CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
(A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, EAST BAY)

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
California State University, East Bay Foundation, Inc.
Hayward, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of California State University, East Bay Foundation, Inc., a component unit of California State University, East Bay, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise California State University, East Bay Foundation, Inc.'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 respective financial position of the business-type activities and fiduciary activities of California State University, East Bay Foundation, Inc., as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 California State University, East Bay Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, East Bay Foundation, Inc.'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 opinions. 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 California State University, East Bay Foundation, Inc.'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 entity'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.

Board of Directors
California State University, East Bay Foundation, Inc.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the Plan's proportionate share of the net pension liability and related ratio, schedule of the Plan's pension contributions, and schedule of changes in the net OPEB liability and related ratios, 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 opinions on the financial statements that collectively comprise the California State University, East Bay Foundation, Inc.'s basic financial statements. The schedule of net position, the schedule of revenues, expenses, and changes in net position, and other information 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 auditing standards generally accepted in the United States of America. In our opinion, the schedules of net position, revenues, expenses and changes in net position and other information of the California State University, East Bay Foundation, Inc., referred to above, are 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 October 23, 2023, on our consideration of California State University, East Bay Foundation, Inc.'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 entity'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 entity's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
October 23, 2023

This section of the California State University, East Bay Foundation, Inc. (the Foundation) annual financial report includes some of management's insights and analyses of the Foundation's financial performance for the year ended June 30, 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Financial Highlights

- Assets increased by $2.3 million or 9%, primarily from the increase of prepayments received from state and non-governmental awards.

- Revenues from research grants and contracts increased by $3.3 million, or 23%, in the current year largely due to the increased spending of federal and non-governmental awards.

- Expenses from research grants and contracts increased by $3.3 million, or 23%, due to the same reason of revenue increases from research grants and contracts. Conversely, auxiliary enterprise expenses decreased by $2.7 million, or 110%, mainly due to the decrease in pension and OPEB expenses.

- Nonoperating revenues increased by $3.2 million, or 167%, due to an increase in the investment portfolio from an improved financial performance in the current year as compared to the prior year.

Overview of the Financial Statements

The annual report consists of a series of financial statements prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. This standard is applicable to the Foundation because it is a component unit of the California State University, East Bay (the University). Consistent with the University, the Foundation has adopted the business-type activity (BTA) reporting model to represent its activities.

The financial statements include the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. All sections should be considered together to obtain a complete understanding of the financial picture of the Foundation. The discussion has been prepared by management and should be read in conjunction with the basic financial statements and accompanying notes.

Statement of Net Position: The statement of net position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Foundation. It is prepared under the accrual basis of accounting, whereby revenues and receivables are recognized when the service is provided and expenses and liabilities are recognized when incurred, regardless of when cash is exchanged. It also identifies major categories of restrictions on the net position of the Foundation.

Statement of Revenues, Expenses, and Changes in Net Position: The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year on an accrual basis.

Statement of Cash Flows: The statement of cash flows presents the inflows and outflows of cash, summarized by operating, noncapital financing, capital and related financing, and investing activities. The statement is prepared using the direct method of cash flows, and therefore, presents gross rather than net amounts for the year's operating activities.

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

A summary of key financial statement information is presented below:

Statements of Net Position

	2023	2022
Assets:		
Current Assets	$ 23,233,159	$ 20,667,613
Capital Assets, Net	3,403,531	3,552,216
Lease Receivable, Noncurrent Portion	342,182	453,250
Total Assets	26,978,872	24,673,079
Deferred Outflows of Resources	2,647,183	1,123,076
Liabilities:		
Current Liabilities	7,901,700	5,533,586
Noncurrent Liabilities	7,784,496	5,754,789
Total Liabilities	15,686,196	11,288,375
Deferred Inflows of Resources	1,517,580	3,846,778
Net Position:		
Net Investment in Capital Assets	2,746,998	1,970,468
Unrestricted	9,675,281	8,690,534
Total Net Position	$ 12,422,279	$ 10,661,002

Assets

Total assets increased by $2.3 million, or 9%, due to a $1.6 million increase in the CSU Consolidated Investment Pool resulting from the increased prepayments received from state and non-governmental awards; and a $500,000 net increase in other short-term investments. In addition, accounts receivable and lease receivable had an aggregate increase of $800,000. This was offset by several factors including a $400,000 decrease in cash and cash equivalents, a $150,000 decrease in capital assets related to depreciation and a net reduction of $100,000 in the non-current portion of the lease receivable.

Deferred Outflows of Resources

The deferred outflows of resources increased by $1.5 million, or 136%, due to a $1.4 million increase related to the overall change in pension and a $75,000 increase in the net difference between projected and actual earnings of the OPEB plan.

Liabilities

Total current liabilities increased by $2.4 million, or 43%, primarily due to an increase of $2.8 million in unearned revenue related to the prepayments received from state and non-governmental awards. This was offset by a $400,000 reduction in accounts payable related to accrued expenses. Total noncurrent liabilities increased by $2.0 million, or 35%, primarily due to the increase in net pension liability.

Deferred Inflows of Resources

The deferred inflows of resources decreased by $2.3 million, or 61%, primarily due to a decrease in the net difference between projected and actual earnings on pension plan investments.

Net Position

Total net position increased by $1.8 million, or 17%, primarily due to an increase in investment portfolio from an improved financial performance in the current year as compared to the prior year, coupled with a decrease in overall auxiliary enterprise expenses in the current year.

Statements of Revenues, Expenses, and Changes in Net Position

	2023	2022
Operating Revenues:		
Research Grants and Contracts	$ 17,750,146	$ 14,466,300
Commercial Services	221,253	300,727
Management Fees	43,055	34,028
Lease Revenue	120,802	112,437
Total Operating Revenues	18,135,256	14,913,492
Operating Expenses:		
Cost of Research	17,750,146	14,466,300
Auxilliary Enterprise Expenses	(242,656)	2,493,395
Depreciation	148,685	148,714
Total Operating Expenses	17,656,175	17,108,409
Operating Income (Loss)	479,081	(2,194,917)
Nonoperating Revenues (Expenses)	1,282,196	(1,929,519)
Increase (Decrease) in Net Position	1,761,277	(4,124,436)
Net Position - Beginning of Year	10,661,002	14,785,438
Net Position - End of Year	$ 12,422,279	$ 10,661,002

Operating Revenues

Operating revenues increased by $3.2 million, or 22%, primarily due to increased spending of research grants and contracts during the year, particularly the federal and non-governmental awards.

Operating Expenses

Operating expenses increased by $550,000 or 3%, mainly due to a $3.3 million increase in research grants and contracts spending for the year, offset by a $2.7 million reduction in auxiliary enterprise expenses related to pension and OPEB, and a $60,000 decrease in other operating revenues.

Nonoperating Revenues (Expenses)

Net nonoperating revenues increased by $3.2 million, or 167%, largely due to an increase in the investment portfolio from an improved financial performance in the current year as compared to the prior year.

Changes in Capital Assets

Capital assets, net of accumulated depreciation, totaled $3.4 million and $3.6 million as of June 30, 2023 and 2022, respectively. The following table summarizes the changes in capital assets as of June 30:

	2023	2022
Capital Assets:		
Buildings	$ 7,649,921	$ 7,649,921
Furniture, Fixtures, and Equipment	525,875	525,875
Land	35,000	35,000
Total Capital Assets	8,210,796	8,210,796
Less: Accumulated Depreciation	(4,807,265)	(4,658,580)
Capital Assets, Net	$ 3,403,531	$ 3,552,216

Additional information on capital assets can be found in Note 5 to the financial statements included in this report.

