



UFSS Audit Committee Meeting

California State University, Sacramento

Thursday, September 4, 2025 at 1:00 PM

<https://csus.zoom.us/j/89753565968?pwd=dp0k2vob4SJtUrzJuWQi46ZHSFFr8G.1>

Agenda

I. Call to order and approval of September 4, 2025 agenda

II. Public Comments - Members of the public may speak for up to one minute

III. Review and approval of minutes from the April 21, 2025 meeting

IV. Presentation by CLA

A. Review of the audit of UFSS financial statement for fiscal year ending June 30, 2025

B. Audit Recommendations

V. Audit Committee members vote to approve the Audited Financials and move them to the Board for approval

VI. Board votes to approve the Audited Financials

VII. Other Business

VIII. Adjourn



**The University Foundation
at Sacramento State**
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**The University Foundation at Sacramento State
Audit Committee Meeting**
Monday, April 21, 2025
Zoom

Committee Members Present:

Tina Treis, *Chair*
Alice Perez
Colette Harris-Mathews
Michael Reza

Advancement Staff:

Renee Siden

Guests:

Brenda Scherer, *CLA*
Angela Koshiol, *CLA*
Sarah Hintz, *CLA*
Fred Baldini, *UFSS Board Member*
Garry Maisel, *UFSS Board Member*
Bernice Bass de Martinez, *UFSS Board Member*
Pam Stewart, *UFSS Board Member*
Devin Lavelle, *UFSS Board Member*
Tabitha Leeds, *Accounting Services*
Sonia Diwa, *Accounting Services*
Jennifer Barber, *Alumni Relations*
Sharise Harrison, *Advancement Services & Prospect Management*

MEETING MINUTES

- Chair Tina Treis called the meeting to order at 1:36 p.m.
- Approval of the April 21, 2025 agenda
 - First – Colette Harris-Mathews
 - Second – Alice Perez
 - Passed
- Public Comments – none
- Approval of September 9, 2024 minutes
 - First – Perez
 - Second – Treis
 - Passed
- Review summary of Conflict-of-Interest Statements
 - Tina made a motion to move the summary of no known conflicts to the Executive Committee for their approval to move to the full Board.
 - First – Perez
 - Second – Harris-Mathews
 - Passed

- Presentation of the Form 990 by Sarah Hintz with CLA
 - Hintz walked the committee through the core form which is the first twelve pages of the document
 - This is an information return, not a tax return
 - It is a public document
 - Signed copy of the Form 990 is due by May 15
 - Discussion was had about part 7 and Schedule J – correcting people’s titles and the percentage of time spent on Foundation work
 - Treis asked Hintz if there were any changes coming up for the future audit – none that Hintz is aware of
- A motion was made to forward the Form 990, with modifications to page 8 and Schedule J, to the full Board for their approval
 - First – Perez
 - Second – Treis
 - Passed
- The meeting adjourned at 2:45 p.m.

Action Item:

Treis and Bernice Bass de Martinez to discuss the Conflict-of-Interest summary to decide if it should go through the Governance Committee instead of the Audit Committee in the future.

**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, 2025 AND 2024

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
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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, 2025 and 2024, 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, 2025 and 2024, 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 REPORT DATE 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
REPORT DATE

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

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, 2025 and 2024. 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 2025 amounted to \$27.7 million.
- Total Foundation funds used in support of University projects in fiscal year 2025 totaled \$8.2 million.
- Foundation operating gain during fiscal year 2025 was \$16.2 million.
- Total increase in net position, including additions to permanent endowments, amounted to \$18.5 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 2024 amounted to \$25.5 million.
- Total Foundation funds used in support of University projects in fiscal year 2024 totaled \$6.6 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.

