023 | Reclassifications | Prior Period Additions | Prior Period Reductions | Balance June 30, 2023 (Restated) | Additions | Remeasurements | Reductions | Balance June 30, 2024 |
|---|--------------------------|-------------------|---------------------------|----------------------------|--|-----------|----------------|------------|------------------------------------|
| Non-depreciable/Non-amortizable P3 assets: | | | | | | | | | |
| Land and land improvements | — | | | | — | | | | — |
| Total non-depreciable/non-amortizable P3 assets | - | - | - | - | - | - | - | - | - |
| Depreciable/Amortizable P3 assets: | | | | | | | | | |
| Land and land improvements | — | | | | — | | | | — |
| Buildings and building improvements | — | | | | — | | | | — |
| Improvements, other than buildings | — | | | | — | | | | — |
| Infrastructure | — | | | | — | | | | — |
| Personal property: | | | | | | | | | |
| Equipment | — | | | | — | | | | — |
| Total depreciable/amortizable P3 assets | - | - | - | - | - | - | - | - | - |
| Less accumulated depreciation/amortization: | | | | | | | | | |
| Land and land improvements | — | | | | — | | | | — |
| Buildings and building improvements | — | | | | — | | | | — |
| Improvements, other than buildings | — | | | | — | | | | — |
| Infrastructure | — | | | | — | | | | — |
| Personal property: | | | | | | | | | |
| Equipment | — | | | | — | | | | — |
| Total accumulated depreciation/amortization | - | - | - | - | - | - | - | - | - |
| Total capital assets - P3 ROU, net | — | — | — | — | — | — | — | — | — |
| | | | | | | | | | -Agree with SNP- |
| Total capital assets, net including ROU assets | | | | | | | | | — |
| | | | | | | | | | -Agree with SNP- |
| 3.2 Detail of depreciation and amortization expense: | | | | | | | | | |
| Depreciation and amortization expense related to capital assets | \$ | - | | | | | | | |
| Amortization expense - Leases ROU | | - | | | | | | | |
| Amortization expense - SBITA ROU | | - | | | | | | | |
| Amortization expense - P3 ROU | | - | | | | | | | |
| Depreciation and Amortization expense - Others | | | | | | | | | Provide explanation for others: |
| Total depreciation and amortization | \$ | - | | | | | | | -Agree with below- |

See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2024
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

| 4 Long-term liabilities: | Balance June 30, 2023 | Prior Period Adjustments/Recla ssifications | Balance June 30, 2023 (Restated) | Additions | Reductions | Balance June 30, 2024 | Current Portion | Noncurrent Portion |
|---|--------------------------|---|--|----------------|------------|--------------------------|--------------------|-----------------------|
| 1. Accrued compensated absences | \$ - | | - | | | - | | - |
| 2. Claims liability for losses and loss adjustment expenses | - | | - | | | - | | - |
| 3. Capital lease obligations (pre-ASC 842): | | | | | | | | |
| Gross balance | - | | - | | | - | | - |
| Unamortized net premium/(discount) | - | | - | | | - | - | - |
| Total capital lease obligations (pre ASC 842) | - | - | - | - | - | - | - | - |
| 4. Long-term debt obligations: | | | | | | | | |
| 4.1 Auxiliary revenue bonds (non-SRB related) | - | | - | | | - | - | - |
| 4.2 Commercial paper | - | | - | | | - | - | - |
| 4.3 Notes payable (SRB related) | - | | - | | | - | - | - |
| 4.4 Finance purchase of capital assets | - | | - | | | - | - | - |
| 4.5 Others: | - | | - | | | - | - | - |
| | - | | - | | | - | - | - |
| | - | | - | | | - | - | - |
| | - | | - | | | - | - | - |
| Total others | - | - | - | - | - | - | - | - |
| Sub-total long-term debt | - | - | - | - | - | - | - | - |
| 4.6 Unamortized net bond premium/(discount) | - | | - | | | - | - | - |
| Total long-term debt obligations | - | - | - | - | - | - | - | - |
| | | | | | | -Agree with below- | -Agree with below- | -Agree with SNP- |
| 5. Lease, SBITA, P3 liabilities: | Balance June 30, 2023 | Prior Period Adjustments/Recla ssifications | Additions | Remeasurements | Reductions | Balance June 30, 2024 | Current Portion | Noncurrent Portion |
| Lease liabilities | - | | | | | - | | - |
| SBITA liabilities | - | | | | | - | | - |
| P3 liabilities - SCA | - | | | | | - | | - |
| P3 liabilities - non-SCA | - | | | | | - | | - |
| Sub-total P3 liabilities | - | - | - | - | - | - | - | - |
| Total Lease, SBITA, P3 liabilities | \$ - | - | - | - | - | - | - | - |
| Total long-term liabilities | | | | | | \$ - | \$ - | \$ - |