Changes in Long-Term Debt

Long-term debt totaled $660,000 and $980,000 at June 30, 2023 and 2022, respectively. These amounts are comprised of bonds to fund the cost of the bookstore building. The following table summarizes the change in long-term debt as of June 30:

	2023	2022
Current Portion of Long-Term Debt	$ 310,000	$ 295,000
Long-Term Debt	347,957	682,675
Total	$ 657,957	$ 977,675

Additional information on long-term debt obligations can be found in Note 7 to the financial statements included in this report.

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, contact Josephine Capiral, Interim University Controller, California State University, East Bay, 25800 Carlos Bee Boulevard, Hayward, California 94542 or call (510) 885-7450.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 503,865
Short-Term Investments	17,383,846
Accounts Receivable, Net	5,226,981
Lease Receivable, Current Portion	118,467
Total Current Assets	23,233,159
Noncurrent Assets:	
Capital Assets, Net	3,403,531
Lease Receivable, Net of Current Portion	342,182
Total Noncurrent Assets	3,745,713
Total Assets	26,978,872
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amount Related to Loss on Refunding	1,424
Deferred Amount Related to Net Pension Liability	2,374,901
Deferred Amount Related to Net OPEB Liability	270,858
Total Deferred Outflows of Resources	2,647,183
LIABILITIES	
Current Liabilities:	
Accounts Payable	2,705,138
Unearned Revenues	4,882,833
Long-Term Debt Obligations, Current Portion	310,000
Other Liabilities	3,729
Total Current Liabilities	7,901,700
Noncurrent Liabilities:	
Long-Term Debt Obligations, Net of Current Portion	347,957
Net Other Postemployment Benefits Liability	1,650,734
Net Pension Liability	5,785,805
Total Noncurrent Liabilities	7,784,496
Total Liabilities	15,686,196
DEFERRED INFLOWS OF RESOURCES	
Deferred Amount Related to Net Pension Liability	837,940
Deferred Amount Related to Net OPEB Liability	147,639
Deferred Amount Related to Leases	532,001
Total Deferred Inflows of Resources	1,517,580
NET POSITION	
Net Investment in Capital Assets	2,746,998
Unrestricted	9,675,281
Total Net Position	$ 12,422,279

See accompanying Notes to Financial Statements.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

REVENUES	
Operating Revenues:	
Research Grants and Contracts, Noncapital:	
Federal	$ 13,435,153
State and Local	1,490,104
Nongovernmental	2,824,889
Total Research Grants and Contracts, Noncapital	17,750,146
Commercial Services	221,253
Management Fees	43,055
Lease Revenue	120,802
Total Operating Revenues	18,135,256
EXPENSES	
Operating Expenses:	
Cost of Research	17,750,146
Auxiliary Enterprise Expenses	(242,656)
Depreciation	148,685
Total Operating Expenses	17,656,175
NET OPERATING INCOME	479,081
NONOPERATING REVENUES (EXPENSES)	
Investment Income, Net	1,280,544
Interest Expense	1,652
Total Nonoperating Revenues (Expenses)	1,282,196
INCREASE IN NET POSITION	1,761,277
Net Position - Beginning of Year	10,661,002
NET POSITION - END OF YEAR	$ 12,422,279

See accompanying Notes to Financial Statements.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Grants and Contracts	$ 19,869,917
Other Receipts	131,864
Payments to Suppliers	(11,841,870)
Payments to Employees	(7,450,754)
Net Cash Provided by Operating Activities	709,157
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payment on Principal of Capital Related Debt	(295,000)
Interest Paid on Capital Related Debt	(23,341)
Lease Payments Received	117,867
Net Cash Used in Capital and Related Financing Activities	(200,474)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Investments	(5,978,221)
Sales of Investments	5,015,411
Investment Income, Net	59,180
Net Cash Used in Investing Activities	(903,630)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(394,947)
Cash and Cash Equivalents - Beginning of Year	898,812
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 503,865
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	$ 479,081
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	148,685
Changes in Operating Assets and Liabilities:	
Accounts Receivable, Net	(767,457)
Deferred Outflows Related to Net Pension Liability	(1,450,592)
Deferred Outflows Related to Net OPEB Liability	(75,562)
Accounts Payable	(422,644)
Unearned Revenue	2,777,368
Net Other Postemployment Benefits Liability	(196,787)
Net Pension Liability	2,561,212
Other Liabilities	712
Deferred Inflows Related to Net Pension Liability	(2,371,696)
Deferred Inflows Related to Net OPEB Liability	147,639
Deferred Inflows Related to Leases	(120,802)
Net Cash Provided by Operating Activities	$ 709,157
SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION	
Change in Fair Value of Investments	$ 1,221,364

See accompanying Notes to Financial Statements.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

ASSETS	
Investments at Fair Value:	
Corporate Bonds	$ 150,440
CSU Consolidated Investment Pool	84,752
Equity Securities	1,322,203
Money Market	76,797
Municipal Bonds	57,772
Mutual Funds	370,580
U.S. Treasury Securities	160,427
Total Investments	2,222,971
Accounts Receivable, Net	18,407
Total Assets	2,241,378
LIABILITIES	
Accounts Payable	54,594
Unearned Revenues	34,730
Total Liabilities	89,324
NET POSITION	
Restricted:	
Individuals, Organizations, and Other Governments	2,152,054
Total Net Position	$ 2,152,054

See accompanying Notes to Financial Statements.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2023

ADDITIONS	
Net Increase in Fair Value of Investments	$ 132,872
Net Interests and Dividends	40,862
Tuition and Fees	407,439
Total Additions	581,173
DEDUCTIONS	
Salaries, Wages and Benefits	364,495
Management Fee	43,055
Miscellaneous Expenses	14,723
Professional Services	20,250
Transfer to Auxiliary - Other Campus	381,757
Total Deductions	824,280
NET DECREASE IN FIDUCIARY NET POSITION	(243,107)
Fiduciary Net Position - Beginning of Year	2,395,161
FIDUCIARY NET POSITION - END OF YEAR	$ 2,152,054

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The California State University, East Bay Foundation, Inc. (the Foundation), a nonprofit organization, is an auxiliary organization of California State University, East Bay (the University) and the California State University system. The Foundation's mission is to support the University's educational mission and to provide quality services that complement the instructional program. The Foundation provides augmented funding for educational-related services at the University that would not otherwise be available through or funded by the state university system. Funds are received from federal, state, and local government agencies, as well as private individuals and groups.

B. Financial Reporting Entity

The financial statements include the accounts of the Foundation, together with its research activities performed on behalf of the University. The Foundation is a government organization under accounting principles generally accepted in the United States of America and is a component unit of the University, a public university under the California State University system. The Foundation has chosen to use the reporting model for special-purpose governments engaged only in business-type activities.

C. Basis of Presentation

The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Voluntary nonexchange transactions are recognized as revenue as soon as all eligibility requirements have been met.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Investments

The valuation technique utilized to measure the investments is the market approach using prices and other relevant information generated by market transaction involving identical or comparable assets. Gains and losses are included in investment income, net on the accompanying schedule of revenues, expenses, and changes in net position.

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

F. Accounts Receivable, Net

The accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year-end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts.

G. Capital Assets

Acquisitions of capital assets of $5,000 or more are capitalized. Capital assets are stated at cost or, if donated, at the acquisition value at the date of donation. Expenses for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of 5 to 50 years. In accordance with instructions from the California State University System, depreciation expense is shown separately in the schedule of revenues, expenses, and changes in net position, rather than being allocated among other categories of operating expenses.

H. Unearned Revenue

Unearned revenue consists primarily of grant and contract funds received in advance.

I. Fiduciary Activities

The Foundation administers assets on behalf of campus organizations. The Foundation generally receives a fee for administering these funds. Depending on the nature of these funds, this fee can be a fixed annual amount, a per-transaction charge, or a fixed percentage charge based upon assets under the Foundation's administration. It is management's belief that the Foundation is acting in a custodial capacity for the transactions of these units. Accordingly, the activity of such organizations is presented in a separate statement of fiduciary net position and a statement of changes in fiduciary net position.