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, 2025 AND 2024**

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)**

	2025	2024	2023
ASSETS			
Current Assets	\$ 12,399	\$ 6,837	\$ 8,611
Noncurrent Assets	133,852	120,982	100,893
Total Assets	<u>146,251</u>	<u>127,819</u>	<u>109,504</u>
LIABILITIES			
Current Liabilities	881	974	546
Noncurrent Liabilities	-	-	-
Total Liabilities	<u>881</u>	<u>974</u>	<u>546</u>
NET POSITION			
Restricted:			
Expendable	58,642	44,372	29,847
Nonexpendable	83,819	80,241	77,427
Unrestricted	2,909	2,232	1,684
Total Net Position	<u>\$ 145,370</u>	<u>\$ 126,845</u>	<u>\$ 108,958</u>

The \$18.4 million increase in total assets between fiscal years 2025 and 2024 was primarily due to a \$12.8 million increase in restricted long-term investments combined with a \$5.6 million increase in cash and cash equivalents.

The \$93 thousand decrease in total liabilities in 2025, compared to 2024, was primarily due to a decrease in accounts payable.

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 UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

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

	2025	2024	2023
OPERATING REVENUES			
Contributions and Gifts	\$ 12,388	\$ 6,928	\$ 7,259
Fees and Other	38	470	1,023
Investment Income	12,917	15,299	10,094
Total Operating Revenues	<u>25,343</u>	<u>22,697</u>	<u>18,376</u>
OPERATING EXPENSES			
University Projects	8,166	6,593	6,082
General and Administration	1,011	1,004	732
Total Operating Expenses	<u>9,177</u>	<u>7,597</u>	<u>6,814</u>
OPERATING INCOME	<u>16,166</u>	<u>15,100</u>	<u>11,562</u>
INCOME BEFORE ADDITIONS TO PERMANENT ENDOWMENTS	16,166	15,100	11,562
ADDITIONS TO PERMANENT ENDOWMENTS	<u>2,359</u>	<u>2,787</u>	<u>4,405</u>
CHANGES IN NET POSITION	18,525	17,887	15,967
Net Position - Beginning of Year	<u>126,845</u>	<u>108,958</u>	<u>92,991</u>
NET POSITION - END OF YEAR	<u><u>\$ 145,370</u></u>	<u><u>\$ 126,845</u></u>	<u><u>\$ 108,958</u></u>

The Foundation's receipt of contributions and gifts showed an increase of \$5.5 million in 2025 compared to 2024. This is primarily due to large gift of \$5 million and larger gifts received for multiple funds in 2025.

Investment income decreased by \$2.4 million in 2025 compared to 2024, mainly due to decreased realized gains offset by increased unrealized gains and increased interest and dividends.

Operating expenses increased by 1.6 million in 2025, compared to 2024. The Foundation completed an internal audit to verify campus was using funds in a timely manner, per donor instructions. After the audit, policies were implemented to encourage timely use of funds. This spending is the result of the new policies.

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, due to encouraging campus to use funds timely per donor instruction.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

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, Christopher McAlary, Interim CFO and Vice President of Administration and Business Affairs, 6000 J Street, Sacramento, California, 95819, or call (916) 278-6312.

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**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 8,126,439	\$ 2,450,638
Restricted Cash	519,436	448,697
Short-Term Investments	853,665	1,121,488
Restricted Short-Term Investments	2,872,965	2,745,311
Total Cash and Cash Equivalents	<u>12,372,505</u>	<u>6,766,134</u>
Receivables:		
Unrestricted Receivables	25,299	17,171
Restricted Receivables	1,549	52,862
Total Current Assets	<u>12,399,353</u>	<u>6,836,167</u>
NONCURRENT ASSETS		
Cash Surrender Value of Life Insurance Policies	283,838	241,690
Restricted Long-Term Investments	133,568,146	120,740,021
Total Noncurrent Assets	<u>133,851,984</u>	<u>120,981,711</u>
 Total Assets	 <u><u>\$ 146,251,337</u></u>	 <u><u>\$ 127,817,878</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 881,117	\$ 973,544
Total Liabilities	<u>881,117</u>	<u>973,544</u>
NET POSITION		
Restricted:		
Expendable	58,641,846	44,371,870
Nonexpendable	83,818,960	80,240,736
Unrestricted	2,909,414	2,231,728
Total Net Position	<u>145,370,220</u>	<u>126,844,334</u>
 Total Liabilities and Net Position	 <u><u>\$ 146,251,337</u></u>	 <u><u>\$ 127,817,878</u></u>