See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2024
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

5 Future minimum payments schedule - leases, SBITA, P3:

| | Lease Liabilities | | | SBITA liabilities | | | Public-Private or Public-Public Partnerships (P3) | | | Total Leases, SBITA, P3 liabilities | | |
|--|-------------------|---------------|------------------------|-------------------|---------------|------------------------|---|---------------|------------------------|-------------------------------------|---------------|------------------------|
| | Principal Only | Interest Only | Principal and Interest | Principal Only | Interest Only | Principal and Interest | Principal Only | Interest Only | Principal and Interest | Principal Only | Interest Only | Principal and Interest |
| Year ending June 30: | | | | | | | | | | | | |
| 2025 | | | - | | | - | | | - | | | - |
| 2026 | | | - | | | - | | | - | | | - |
| 2027 | | | - | | | - | | | - | | | - |
| 2028 | | | - | | | - | | | - | | | - |
| 2029 | | | - | | | - | | | - | | | - |
| 2030 - 2034 | | | - | | | - | | | - | | | - |
| 2035 - 2039 | | | - | | | - | | | - | | | - |
| 2040 - 2044 | | | - | | | - | | | - | | | - |
| 2045 - 2049 | | | - | | | - | | | - | | | - |
| 2050 - 2054 | | | - | | | - | | | - | | | - |
| Thereafter | | | - | | | - | | | - | | | - |
| Total minimum lease payments | | | - | | | - | | | - | | | - |
| Less: amounts representing interest | | | - | | | - | | | - | | | - |
| Present value of future minimum lease payments | | | - | | | - | | | - | | | - |
| Total Leases, SBITA, P3 liabilities | | | - | | | - | | | - | | | - |
| Less: current portion | | | - | | | - | | | - | | | - |
| Leases, SBITA, P3 liabilities, net of current portion | | | - | | | - | | | - | | | - |

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

| | Auxiliary revenue bonds (non-SRB related) | | | All other long-term debt obligations | | | Total long-term debt obligations | | |
|---|---|---------------|------------------------|--------------------------------------|---------------|------------------------|----------------------------------|---------------|------------------------|
| | Principal Only | Interest Only | Principal and Interest | Principal Only | Interest Only | Principal and Interest | Principal Only | Interest Only | Principal and Interest |
| Year ending June 30: | | | | | | | | | |
| 2025 | | | - | | | - | | | - |
| 2026 | | | - | | | - | | | - |
| 2027 | | | - | | | - | | | - |
| 2028 | | | - | | | - | | | - |
| 2029 | | | - | | | - | | | - |
| 2030 - 2034 | | | - | | | - | | | - |
| 2035 - 2039 | | | - | | | - | | | - |
| 2040 - 2044 | | | - | | | - | | | - |
| 2045 - 2049 | | | - | | | - | | | - |
| 2050 - 2054 | | | - | | | - | | | - |
| Thereafter | | | - | | | - | | | - |
| Total minimum payments | | | - | | | - | | | - |
| Less: amounts representing interest | | | - | | | - | | | - |
| Present value of future minimum payments | | | - | | | - | | | - |
| Unamortized net premium/(discount) | | | - | | | - | | | - |
| Total long-term debt obligations | | | - | | | - | | | - |
| Less: current portion | | | - | | | - | | | - |
| Long-term debt obligations, net of current portion | | | - | | | - | | | - |

-Agree with SNP-
-Agree with SNP-

See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2024
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