J. Pension

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement Systems (CalPERS) Financial Office of the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF C). For this purpose, benefit payments (including refund of the employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

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

J. Pension (Continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* requires that the reported results must pertain to liability and asset information with certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

K. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Foundation's plan (OPEB Plan) and additions to / deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other than Pensions*, requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Actuarial Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

L. Net Position

The Foundation's net position is classified into the following categories:

Net Investment in Capital Assets – This category includes capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Unrestricted – All other categories of net position, including net position designated by the board or management.

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

M. Classification of Revenues and Expenses

The Foundation considers operating revenues and expenses in the statement of revenues, expenses, and changes in net position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly with the Foundation’s primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB. These nonoperating activities include the Foundation’s net investment income and interest expense.

N. Contracts and Grants

Contracts and grants represent funds obtained from external agencies for the support of instructional, research, and public service functions of the University. Revenue from contracts and grants is recognized when expensed for the purpose specified. Amounts received in excess of expenses incurred as of the financial statements date are unearned.

Federal awards are subject to review and audit by the grantor agencies. Although such audits could result in expense disallowances under the terms of the grants, management believes that any disallowance would not be material to the Foundation.

O. Income Taxes

The Foundation is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701d of the California Revenue and Taxation Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). However, the Foundation remains subject to taxes on any net income which is derived from a trade or business, regularly carried on, and unrelated to its exempt purpose.

The Foundation recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions.

The Foundation files informational and income tax returns in the United States and various state and local jurisdictions. The Foundation’s Federal income tax and informational returns are subject to examination by the Internal Revenue Service (IRS), generally for three years after the returns were filed. State and local jurisdictions have statutes of limitation that generally range from 3 to 5 years.

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

P. Risks Financing Activities

The Foundation is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Foundation carries commercial insurance. The Foundation has not had any significant reduction in insurance coverage, and there have been no claims in excess of coverage, in any of the past three years.

NOTE 2 CASH AND CASH EQUIVALENTS

The Foundation considers all demand deposits and highly liquid investments with a maturity of three months or less to be cash and cash equivalents. The Foundation has $503,865 in cash and cash equivalents at June 30, 2023.

Custodial credit risk is the risk that in the event of bank failure, the Foundation’s deposits may not be returned. As of June 30, 2023, $74,121 of the Foundation’s bank balance of $503,865 was uninsured or uncollateralized.

NOTE 3 INVESTMENTS

The Foundation’s investment policy, which also applies to the fiduciary fund investments, dictates that investments in fixed income securities must represent a minimum of 15% of total investments. A maximum of 50% may be invested in domestic equities and a maximum of 40% in international equities. A minimum of 2% must be maintained in cash or cash equivalents, including money market or short-term U.S. Treasury bills.

NOTE 3 INVESTMENTS (CONTINUED)

The Foundation participates in the CSU Consolidated Investment (the Pool) managed in a 50/50 split by U.S. Bank Corp and Wells Capital Management, asset management and investment advisory firms that serve the University. Securities within the Pool that are not insured are held in the name of the University. The Foundation's investment in the pool was $2,448,408 and represents approximately 0.03% of the Pool. The Pool is not rated as of June 30, 2023; however, the Foundation's share of the Pool is included in the rating and risk disclosures.

The Foundation invests in the Surplus Money Investment Funds (SMIF), an external investment pool. The State Treasurer invests the SMIF funds through the Pooled Money Investment Account (PMIA). PMIA policy sets as primary investment objectives safety, liquidity, and yield. The Investment Division of the State Treasurer's Office manages the PMIA under statutory authority granted by California Government Code Sections 16430 and 16480.4. The State Treasurer's Office reports its investment at fair value. The Foundation reports proportionate share of the Pool. The Pooled Money Investment Board (Board) governs the PMIA. The State Treasurer chairs the Board, which also includes the State Controller and the State Director of Finance.

The Foundation is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The Local Investment Advisory Board has oversight responsibility for LAIF. The Board consists of five members as designated by state statute. The fair value of the Foundation's investment in this pool is reported in the accompanying financial statements at amounts based upon the Foundation's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). 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 pooled treasury's portion in the pool. Withdrawals from LAIF are done on a dollar-for-dollar basis. The Foundation also has investments held and managed by Morgan Stanley Financial Services.

Investments consist of the following at June 30, 2023:

	Primary Government	Fiduciary Funds
Equity Securities	$ 8,835,360	$ 1,322,203
Mutual Funds	2,502,272	370,580
CSU Consolidated Investment Pool	2,448,408	84,752
U.S. Treasury Securities	1,330,574	160,427
Corporate Bonds	1,294,658	150,440
Municipal Bonds	440,314	57,772
Alternative Investments	291,935	-
Local Agency Investment Fund	239,596	-
Surplus Money Investment Fund	729	-
Total Investments	$ 17,383,846	$ 2,146,174

NOTE 3 INVESTMENTS (CONTINUED)

Investment income, net, consists of the following as of June 30, 2023:

	Primary Government	Fiduciary Funds
Interests and Dividends	$ 368,731	$ 53,339
Realized Gain (Loss)	(192,828)	(55,283)
Unrealized Gain (Loss)	1,192,695	188,155
Investment Consulting Fees	(88,054)	(12,477)
Total	$ 1,280,544	$ 173,734

A. Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. This is measured by the assignment of ratings by nationally recognized statistical rating organizations. The Foundation's investment policy generally prohibits investments in the following vehicles: private placements, venture capital investments, real estate properties, futures contracts, options, short sales, or margin sales. Investments in cash equivalents, fixed income securities, equity securities, and mutual funds are done in a diversified manner that is risk averse with an objective to minimize risk while obtaining a reasonable return. The following indicates the credit and interest rate risk of investments as of June 30, 2023:

Primary Government	Fair Value	Less Than One Year	One to Five Years	More than Five Years
Corporate Bonds	$ 1,294,658	$ 44,506	$ 592,326	$ 657,826
Municipal Bonds	440,314	79,112	243,725	117,477

Fiduciary Funds	Fair Value	Less Than One Year	One to Five Years	More than Five Years
Corporate Bonds	$ 150,440	$ 4,942	$ 76,188	$ 69,310
Municipal Bonds	57,772	19,779	28,772	9,221

Primary Government	Fair Value	AAA	Aa1-Aa3	A1-A3	Baa1-Baa3
Corporate Bonds	$ 1,294,658	$ -	$ 81,767	$ 804,429	$ 408,462
Municipal Bonds	440,314	-	391,196	49,118	-

Fiduciary Funds	Fair Value	AAA	Aa1-Aa3	A1-A3	Baa1-Baa3
Corporate Bonds	$ 150,440	$ -	$ 7,445	$ 96,399	$ 46,596
Municipal Bonds	57,772	-	47,927	9,845	-

NOTE 3 INVESTMENTS (CONTINUED)

LAIF is a voluntary program created by statute as an alternative for California's local governments and special districts that allows them to participate in a major investment portfolio. It is under the administration of the California State Treasurer's Office. There are no significant interest rate risks or credit risks to be disclosed in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures–an amendment of GASB Statement No. 3.*

B. Fair Value Measurement and Application

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The valuation technique utilized to measure the investments is the market approach using prices and other relevant information generated by market transactions involving identical or comparable assets.

Money Market Funds are not categorized under the fair value hierarchy and are shown at Net Asset Value (NAV). These investments are measured at amortized cost when calculating NAV per share (or its equivalent) of the investment.

Alternative investments are not categorized under the fair value hierarchy and are shown at Net Asset Value (NAV). The Foundation uses NAV as a practical expedient to determine fair value of all underlying investments which (a) do not have a readily determinable fair value; and (b) are in investment companies or similar entities that report their investment assets at fair values.