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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Contributions and Gifts - Noncapital	\$ 12,388,592	\$ 6,927,709
Fees and Other	37,951	469,868
Investment Income	<u>12,916,880</u>	<u>15,298,645</u>
Total Operating Revenues	25,343,423	22,696,222
OPERATING EXPENSES		
University Projects	8,165,874	6,592,187
General and Administration	<u>1,011,447</u>	<u>1,004,509</u>
Total Operating Expenses	<u>9,177,321</u>	<u>7,596,696</u>
OPERATING INCOME	16,166,102	15,099,526
NONOPERATING REVENUES		
Additions to Permanent Endowments	<u>2,359,784</u>	<u>2,787,308</u>
CHANGES IN NET POSITION	18,525,886	17,886,834
Net Position - Beginning of Year	<u>126,844,334</u>	<u>108,957,500</u>
NET POSITION - END OF YEAR	<u><u>\$ 145,370,220</u></u>	<u><u>\$ 126,844,334</u></u>

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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Campus Community	\$ 12,427,580	\$ 7,369,213
Investment Income Received	3,405,752	3,087,070
Cash Paid to Suppliers	<u>(9,269,748)</u>	<u>(7,169,469)</u>
Net Cash Provided by Operating Activities	6,563,584	3,286,814
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Endowments Received	<u>2,359,784</u>	<u>2,787,308</u>
Net Cash Provided by Noncapital Financing Activities	2,359,784	2,787,308
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Long-Term Investments	59,319,579	33,384,167
Long-Term Investments Purchased	<u>(62,636,576)</u>	<u>(41,242,897)</u>
Net Cash Used by Investing Activities	<u>(3,316,997)</u>	<u>(7,858,730)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,606,371	(1,784,608)
Cash and Cash Equivalents - Beginning of Year	<u>6,766,134</u>	<u>8,550,742</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 12,372,505</u></u>	<u><u>\$ 6,766,134</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 16,166,102	\$ 15,099,526
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Change in Fair Value of Investments	(3,606,036)	(1,931,042)
Realized Gain on Investments	(5,905,092)	(10,280,533)
(Increase) Decrease in Noncash Assets:		
Cash Surrender Value of Life Insurance Policies	(42,148)	(18,470)
Unrestricted Accounts Receivable	(8,128)	(8,693)
Restricted Receivables	51,313	(1,201)
Increase (Decrease) in Noncash Liabilities:		
Accounts Payable and Accrued Expenses	<u>(92,427)</u>	<u>427,227</u>
Net Cash Provided by Operating Activities	<u><u>\$ 6,563,584</u></u>	<u><u>\$ 3,286,814</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, 2025 AND 2024**

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,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**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.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

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

Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value for the years ended June 30, 2025 and 2024.

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, 2025 and 2024, had a balance of \$178.1 billion and \$178 billion, respectively. The weighted average maturity of PMIA investments was 248 days and 217 days as of June 30, 2025 and 2024, respectively. The total amount invested by all public agencies in LAIF as of June 30, 2025 and 2024, was \$24.5 billion and \$21.9 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 \$3.4 billion and \$3 billion as of June 30, 2025 and 2024, respectively.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**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 54% and 44% of all donation revenues were received from five donors at June 30, 2025 and 2024, 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 REPORT DATE, the date the financial statements were available to be issued.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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JUNE 30, 2025 AND 2024**

NOTE 2 CASH AND INVESTMENTS

The Foundation had the following cash and investments:

	2025	2024
Cash and Restricted Cash:		
Deposits	\$ 8,645,875	\$ 2,899,335
Investments:		
Money Market Deposit	3,791,437	3,905,906
LAIF	32,583	30,981
Mutual Funds:		
Equity	2,279,612	8,607,160
Fixed Income	20,296,106	13,173,567
Other	3,598,807	4,699,689
Exchange Traded Funds:		
Equity	64,459,018	76,888,424
Fixed Income	39,699,554	13,563,247
Real Estate	2,770,021	3,447,201
Equity Securities	367,638	290,645
Total Investments	<u>137,294,776</u>	<u>124,606,820</u>
Total Cash and Investments	<u>\$ 145,940,651</u>	<u>\$ 127,506,155</u>