7 **Transactions with related entities:**

| | |
|--|-----------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs | 624,227 |
| Payments to University for other than salaries of University personnel | 1,337,675 |
| Payments received from University for services, space, and programs | 9,300 |
| Gifts-in-kind to the University from discretely presented component units | |
| Gifts (cash or assets) to the University from discretely presented component units | 260,720 |
| Accounts (payable to) University (enter as negative number) | (797,534) |
| Other amounts (payable to) University (enter as negative number) | |
| Accounts receivable from University (enter as positive number) | 51,319 |
| Other amounts receivable from University (enter as positive number) | |

8 **Restatements**
Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement:

Note: Additional account details can be found in the Table of Object Codes and CSU Fund Definitions

Debit/(Credit)

Restatement #1 Enter transaction description
Select the reason for restatement:
Select net position category:

Restatement #2 Enter transaction description
Select the reason for restatement:
Select net position category:

-Net to zero-

9 **Natural classifications of operating expenses:**

| | Salaries | Benefits - Other | Benefits - Pension | Benefits - OPEB | Scholarships and fellowships | Supplies and other services | Depreciation and amortization | Total operating expenses |
|------------------------------------|-------------|------------------|--------------------|-----------------|------------------------------|-----------------------------|-------------------------------|--------------------------|
| Instruction | - | - | - | - | - | - | - | - |
| Research | - | - | - | - | - | - | - | - |
| Public service | - | - | - | - | - | - | - | - |
| Academic support | - | - | - | - | - | 2,117,526.00 | - | 2,117,526 |
| Student services | - | - | - | - | - | - | 1,425,084.00 | 1,425,084 |
| Institutional support | - | - | - | - | - | 1,432,873.00 | - | 1,432,873 |
| Operation and maintenance of plant | - | - | - | - | - | - | - | - |
| Student grants and scholarships | - | - | - | - | 2,621,213.00 | - | - | 2,621,213 |
| Auxiliary enterprise expenses | - | - | - | - | - | - | - | - |
| Depreciation and amortization | - | - | - | - | - | - | - | - |
| Total operating expenses | \$ - | - | - | - | 2,621,213 | 4,975,483 | - | 7,596,696 |

-Net to zero-

-Agree with SRECNP-

No pension plan reported

-Check-

Explanation for check error:

See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2024
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

10 **Deferred outflows/inflows of resources:**
 1. Deferred Outflows of Resources
 Deferred outflows - unamortized loss on refunding(s)
 Deferred outflows - net pension liability
 Deferred outflows - net OPEB liability
 Deferred outflows - leases
 Deferred outflows - P3
 Deferred outflows - others:
 Sales/intra-entity transfers of future revenues
 Gain/loss on sale leaseback
 Loan origination fees and costs
 Change in fair value of hedging derivative instrument
 Irrevocable split-interest agreements

| | |
|---|------------------|
| Total deferred outflows - others | - |
| Total deferred outflows of resources | \$ - |
| | -Agree with SNP- |

2. Deferred Inflows of Resources
 Deferred inflows - service concession arrangements
 Deferred inflows - net pension liability
 Deferred inflows - net OPEB liability
 Deferred inflows - unamortized gain on debt refunding(s)
 Deferred inflows - nonexchange transactions
 Deferred inflows - leases
 Deferred inflows - P3
 Deferred inflows - others:
 Sales/intra-entity transfers of future revenues
 Gain/loss on sale leaseback
 Loan origination fees and costs
 Change in fair value of hedging derivative instrument
 Irrevocable split-interest agreements

| | |
|--|------------------|
| Total deferred inflows - others | - |
| Total deferred inflows of resources | \$ - |
| | -Agree with SNP- |

11 **Other nonoperating revenues (expenses)**
 Other nonoperating revenues

See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTE TO THE SUPPLEMENTARY SCHEDULES
JUNE 30, 2024**

NOTE 1 ADMINISTRATIVE DIRECTIVE

These schedules are prepared in accordance with the instructions listed in an Administrative Directive dated June 24, 2003: *Financial Reporting Requirements for Auxiliary Organizations*, from the California State University Office of the Chancellor. As a result, these schedules do not purport to represent financial statements prepared fully in accordance with accounting standards generally in the United States of America applicable to governmental nonprofit organizations.



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

Board of Directors
The University Foundation at Sacramento State
Sacramento, 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 The University Foundation at Sacramento State (the Foundation), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon date September 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Foundation'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 the 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 Foundation’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 Foundation’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sacramento, California
September 25, 2024



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.