The value of the Foundation's investment in the CSU Consolidated Investment Pool is measured using NAV per share as reported by the Pool.

NOTE 3 INVESTMENTS (CONTINUED)

B. Fair Value Measurement and Application (Continued)

The following table shows the investments by the fair value level as of June 30, 2023:

Primary Government		Fair Value Measurements at Report Date Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
Equity Securities	$ 8,835,360	$ 8,835,360	$ -	$ -	$ -
Mutual Funds	2,502,272	-	2,502,272	-	-
CSU Consolidated Investment Pool	2,448,408	-	-	-	2,448,408
U.S. Treasury Securities	1,330,574	-	1,330,574	-	-
Corporate Bonds	1,294,658	-	1,294,658	-	-
Municipal Bonds	440,314	-	440,314	-	-
Alternative Investments	291,935	-	-	-	291,935
Local Agency Investment Fund	239,596	-	-	-	239,596
Surplus Money Investment Fund	729	-	-	-	729
Total Investments by Fair Value	$ 17,383,846	$ 8,835,360	$ 5,567,818	$ -	$ 2,980,668

Fiduciary Funds		Fair Value Measurements at Report Date Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
Equity Securities	$ 1,322,203	$ 1,322,203	$ -	$ -	$ -
Mutual Funds	370,580	-	370,580	-	-
U.S. Treasury Securities	160,427	-	160,427	-	-
Corporate Bonds	150,440	-	150,440	-	-
CSU Consolidated Investment Pool	84,752	-	-	-	84,752
Municipal Bonds	57,772	-	57,772	-	-
Total Investments by Fair Value	$ 2,146,174	$ 1,322,203	$ 739,219	$ -	$ 84,752

NOTE 3 INVESTMENTS (CONTINUED)

B. Fair Value Measurement and Application (Continued)

The following table summarizes information regarding investment terms, unfunded commitments and redemption terms for the alternative investments at June 30, 2023:

Investment	Net Asset Value	Strategy	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Bridge Workforce Housing II Funds	$ 143,098	Achieve Capital Appreciation Principally Through Investing in Investment Funds	$ 111,921	Redeemable on a Quarterly Basis	60-Days Notice
Fortress Lending Funds	148,837	Achieve Capital Appreciation Principally Through Investing in Investment Funds	$ 98,791	Redeemable on a Quarterly Basis	60-Days Notice
Total	$ 291,935				

C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that the Foundation will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code and Education Code do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the provision that a financial institution must 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 risk is mitigated in that the Foundation's deposits are maintained at financial institutions that are fully insured or collateralized as required by state law.

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. As of June 30, 2023, all investments are in the name of the Foundation, and the Foundation is not exposed to custodial credit risk associated with its investments.

D. Interest Rate Risk

Interest rate risk is the risk of loss due to the fair value of an investment falling due to rising interest rates. As a means of limiting its exposure to fair value losses from rising interest rates, short-term investments are limited to relatively liquid instruments such as certificates of deposit, savings accounts, Federally-guaranteed notes and bills, money market mutual funds, SMIF, or LAIF. Interest rate risk is mitigated by ensuring sufficient liquidity to meet cash flow needs and only then investing in longer-term securities. There is no interest rate risk for money market mutual funds as they are available on demand.

NOTE 3 INVESTMENTS (CONTINUED)

E. 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. In order to maximize the rate of return in the Foundation's long-term investment portfolio while preserving capital and limiting concentration of credit risk, the Foundation's investment policy dictates a diverse asset allocation as follows: domestic equities (20-50%), international equities (20-40%), fixed income (15-40%), and alternatives (0-20%). An investment consultant is provided with a maximum and minimum portfolio target for each asset class to ensure proper diversification and to avoid unnecessary risk. U.S. Treasury and Agency securities are not subject to this limitation.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable, net, consist of the following at June 30, 2023:

	Primary Government	Fiduciary Funds
Sponsored Programs	$ 5,080,949	$ -
Other Receivables	146,032	18,407
Total	$ 5,226,981	$ 18,407

NOTE 5 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, consists of the following:

	Balance June 30, 2022	Additions	Retirements/ Transfers	Balance June 30, 2023
Buildings	$ 7,649,921	$ -	$ -	$ 7,649,921
Furniture, Fixtures, and Equipment	525,875	-	-	525,875
Land	35,000	-	-	35,000
Total	8,210,796	-	-	8,210,796
Less: Accumulated Depreciation	(4,658,580)	(148,685)	-	(4,807,265)
Capital Assets, Net	$ 3,552,216	$ (148,685)	$ -	$ 3,403,531

NOTE 6 LEASES

The Foundation, acting as lessor, leases office space and ATM space under two long-term, noncancelable lease agreements. The leases expire in May 2024 and February 2028. During the year ended June 30, 2023, the Foundation recognized $120,802 and $7,405 in lease revenue and interest revenue, respectively, pursuant to the contract.

NOTE 6 LEASES (CONTINUED)

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 118,467	$ 5,791	$ 124,258
2025	112,551	4,181	116,732
2026	114,054	2,678	116,732
2027	115,577	1,155	116,732
Total	$ 460,649	$ 13,805	$ 474,454

NOTE 7 LONG-TERM DEBT OBLIGATIONS

In 1998, the Foundation issued $5,760,000 in bonds to serve as refunding bonds for a 1994 bond issue, funds that were used to pay for the construction cost of the bookstore building. In 2013, the Foundation entered into a loan agreement with the Trustees of the California State University (CSU) to borrow proceeds from SRB Series 2013A to pay off the 1998 bonds. Payments of principal are made annually, and payments of interest are made semiannually. The interest rate range of the bonds is between 1.50% and 5.00%. The bonds mature May 2025.

In 2021, the CSU issued SRB Series 2021B bonds and used its proceeds to partially refund outstanding SRB 2013A bonds resulting in a loss on refunding.

Premium on SRB 2013A and the loss on refunding for SRB 2021B are amortized annually using straight-line method over the life of the loan agreement.

Bonds payable activity for the year ended June 30, 2023 consists of the following:

Description	Balance June 30, 2022	Additions	Reduction	Balance June 30, 2023	Current Portion
Systemwide Revenue Bonds 2013A	$ 575,000	$ -	$ (280,000)	$ 295,000	$ 295,000
Systemwide Revenue Bonds 2021B	345,000	-	(15,000)	330,000	15,000
Premium on SRB 2013A	57,675	-	(24,718)	32,957	-
Total	$ 977,675	$ -	$ (319,718)	$ 657,957	$ 310,000

Principal and interest payments for the Systemwide Revenue Bonds are due as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 310,000	$ 9,074	$ 319,074
2025	315,000	887	315,887
Total	$ 625,000	$ 9,961	$ 634,961

NOTE 8 PENSION

A. General Information About the Pension Plan

Plan Description

The Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF C) is administered by the California Public Employees' Retirement System (the System or CalPERS). A full description regarding the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information for the respective rate plan is listed in the respective rate plan's June 30, 2021 Annual Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website at https://www.calpers.ca.gov/page/forms-publications.

Contributions

In January 2013, the California Public Employees' Pension Reform Act (PEPRA) took effect which changes the way CalPERS retirement benefits are applied, and places compensation limits on members. Individuals hired on or after January 2013 are under PEPRA. All members who do not fall under this category are considered classic members. Classic members will retain existing benefit levels for future service with the same employer.

Section 20184(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public agency employers be determined on an annual basis by the actuary and shall be effective on the July 1 following the notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pools' costs of benefit earned by employees during the year, and any unfunded accrued liability. The Foundation is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2022 (the measurement date), the Foundation contributed $-0- for active employees as the Foundation no longer has active employees. The Foundation contributed $606,028 to the required employer contribution of the unfunded liability as of June 30, 2023.