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

	2025			
	Level 1	Level 2	Net Asset Value	Total
Investments:				
Money Market-WFB	\$ -	\$ 97,390	\$ -	\$ 97,390
Money Market-Sand Hill	-	3,694,047	-	3,694,047
Pooled Investments:				
Local Agency Investment Fund	-	-	32,583	32,583
Mutual Funds by Investment Objective:				
Bond and Fixed Income Funds	20,296,106	-	-	20,296,106
International Funds	2,279,612	-	-	2,279,612
Total Return Funds	3,598,807	-	-	3,598,807
Exchange Traded Funds by Investment Objective:				
Bond and Fixed Income Funds	39,699,554	-	-	39,699,554
Blend Funds	52,258,515	-	-	52,258,515
Real Assets Funds	2,770,021	-	-	2,770,021
International Funds	12,200,503	-	-	12,200,503
Equity Securities by Industry Type:				
Consumer Discretionary	41,930	-	-	41,930
Consumer Staples	7,320	-	-	7,320
Financials	54,081	-	-	54,081
Health Care	28,234	-	-	28,234
Industrials	34,795	-	-	34,795
Information Technology	149,815	-	-	149,815
Materials	4,580	-	-	4,580
International	46,883	-	-	46,883
Total Assets at Fair Value	<u>\$ 133,470,756</u>	<u>\$ 3,791,437</u>	<u>\$ 32,583</u>	<u>\$ 137,294,776</u>

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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JUNE 30, 2025 AND 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

	2024			
	Level 1	Level 2	Net Asset Value	Total
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 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 35% of total endowment funds invested; charitable remainder unitrust funds invested in fixed income securities are limited to between 15% and 35% 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, 2025 and 2024.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

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, 2025 and 2024.

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

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Foundation's investment policy limits investments in any single fixed income issuer to no more than 10% at cost of the total portfolio, with the exception of U.S. Treasury and Federal Government Agency securities. No more than 15% of the portfolio may be invested with a single active fund family, and no more than 30% of the endowment or charitable remainder unitrust portfolios may be invested in a single industry. The policy prohibits investments in certain vehicles without prior Board approval, including short sales, derivatives, margin purchases, private placements, futures, commodities, currency hedges, tobacco stocks, and any future direct fossil fuel investments (excluding broadly diversified funds). There were six investments that were each individually greater than 5% of the total investment portfolio that makes up 51% of the total of the Foundation's total investment portfolio at June 30, 2025. At June 30, 2024, there were none.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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JUNE 30, 2025 AND 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

The following indicates the credit and interest rate risk of investments as of June 30, 2025 and 2024. 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, 2025</u>							
LAIF	\$ -	\$ 32,583	\$ -	\$ -	\$ -	\$ -	248 Days
Mutual Funds:							
Fixed Income	\$ 20,296,106	\$ -	\$ 2,003,088	\$ 12,094,580	\$ 2,708,420	\$ 3,490,018	
Exchange Traded Funds:							
Fixed Income	\$ 39,699,554	\$ -	\$ 4,149,820	\$ 30,047,076	\$ 4,265,071	\$ 1,237,587	
<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	

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

<u>June 30, 2025</u>	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>AA-</u>	<u>A+</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	\$ 32,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,583
Mutual Funds:												
Fixed Income	\$ 20,296,106	\$ 1,041	\$ 2,232,248	\$ 9,946,645	\$ 4,886,741	\$ 9	\$ -	\$ 943	\$ 8,550	\$ 4,862	\$ 1,840,670	\$ 1,374,397
Exchange Traded Funds:												
Fixed Income	\$ 39,699,554	\$ 1,842,225	\$ 15,292,949	\$ 14,467,707	\$ 1,954,668	\$ 33,270	\$ 6,005,907	\$ 38,855	\$ 33,164	\$ 21,369	\$ 9,300	\$ 140
<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>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

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

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, 2025 and 2024, the rate of return earned on investments governed under the Foundation's investment policy approximated 11.4% and 15.6%, respectively.