NOTE 8 PENSION (CONTINUED)

A. General Information About the Pension Plan (Continued)

Actual Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Actuarial Assumptions:	
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived Using CalPERS' Membership Data for all Funds
Postretirement Benefit Increase	Contract COLA up to 2.30% Until Purchasing Power Protection Allowance Floor on Purchasing Power Applies

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTE 8 PENSION (CONTINUED)

A. General Information About the Pension Plan (Continued)

Investment Rate of Return (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both the short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10-[1,2]
Global Equity - Cap-Weighted	30.00 %	4.45 %
Global Equity Noncap-Weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-Backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

[1] An Expected Inflation of 2.30% Used for This Period.

[2] Figures are Based on the 2021-22 Asset Management study.

Allocation of Net Pension Liability and Pension Expense to Individual Plans

A key aspect of the GASB Statement No. 68 pertaining to cost-sharing employers is the establishment of an approach to allocate the net pension liability and pension expense to the individual employers within the risk pool. Paragraph 49 of GASB Statement No. 68 indicated that for pools where contribution rates within the pool are based on separate relationships, the proportional allocation should reflect those relationships. The allocation method utilized by CalPERS determines the employer's share by reflecting these relationships through the plans they sponsor within the risk pool. Plan liability and asset-related information are used where available, and proportionate allocation of individual plan amounts as of the valuation date are used where not available.

NOTE 8 PENSION (CONTINUED)

A. General Information About the Pension Plan (Continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB Statement No. 68, actuarial gains and losses related to changes in total pension liability and fiduciary net pension are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	5-Year Straight-Line Amortization
All Other Amounts	Straight-Line Amortization Over the Expected Average Remaining Service Lifetime (EARSL) of all Members that are Provided with Pensions (Active, Inactive, and Retired) as of the Beginning of the Measurement Period.

The net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments at the measurement date is to be amortized over the remaining four-year period.

Deferred outflows of resources and deferred inflows of resources relating to the difference between expected and actual experience, changes of assumptions, and employer-specific amounts should be amortized over the Expected Average Remaining Service Lifetime (EARSL) of members provided with pensions through the Plan. The EARSL for PERF C was obtained by dividing the total service years of the sum of remaining service lifetimes of all active employees by the total participants: active, inactive, and retired in PERF C. Inactive employees and retirees have remaining service lifetimes equal to -0-. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

NOTE 8 PENSION (CONTINUED)

A. General Information About the Pension Plan (Continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources (Continued)

The appropriate treatment of the employer-specific amounts such as changes in proportion, differences between actual employer contributions and employer's proportionated shares of contributions, and employer contributions to PERF C subsequent to the measurement date as defined in GASB Statement No. 68 paragraphs 54, 55, and 57 is the responsibility of the employers.

B. Changes in the Plan's Proportionate Share of Net Pension Liability

The Foundation's proportion share of the net pension liability is 0.012365% for the measurement period of June 30, 2022, which is a decrease of 0.157455% from its proportion measured at June 30, 2021. The following table shows the proportionate share of the risk pool collective net pension liability over the measurement period of June 30, 2022:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Pension	Plan Net Pension Liability
Balance - June 30, 2021 (VD)	$ 19,639,171	$ 16,414,578	$ 3,224,593
Balance - June 30, 2022 (MD)	19,995,595	14,209,790	5,785,805
Net Changes	$ 356,424	$ (2,204,788)	$ 2,561,212

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's Net Pension Liability	$ 8,511,566	$ 5,785,805	$ 3,543,181

C. Pension Expense and Deferred Outflows and Deferred Inflows of Resources

For the measurement period ended June 30, 2022 (the measurement date), the Foundation incurred a pension credit of $655,048 (the pension expense for the risk pool for the measurement period is $838,081,431).

NOTE 8 PENSION (CONTINUED)

C. Pension Expense and Deferred Outflows and Deferred Inflows of Resources (Continued)

As of the measurement date June 30, 2022, the Foundation reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 116,190	$ 77,819
Change in Assumptions	592,877	-
Differences Between Projected and Actual Earnings on Pension Plan Investments	1,059,806	-
Difference Between Employer's Contributions and Proportionate share of Contributions	-	193,710
Change in Employer's Proportion	-	566,411
Pension Contributions Made Subsequent to Measurement Date	606,028	-
Total	$ 2,374,901	$ 837,940

Pension contribution made subsequent to measurement date in the amount of $606,028 will be recognized in the following measurement period. Amounts reported as deferred outflows and deferred inflows of resources related to pension, other than the employer-specific items, will be recognized as future pension expense as follows:

Year Ending June 30,	Pension Expense
2024	$ 94,355
2025	117,196
2026	71,168
2027	648,213
2028	-
Thereafter	-
Total	$ 930,932

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The Foundation sponsors a single-employer postretirement healthcare plan, which covers substantially all full-time, central staff employees of the Foundation. This plan provides lifetime medical benefits to retirees who have attained age 50 with 5 years of service. Spouses and dependents of eligible retirees are also eligible for life. During the year ended June 30, 2009, the plan was amended to provide lifetime medical benefits to retirees who have attained the age of 50 with 10 years of service. The Foundation has the authority to establish and amend benefit provisions of the Plan. The Plan does not issue a separate, publicly available report.

For the year ended June 30, 2023, the Foundation's share of the monthly medical premiums was limited to $816 (single), $1,548 (two parties), and $1,983 (three or more parties). Retirees are responsible for premiums in excess of the Foundation's share. In addition, retirees are charged 10% of the Foundation's share of dental and vision.

The Foundation contributes annually based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits. The Foundation contributed $-0- to the Plan for the year ended June 30, 2023.

B. Employees Covered

As of the June 30, 2022, actuarial valuation, the following current and former employees were covered by the benefit terms under the postretirement healthcare plan:

Active Employees	-
Inactive Employees or Beneficiaries Currently Receiving Benefits	34
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Total	34

C. Net OPEB Liability

The Foundation's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

<u>Actuarial Assumptions</u>

Discount Rate	4.80%, Based on the Stand-Alone VEBA Investment Policy.
Net Investment Return	7.00%, Based on the Stand-Alone VEBA Investment Policy.
Inflation	2.26% Annual Inflation Assumed.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Payroll Increases	3.25% Annual Increases. The Funding Method is Entry Age Normal with Level Percentage of Pay. The Salary Scale Assumption is Used in the Calculation of the Normal Cost and AAL.
Administrative Expenses	The Administrative Expenses was $644 for the Measurement Period Ending June 30, 2023.
Dental Trend	4% per Year
Vision Trend	4% per Year

Health Care Trend

	Increase in Premium Rate	
Year Beginning	Pre-65	Post-65
2023	Actual	Actual
2024	7.050 %	5.00 %
2025	6.750	5.00
2026	6.500	5.00
2027	6.000	5.00
2028	5.750	5.00
2029	5.500	5.00
2030-2037	5.000	5.00
2038-2049	4.750	4.75
2050-2068	4.500	4.50
2069+	4.000	4.00

Plan Distribution for Calculating Baseline Cost

Plan	Distribution
Kaiser	41 %
PERS Choice	24
PERS Care	26
United Health Care	9
	100 %

Average Per Capita Claims Cost (Baseline Cost)	Pre-Medicare: $10,625 per Year Post-Medicare: $4,230 per Year
Health Plan Participation	100% of Eligible Participants will Participate
Medicare Coverage	All Retirees will be Eligible for Medicare when Age 65 is Reached
Morbidity Factors	CalPERS 2017 Study
Population for Curving	CalPERS 2017 Study

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Age-Weighted Claims Costs[1]

Age	Claim Cost
50	$ 11,276
55	13,543
60	16,309
65	4,279
70	3,733
75	4,339
80	4,921
85	5,234

Mortality

The Mortality Rates Used in this Valuation are Those Described in the 2017 CalPERS Experience Study.
Pre-Retirement: CalPERS 2017 Mortality Pre-Retirement
Post-Retirement: CalPERS 2017 Mortality Post-Retirement

	Retired Employees	
Age	Male	Female
55	0.44 %	0.41 %
60	0.67	0.48
65	0.93	0.64
70	1.34	0.93
75	2.32	1.63
80	3.98	3.01
85	7.12	5.42
90	13.04	10.09

Disability* — None

Retirement — None

Percent Married — Anyone Covering a Spouse Would Continue to Cover in Retirement, and that Male Spouses were on Average 3 Years Older Than Femal Spouses

Participation — 100% of Retirees will Participate Upon Retirement.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Net OPEB Liability (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return for each major investment class in the Plan's portfolio as of June 30, 2023, are as follows:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad U.S. Equity	63.00 %	5.30 %
U.S. Fixed	35.00	0.90
Real Estate	-	3.30
Cash Equivalents	2.00	(0.60)

The above table shows the target asset allocation in the Stand-Alone VEBA investment policy.

D. Discount Rate

The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

The table above shows the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

	June 30,	
	2023	2022
Discount Rate	4.80 %	4.17 %
Bond Buyer 20-Bond GO Index	4.68	3.69

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

E. Changes in the OPEB Liability

The changes in the net OPEB liability for the postretirement plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a)-(b)
Balance - June 30, 2022 (Valuation Date June 30, 2022)	$ 3,634,655	$ 1,787,134	1,847,521
Change Recognized for Measurement Period:			
Service Cost	-	-	-
Interest	146,142	-	146,142
Differences Between Expected and Actual Experience	-	-	-
Change of Assumptions	(200,581)	-	(200,581)
Contributions - Employer	-	-	-
Net Investment Income	-	142,992	(142,992)
Benefit Payments	(223,375)	(223,375)	-
Administrative Expenses	-	(644)	644
Net Changes	(277,814)	(81,027)	(196,787)
Balance - June 30, 2023 (Measurement Date June 30, 2023)	$ 3,356,841	$ 1,706,107	$ 1,650,734

F. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Foundation's net OPEB liability if it were calculated using a discount rate that is 1-percentage-point lower (3.80%) or 1-percentage-point higher (5.80%) than the current rate, for measurement period ended June 30, 2023:

	1% Decrease (3.80%)	Current Discount Rate (4.80%)	1% Increase (5.80%)
Net OPEB Liability	$ 1,946,100	$ 1,650,734	$ 1,394,300

G. Sensitivity of the Net OPEB Liability to Changes in the Trend Rate

The following presents the Foundation's net OPEB liability if it were calculated using a trend table that has rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate, for measurement period ended June 30, 2023:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	$ 1,377,372	$ 1,650,734	$ 1,960,243

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

H. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to the changes in total OPEB liability is recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are recognized in future OPEB expense.

The recognition period differs depending on the source of gain or loss:

Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	5-Year Straight-Line Amortization
All Other Amounts	Straight-Line Amortization Over Average Future Working Lifetime, Averages Over All Active and Retirees (Retirees Assumed no Working Hours).

I. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, Foundation recognized aggregate OPEB credit of $124,710. As of fiscal year ended June 30, 2023, Foundation reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ -
Change in Assumptions	-	-
Net Difference Between Projected and Actual Earnings	270,858	147,639
Contribution to OPEB Plan After Measurement Date	-	-
Total	$ 270,858	$ 147,639

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

I. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	OPEB Expense
2024	$ 37,155
2025	13,603
2026	77,448
2027	(4,987)
2028	-
Thereafter	-
Total	$ 123,219

NOTE 10 DESIGNATED NET POSITION

Unrestricted net position designated by the Board for the following purposes at June 30, 2023:

Working Capital and Sponsored Programs	$ 3,284,546
Capital Replacement	100,000
Planned Future Operations	100,000
Total	$ 3,484,546

NOTE 11 TRANSACTIONS WITH AFFILIATES

The Foundation enters into transactions with the University and other auxiliaries: Associated Students, Inc. of California State University, East Bay (ASI) and Cal State East Bay Educational Foundation, Inc. (Educational Foundation) (collectively known as the Auxiliaries).

The Foundation leases the land for its building for a nominal annual fee from the state of California under an operating lease arrangement expiring on August 1, 2025. No amounts have been reflected in the financial statements for the use of the real properties, as no objective basis is available to measure the relative value.

NOTE 11 TRANSACTIONS WITH AFFILIATES (CONTINUED)

During the year ended June 30, 2023, the Foundation received $47,858 for professional services provided to the University, all of which was received from the fiduciary fund for investment management fees. The Foundation paid $9,219,127 to the University for professional fees primarily related to research services.

In addition, amounts due to the University at June 30, 2023 was $2,651,738 and $2,152,054 of this amount is related to fiduciary activities.

Lastly, total receivables from the University related to the lease of the Bookstore building offices was $453,751.

NOTE 12 FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the schedule of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 13 CONTINGENCIES

The Foundation has grants and contracts with government agencies which are subject to audit. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined. Management believes that any liability which may result from these audits is not material.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratio of the Measurement Date in Relation to PERF C

Net Pension liability and fiduciary net position are allocated to the plan based on its proportion of the Miscellaneous Risk Pool. However, GASB Statement No. 68 requires that employers report certain proportions as percentage of the total plan (PERF C, excluding the 1959 Survivors Risk Pool), which includes both the Miscellaneous and Safety Risk Pools. All cost-sharing public agency plans, are categorized as either Miscellaneous or Safety within PERF C. Therefore, to assist employers in meeting the requirements of GASB 68, proportions shown in the table below represent the plan's proportion of PERF C, excluding the 1959 Survivors Risk Pool, and not its proportion of the Miscellaneous Risk Pool.

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan's Proportion of the Net Pension Liability	0.12365%	0.16982%	0.12738%	0.13020%	0.11232%	0.12020%	0.12318%	0.12828%	0.04964%
Plan's Proportionate Share of the Net Pension Liability	$ 5,785,805	$ 3,224,593	$ 5,373,074	$ 5,213,734	$ 4,822,826	$ 4,820,220	$ 3,612,002	$ 2,786,628	$ 3,089,169
Plan's Covered Payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,217	$ 1,855,126
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5549.17%	166.52%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	28.94%	16.42%	27.37%	26.45%	26.93%	27.14%	21.11%	16.54%	17.59%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 562,705	$ 563,474	$ 500,528	$ 479,729	$ 365,582	$ 160,857	$ 138,864	$ 2,800	$ 234,666

(1) This is a 10-year schedule. Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

Schedule of Plan Contributions

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	$ 606,028	$ 562,705	$ 563,474	$ 479,676	$ 365,582	$ 160,857	$ 138,864	$ 2,800	$ 234,666
Contributions in Relation to the Actuarially Determined Contributions	606,028	562,705	563,474	479,728	365,582	160,857	138,864	2,770	234,666
Contribution Excess	$ -	$ -	$ -	$ (52)	$ -	$ -	$ -	$ 30	$ -
Covered Payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,217	$ 1,855,126
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.50%	12.65%

(1) This is a 10-year schedule. Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data is presented.