Investment income for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, 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 \$622,138 and \$624,227, respectively, as well as for expenses other than salaries of University personnel that amounted to \$2,596,589 and \$1,337,675 for the years ended June 30, 2025 and 2024, respectively. Amounts due to the University totaled \$823,727 and \$797,534 at June 30, 2025 and 2024, respectively. Amounts due from the University totaled \$0 and \$53,319 at June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, the Foundation paid on behalf of the University, from expendable resources, \$377,124 and \$260,720, 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 \$0 and \$9,300, respectively, for the years ended June 30, 2025 and 2024.

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, 2025 and 2024, were \$3,089,987 and \$2,946,237, 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,
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

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 no endowment accounts with balances below the historical value as of June 30, 2025. There were 23 endowment accounts with balances below the historical value as of June 30, 2024, which amounted to \$106,886.

The Foundation's Board of Directors has allowed spending within the above Investment Policy and Administrative Guidelines during the years ended June 30, 2025 and 2024, 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, 2025 and 2024, designated unrestricted net position totaled \$71,417 and \$67,710, respectively.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 6 UNRECOGNIZED PLEDGES

The Foundation has received certain pledges from donors that are conditional in nature or otherwise do not meet the criteria for revenue recognition at June 30, 2025. Such pledges are not recorded in the accompanying financial statements until the conditions on which they depend are substantially met or until they otherwise satisfy the requirements for recognition under applicable accounting standards. As of June 30, 2025, the Foundation had approximately \$3,739,571 in conditional or otherwise non-recognizable pledges. These pledges are expected to be fulfilled over future periods; however, the timing and collectability of such amounts cannot be reasonably estimated at this time.

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**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF NET POSITION
JUNE 30, 2025
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

Assets:

Current assets:

Cash and cash equivalents	8,645,875
Short-term investments	3,726,630
Accounts receivable, net	26,848
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	—
Total current assets	12,399,353

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	92,573,273
Other long-term investments	40,994,873
Capital assets, net	—
Other assets	283,838
Total noncurrent assets	133,851,984
Total assets	146,251,337

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	881,117
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	—
Depository accounts	—
Other liabilities	—
Total current liabilities	881,117

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, 2025
(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	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	<u>—</u>
Total liabilities	<u>881,117</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	83,818,960
Expendable:	
Scholarships and fellowships	17,447,342
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	41,194,504
Unrestricted	2,909,414
Total net position	<u><u>145,370,220</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, 2025
(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	37,951
Scholarship allowances (enter as negative)	—
Other operating revenues	—

Total operating revenues	37,951
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Expenses:

Operating expenses:

Instruction	—
Research	—
Public service	—
Academic support	2,461,665
Student services	1,186,246
Institutional support	1,776,200
Operation and maintenance of plant	—
Student grants and scholarships	3,753,210
Auxiliary enterprise expenses	—
Depreciation and amortization	—

Total operating expenses	9,177,321
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Operating income (loss)	(9,139,370)
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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	12,388,592
Investment income (loss), net	7,162,740
Endowment income (loss), net	5,754,140
Interest expense	—
Other nonoperating revenues (expenses)	—

Net nonoperating revenues (expenses)	25,305,472
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Income (loss) before other revenues (expenses)	16,166,102
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State appropriations, capital	—
Grants and gifts, capital	2,359,784
Additions (reductions) to permanent endowments	—

Increase (decrease) in net position	18,525,886
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Net position:

Net position at beginning of year, as previously reported	126,844,334
Restatements	—

Net position at beginning of year, as restated	126,844,334
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Net position at end of year	145,370,220
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See accompanying Note to Supplementary Schedules.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
JUNE 30, 2025
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

Noncurrent restricted cash and cash equivalents

Current cash and cash equivalents

Total

-
8,645,875
\$ 8,645,875

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ 3,694,047	\$ 97,390	\$ 3,791,437
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		26,174,525	26,174,525
Exchange traded funds		106,928,593	106,928,593
Equity securities		367,638	367,638
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)	32,583		32,583
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
			-
			-
			-
			-
			-
Total Other investments	-	-	-
Total investments	3,726,630	133,568,146	137,294,776
Less endowment investments (enter as negative number)	-	(92,573,273)	(92,573,273)
Total investments, net of endowments	\$ 3,726,630	40,994,873	44,721,503

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, 2025
(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	\$ 3,791,437		\$ 3,791,437		
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	26,174,525	26,174,525			
Exchange traded funds	106,928,593	106,928,593			
Equity securities	367,638	367,638			
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)	32,583	-	-	-	32,583
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	
Other investments:	-				
	-				
	-				
	-				
	-				
Total other investments:	-	-	-	-	-
Total investments	\$ 137,294,776	133,470,756	3,791,437	—	32,583

2.3 Investments held by the University under contractual agreements:

Investments held by the University under contractual agreements
e.g. - CSU Consolidated Investment Pool (formerly SWIFT):

Current	Noncurrent	Total
	\$	-

See accompanying Note to Supplementary Schedules.