Changes of Assumptions:

There were no changes in assumptions during the measurement period ended June 30, 2022.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2023

	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service Cost	$ -	$ -	$ -	$ -	$ -	$ -
Interest	146,142	218,273	222,516	239,372	243,247	245,662
Change of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(85,024)	(42,897)	(63,695)	(31,993)	-
Changes of Assumptions	(200,581)	503,406	-	(163,313)	-	-
Benefit Payments	(223,375)	(236,368)	(243,986)	(262,008)	(271,054)	(289,000)
Net Change in Total OPEB Liability	(277,814)	400,287	(64,367)	(249,644)	(59,800)	(43,338)
Total OPEB Liability - Beginning (a)	3,634,655	3,234,368	3,298,735	3,548,379	3,608,179	3,651,517
Total OPEB Liability - Ending (b)	3,356,841	3,634,655	3,234,368	3,298,735	3,548,379	3,608,179
Plan Fiduciary Net Position:						
Contributions - Employer	-	1,447	986	-	105,129	-
Contributions - Employee	-	-	-	-	-	-
Net Investment Income	142,992	(260,463)	455,804	34,154	109,279	121,309
Benefit Payments	(223,375)	(236,368)	(243,986)	(262,008)	(271,054)	(289,000)
Administrative Expense	(644)	(531)	(527)	(618)	(575)	-
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(81,027)	(495,915)	212,277	(228,472)	(57,221)	(167,691)
Plan Fiduciary Net Position - Beginning (a)	1,787,134	2,283,049	2,070,772	2,299,244	2,356,465	2,524,156
Plan Fiduciary Net Position - Ending (b)	1,706,107	1,787,134	2,283,049	2,070,772	2,299,244	2,356,465
Net OPEB Liability - Ending (a) - (b)	$ 1,650,734	$ 1,847,521	$ 951,319	$ 1,227,963	$ 1,249,135	$ 1,251,714
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	50.82 %	49.17 %	70.59 %	62.77 %	64.80 %	65.31 %
Covered Employee Payroll	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A

OTHER SUPPLEMENTARY INFORMATION
FOR CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR

California State University, East Bay Foundation, Inc.

Schedule of Net Position

June 30, 2023

(for inclusion in the California State University Financial Statements)

Assets:	
Current assets:	
Cash and cash equivalents	503,865
Short-term investments	17,383,846
Accounts receivable, net	5,226,981
Lease receivable, current portion	118,467
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
Total current assets	**23,233,159**
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	342,182
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	3,403,531
Other assets	-
Total noncurrent assets	**3,745,713**
Total assets	**26,978,872**
Deferred outflows of resources:	
Unamortized loss on debt refunding	1,424
Net pension liability	2,374,901
Net OPEB liability	270,858
Leases	-
P3	-
Others	-
Total deferred outflows of resources	**2,647,183**
Liabilities:	
Current liabilities:	
Accounts payable	2,705,138
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	4,882,833
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	310,000
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	3,729
Total current liabilities	7,901,700
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	347,957
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	1,650,734
Net pension liability	5,785,805
Other liabilities	-
Total noncurrent liabilities	7,784,496
Total liabilities	15,686,196
Deferred inflows of resources:	
P3 service concession arrangements	-
Net pension liability	837,940
Net OPEB liability	147,639
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	532,001
P3	-
Others	-
Total deferred inflows of resources	1,517,580
Net position:	
Net investment in capital assets	2,746,998
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	9,675,281
Total net position	**12,422,279**

California State University, East Bay Foundation, Inc.

Schedule of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2023

(for inclusion in the California State University Financial Statements)

Revenues:	
Operating revenues:	
Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	13,435,153
State	1,490,104
Local	-
Nongovernmental	2,824,889
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	385,110
Total operating revenues	**18,135,256**
Expenses:	
Operating expenses:	
Instruction	52,134
Research	4,727,319
Public service	6,838,140
Academic support	4,246,802
Student services	1,885,751
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	(242,656)
Depreciation and amortization	148,685
Total operating expenses	**17,656,175**
Operating income (loss)	**479,081**
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	-
Investment income (loss), net	1,280,544
Endowment income (loss), net	-
Interest expense	1,652
Other nonoperating revenues (expenses)	-
Net nonoperating revenues (expenses)	**1,282,196**
Income (loss) before other revenues (expenses)	**1,761,277**
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	**1,761,277**
Net position:	
Net position at beginning of year, as previously reported	10,661,002
Restatements	-
Net position at beginning of year, as restated	**10,661,002**
Net position at end of year	**12,422,279**

California State University, East Bay Foundation, Inc.
Other Information
June 30, 2023
(for inclusion in the California State University Financial Statements)

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	503,865
Total	$ 503,865

2.1 Composition of investments

Investment Type	Current	Noncurrent	Total
Money market funds			-
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities	1,330,574		**1,330,574**
Municipal bonds	440,314		**440,314**
Corporate bonds	1,294,658		**1,294,658**
Asset-backed securities			-
Mortgage-backed securities			-
Commercial paper			-
Supranational			-
Mutual funds	2,502,272		**2,502,272**
Exchange-traded funds			-
Equity securities	8,835,360		**8,835,360**
Alternative investments:			
Private equity (including limited partnerships)	148,837		**148,837**
Hedge funds			-
Managed futures			-
Real estate investments (including REITs)	143,098		**143,098**
Commodities			-
Derivatives			-
Other alternative investments			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)	2,448,408		**2,448,408**
State of California Local Agency Investment Fund (LAIF)	239,596		**239,596**
State of California Surplus Money Investment Fund (SMIF)	729		**729**
Other investments:			
			-
			-
			-
			-
			-
Total other investments	-	-	-
Total investments	**17,383,846**	**-**	**17,383,846**
Less endowment investments (enter as negative number)		-	-
Total investments, net of endowments	**$ 17,383,846**	**-**	**17,383,846**

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	$ -				
Repurchase agreements	-				
Certificates of deposit	-				
U.S. agency securities	-				
U.S. treasury securities	**1,330,574**		1,330,574		
Municipal bonds	**440,314**		440,314		
Corporate bonds	**1,294,658**		1,294,658		
Asset-backed securities	-				
Mortgage-backed securities	-				
Commercial paper	-				
Supranational	-				
Mutual funds	**2,502,272**		2,502,272		
Exchange-traded funds	-				
Equity securities	**8,835,360**	8,835,360			
Alternative investments:					
Private equity (including limited partnerships)	**148,837**				148,837
Hedge funds	-				
Managed futures	-				
Real estate investments (including REITs)	**143,098**				143,098
Commodities	-				
Derivatives	-				
Other alternative investments	-				
Other external investment pools	-				
CSU Consolidated Investment Pool (formerly SWIFT)	**2,448,408**				2,448,408
State of California Local Agency Investment Fund (LAIF)	**239,596**				239,596
State of California Surplus Money Investment Fund (SMIF)	**729**				729
Other investments:					
	-				
	-				
	-				
	-				
	-				
Total other investments	-	-	-	-	-
Total investments	**$ 17,383,846**	**8,835,360**	**5,567,818**	**-**	**2,980,668**

2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g. - CSU Consolidated Investment Pool (formerly SWIFT):	$ 2,448,408		$ 2,448,408

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2022 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
Non-depreciable/Non-amortizable capital assets									
Land and land improvements	$ 35,000				$ 35,000				35,000
Works of art and historical treasures					-				-
Construction work in progress (CWIP)					-				-
Intangible assets:									
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Intangible assets in progress (PWIP)					-				-
Licenses and permits					-				-
Other intangible assets:									
					-				-
					-				-
					-				-
					-				-
					-				
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-		-
Total non-depreciable/non-amortizable capital asse	$ 35,000	-	-	-	$ 35,000	-	-	-	35,000
Depreciable/Amortizable capital assets									
Buildings and building improvements	7,649,921				7,649,921				7,649,921
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements					-				-
Personal property:									
Equipment	525,875				525,875				525,875
Library books and materials					-				-
Intangible assets:									
Software and websites					-				-
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Licenses and permits					-				-
Other intangible assets:									
					-				-
					-				-
					-				-
					-				-
					-				-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital asset	8,175,796	-	-	-	8,175,796	-	-	-	8,175,796
Total capital assets	$ 8,210,796	-	-	-	$ 8,210,796	-	-	-	8,210,796
Less accumulated depreciation/amortization									
Buildings and building improvements	$ (4,132,705)				$ (4,132,705)	(148,685)			(4,281,390)
Improvements, other than buildings					-				-
Infrastructure					-				-
Leasehold improvements					-				-
Personal property:									
Equipment	(525,875)				(525,875)	-			(525,875)
Library books and materials					-				-
Intangible assets:									
Software and websites					-				-
Rights and easements					-				-
Patents, copyrights and trademarks					-				-
Licenses and permits					-				-
Other intangible assets:									
					-				-
					-				-
					-				-
					-				-
					-				-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortizatio	(4,658,580)	-	-	-	(4,658,580)	(148,685)	-	-	(4,807,265)
Total capital assets, net excluding ROU assets	$ 3,552,216	-	-	-	$ 3,552,216	(148,685)	-	-	3,403,531

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2022	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Non-depreciable/Non-amortizable lease assets									
Land and land improvements					-				-
Total non-depreciable/non-amortizable lease asse	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets									
Land and land improvements					-				-
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Personal property:									
Equipment					-				-
Total depreciable/amortizable lease asset	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization									
Land and land improvements					-				-
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Personal property:									
Equipment					-				-
Total accumulated depreciation/amortizatio	-	-	-	-	-	-	-	-	-
Total capital assets - lease ROU, net	-	-	-	-	-	-	-	-	$ -

Composition of capital assets - SBITA ROU, net	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Depreciable/Amortizable SBITA assets									
Software					-				-
Total depreciable/amortizable SBITA asset	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization									
Software					-				-
Total accumulated depreciation/amortizatio	-	-	-	-		-	-	-	-
Total capital assets - SBITA ROU, net	-	-	-	-	-	-	-	-	-

Composition of capital assets - P3 ROU, net:	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
Non-depreciable/Non-amortizable P3 assets									
Land and land improvements					-				-
Total non-depreciable/non-amortizable P3 asset	-	-	-	-		-	-	-	-
Depreciable/Amortizable P3 assets									
Land and land improvements					-				-
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Personal property:									
Equipment					-				-
Total depreciable/amortizable P3 asset	-	-	-	-		-	-	-	-
Less accumulated depreciation/amortization									
Land and land improvements					-				-
Buildings and building improvements					-				-
Improvements, other than buildings					-				-
Infrastructure					-				-
Personal property:									
Equipment					-				-
Total accumulated depreciation/amortizatio	-	-	-	-		-	-	-	-
Total capital assets - P3 ROU, net	-	-	-	-		-	-	-	$ -
Total capital assets, net including ROU assets									$ 3,403,531

3.2 **Detail of depreciation and amortization expense**

Depreciation and amortization expense - capital assets, excluding ROU assets	$ 148,685
Amortization expense - Leases ROU	-
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	
Total depreciation and amortization	$ 148,685

4 **Long-term liabilities**

	Balance June 30, 2022	Prior Period Adjustments/Reclassifications	Balance June 30, 2022 (Restated)	Additions	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
1. Accrued compensated absences			-			-		-
2. Claims liability for losses and loss adjustment expense	-		-			-		-
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)	920,000		920,000		(295,000)	625,000	310,000	315,000
4.4 Finance purchase of capital assets	-		-			-		-
4.5 Others:								
	-		-			-		-
	-		-			-		-
	-		-			-		-
	-		-			-		-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term deb	920,000	-	920,000	-	(295,000)	625,000	310,000	315,000
4.6 Unamortized net bond premium/(discount)	57,675		57,675		(24,718)	32,957	-	32,957
Total long-term debt obligation	$ 977,675	-	977,675	-	(319,718)	$ 657,957	310,000	347,957

5. Lease, SBITA, P3 liabilities:	Balance June 30, 2022	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2023	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						$ 657,957	310,000	347,957

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	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:												
2024			-			-			-	-	-	-
2025			-			-			-	-	-	-
2026			-			-			-	-	-	-
2027			-			-			-	-	-	-
2028			-			-			-	-	-	-
2029 - 2033			-			-			-	-	-	-
2034 - 2038			-			-			-	-	-	-
2039 - 2043			-			-			-	-	-	-
2044 - 2048			-			-			-	-	-	-
2049 - 2053			-			-			-	-	-	-
Thereafter			-			-			-	-	-	-
Total minimum payment	$ -	-	-	-	-	-	-	-	-	-	-	-
Less: amounts representing interest												-
Present value of future minimum paymen												-
Total Leases, SBITA, P3 liabilities												-
Less: current portion												-
Leases, SBITA, P3 liabilities, net of current portion												$ -

6 Future minimum payments schedule - Long-term debt obligation

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2024			-	310,000	9,074	319,074	310,000	9,074	319,074
2025			-	315,000	887	315,887	315,000	887	315,887
2026			-			-	-	-	-
2027			-			-	-	-	-
2028			-			-	-	-	-
2029 - 2033			-			-	-	-	-
2034 - 2038			-			-	-	-	-
2039 - 2043			-			-	-	-	-
2044 - 2048			-			-	-	-	-
2049 - 2053			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum payment	$ -	-	-	625,000	9,961	634,961	625,000	9,961	634,961
Less: amounts representing interest									(9,961)
Present value of future minimum paymen									625,000
Unamortized net premium/(discount)									32,957
Total long-term debt obligation									657,957
Less: current portion									(310,000)
Long-term debt obligations, net of current portion									$ 347,957

7 Transactions with related entities

Payments to University for salaries of University personnel working on contracts, grants, and other programs	$ 6,864,051
Payments to University for other than salaries of University personnel	2,355,076
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	
Accounts payable to University	(499,684)
Other amounts payable to University	
Accounts receivable from University	453,751
Other amounts receivable from University	

8 Restatements

		Debit/(Credit)
Restatement #1	Enter transaction description	
		$ -
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 amortization	Total operating expenses
Instruction	$ 12,228	7,963	3,475	-		28,468		**52,134**
Research	1,464,385	139,410	151,872	-		2,971,652		**4,727,319**
Public service	1,414,350	315,572	272,603	-		4,835,615		**6,838,140**
Academic support	1,235,893	331,866	300,089	-		2,378,954		**4,246,802**
Student services	837,262	174,708	185,793	-		687,988		**1,885,751**
Institutional support	-	-	-	-		-		**-**
Operation and maintenance of plant	-	-	-	-		-		**-**
Student grants and scholarships					-			**-**
Auxiliary enterprise expenses	-	-	(655,048)	(124,710)		537,102		**(242,656)**
Depreciation and amortization							148,685	**148,685**
Total operating expenses	$ 4,964,118	969,519	258,784	(124,710)	-	11,439,779	148,685	$ 17,656,175

Select type of pension plan >> Defined Benefit Plan

10 Deferred outflows/inflows of resources

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	$ 1,424
Deferred outflows - net pension liability	2,374,901
Deferred outflows - net OPEB liability	270,858
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	$ 2,647,183

2. Deferred Inflows of Resources		
Deferred inflows - P3 service concession arrangements		
Deferred inflows - net pension liability		837,940
Deferred inflows - net OPEB liability		147,639
Deferred inflows - unamortized gain on debt refunding(s)		
Deferred inflows - nonexchange transactions		
Deferred inflows - leases		532,001
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	**$**	**1,517,580**

11 Other nonoperating revenues (expenses		
Other nonoperating revenues	$	-
Other nonoperating (expenses)		-
Total other nonoperating revenues (expenses)	**$**	**-**

NOTE 1 SUPPLEMENTARY SCHEDULES

As an auxiliary organization of the California State University (CSU), California State University, East Bay Foundation, Inc. (the Foundation) is required to include audited supplementary information in its financial statements in the form and content specified by CSU. As a result, there are differences in reporting format between the Foundation's financial statements and the supplementary schedules for CSU.