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Composition of capital assets, excluding ROU assets:

DRAFT

(28)

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2025
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

Capital Assets, Right of Use

	Balance June 30, 2024	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	
Composition of capital assets - Lease ROU, net:									
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	—				—				
Total non-depreciable/non-amortizable lease assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
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	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
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	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
Total capital assets - lease ROU, net	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
Composition of capital assets - SBITA ROU, net									
Depreciable/Amortizable SBITA assets:									
Software	—				—				
Total depreciable/amortizable SBITA assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
Less accumulated depreciation/amortization:									
Software	—				—				
Total accumulated depreciation/amortization	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
Total capital assets - SBITA ROU, net	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	

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, 2025
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Composition of capital assets - P3 ROU, net:									
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	—				—				—
Total non-depreciable/non-amortizable P3 assets	<u>—</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less accumulated depreciation/amortization:									
Land and land improvements	—				—				—
Buildings and building improvements	—				—				—
Improvements, other than buildings	—				—				—
Infrastructure	—				—				—
Personal property:									
Equipment	—				—				—
Total accumulated depreciation/amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets - P3 ROU, net	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total capital assets, net including ROU assets									<u>—</u>
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									
Total depreciation and amortization	<u>\$ -</u>								
									Provide explanation for others:

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, 2025
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

4 Long-term liabilities:

	Balance June 30, 2024	Prior Period Adjustments/Recla ssifications	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	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	-	-	-	-	-	-	-	-

	Balance June 30, 2024	Prior Period Adjustments/Recla ssifications	Additions	Remeasurements	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
5. Lease, SBITA, P3 liabilities:								
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, 2025
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

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

Year ending June 30:

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
2026		-			-			-	-	-	-
2027		-			-			-	-	-	-
2028		-			-			-	-	-	-
2029		-			-			-	-	-	-
2030		-			-			-	-	-	-
2031 - 2035		-			-			-	-	-	-
2036 - 2040		-			-			-	-	-	-
2041 - 2045		-			-			-	-	-	-
2046 - 2050		-			-			-	-	-	-
2051 - 2055		-			-			-	-	-	-
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:

Year ending June 30:

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
2026		-			-	-	-	-
2027		-			-	-	-	-
2028		-			-	-	-	-
2029		-			-	-	-	-
2030		-			-	-	-	-
2031 - 2035		-			-	-	-	-
2036 - 2040		-			-	-	-	-
2041 - 2045		-			-	-	-	-
2046 - 2050		-			-	-	-	-
2051 - 2055		-			-	-	-	-
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								\$ -

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, 2025
(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	622,138
Payments to University for other than salaries of University personnel	2,596,589
Payments received from University for services, space, and programs	-

Gifts-in-kind to the University from discretely presented component units

Gifts (cash or assets) to the University from discretely presented component units	377,124
Accounts (payable to) University (enter as negative number)	(823,727)
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	
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

Restatement #1

Enter transaction description

Debit/(Credit)

Restatement #2

Enter transaction description

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	2,461,665.00	-	2,461,665
Student services	-	-	-	-	-	1,186,246.00	-	1,186,246
Institutional support	-	-	-	-	-	1,776,200.00	-	1,776,200
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	3,753,210.00	-	-	3,753,210
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	5	-	-	-	3,753,210	5,424,111	-	9,177,321

No pension plan reported

N/A

-True-

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, 2025
(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

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

11 Other nonoperating revenues (expenses)

Other nonoperating revenues
Other nonoperating (expenses)
Total other nonoperating revenues (expenses)

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, 2025**

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.

DRAFT

**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, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon date REPORT DATE.

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
REPORT DATE