CALIFORNIA STATE UNIVERSITY,
EAST BAY FOUNDATION, INC.
(a Component Unit of California State University, East Bay)

Basic Financial Statements
and Supplementary Information

Year Ended June 30, 2018

(With Independent Auditor's Report Thereon)

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, of the 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, 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the California State University, East Bay Foundation, Inc. as of June 30, 2018, and the changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

During fiscal year ended June 30, 2018, California State University, East Bay Foundation, Inc. adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of this standard, California State University, East Bay Foundation, Inc. reported a restatement for the change in accounting principle (see Note 14). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress of other postemployment benefits, schedule of proportionate share of the net pension liability, and the schedule of contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other 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 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This 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. Such 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 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 September 11, 2018, on our consideration of the 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 result of that testing, and not to provide an opinion on the effectiveness of California State University, East Bay Foundation Inc.'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 California State University, East Bay Foundation, Inc.'s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 11, 2018

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, 2018. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Financial Highlights

- Revenues from research grants and contracts decreased by $3 million, or 28%, in the current year as activity decreased due to several grants approaching their expiration date or closed by the beginning of the fiscal year.

- Foundation implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other than Pensions.* The statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for purposes of measuring the net other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and expenses. The implementation of the statement required Foundation to adjust the beginning net OPEB liability and record the deferred outflow of resources due to change in assumptions as of July 1, 2017. As a result, the net position was restated by approximately $0.47 million.

Overview of the Basic Financial Statements

The annual report consists of a series of financial statements prepared in accordance with the 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 basic financial statements include the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. These statements are supported by the notes to the financial statements and this section. All sections should be considered together to obtain a complete understanding of the financial picture of the Foundation.

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 basic financial statements. The notes are included immediately following the basic financial statements within this report.

Analytical Overview

Summary

The following discussion highlights management's understanding of the key financials aspects of the Foundation's financial activities. Included are comparative analyses of current year and prior year's activities and balances and a discussion of restrictions of the Foundation's net position.

The Foundation's condensed summary of net position as of June 30 is as follows:

	2018	2017
Asset:		
Current assets	$ 23,301,407	$ 22,696,712
Capital assets, net	4,150,475	4,300,584
Total assets	27,451,882	26,997,296
Deferred outflows of resources	590,089	604,764
Liabilities:		
Current liabilities	5,552,367	5,343,227
Noncurrent liabilities	7,931,261	6,907,969
Total liabilities	13,483,628	12,251,196
Deferred inflows of resources	154,015	197,265
Net position:		
Net investment in capital assets	2,045,793	1,940,560
Unrestricted	12,358,535	13,213,039
Total net position	$ 14,404,328	$ 15,153,599

Assets

Total assets increased by $0.5 million, or 2%, due to a $0.6 million increase in current assets mostly from a $0.5 million increase in the value of invested funds, offset by a $0.1 million net reduction in capital assets attributable to depreciation.

Deferred Outflows of Resources

The deferred outflows of resources related to pension decreased by $0.01 million, or 2%, primarily due to a decrease in net difference between projected and actual earnings on pension plan investments in the amount of $0.2 million.

Liabilities

Total current liabilities increased by $0.2 million, or 4%, primarily due to an increase in accounts payable pertaining to research grants and contracts activity. Total noncurrent liabilities increased by $1 million, or 15%, primarily due to the increase in net pension liability in the amount of $1.2 million, offset by the recognition of current portion of long-term debt in amount of $0.2 million.

Deferred Inflows of Resources

The deferred inflows of resources decreased by $0.04 million, or 22%, primarily due to a decrease in net difference between projected and actual earnings on pension plan investments.

Net Position

Total net position decreased by $0.7 million, or 5%, primarily the result of the overall Foundation operating activities in the current fiscal year not fully offset by revenue earned.

Operating Results

The Foundation's condensed summary of revenues, expenses, and changes in net position for the years ended June 30 is as follows:

	2018	2017
Operating revenues:		
Research grants and contracts	$ 7,703,356	$ 10,721,029
Commercial services	482,155	537,268
Management fees	129,863	148,256
Other income	-	-
Total operating revenues	8,315,374	11,406,553
Operating expenses:		
Cost of research	7,703,356	10,721,029
Other auxiliary enterprise expenses	2,233,370	1,409,979
Depreciation	150,109	150,108
Total operating expenses	10,086,835	12,281,116
Operating income (loss)	(1,771,461)	(874,563)
Nonoperating revenues (expenses)	1,022,190	1,974,664
Decrease in net position	(749,271)	1,100,101
Net position at beginning of year, as previously reported	15,153,599	13,583,232
Restatements		470,266
Net position at beginning of year, as restated	15,153,599	14,053,498
Net position at end of year	$ 14,404,328	$ 15,153,599

Operating Revenues

Operating revenues decreased by $3.1 million, or 27%, primarily due to a decrease in research grants and contracts revenue in amount of $3.0 million. This decrease is attributable to lower activity in research grants and contracts as several programs are approaching the expiration date or closed during the fiscal year. Revenue from grants and contracts is recognized when expensed for the purpose specified; therefore, when program activity declines, these revenues also decline.

Operating Expenses

Operating expenses decreased by $2.2 million, or 18%, primarily due to a $3.0 million decrease in research grants and contracts spending as several programs are approaching the expiration date or closed during the fiscal year. The decrease is offset by an increase in other auxiliary enterprise expenses of $0.8 million, primarily due to an increase in pension expense and net pension liability adjustment.

Nonoperating revenues (expenses)

Nonoperating revenues (expenses) decreased by $1 million, or 48%, due to lower gains on the value of invested funds as compared to the previous year.

Changes in Capital Assets

Capital assets, net of accumulated depreciation, totaled $4.2 million and $4.3 million as of June 30, 2018 and 2017, respectively. The following table summarizes the changes in capital assets as of June 30:

	2018	2017
Capital assets:		
Buildings	$ 7,649,921	$ 7,649,921
Furniture, fixtures, and equipments	525,875	525,875
Land	35,000	35,000
Total capital assets	8,210,796	8,210,796
Less: accumulated depreciation	(4,060,321)	(3,910,212)
Capital assets, net	$ 4,150,475	$ 4,300,584

Additional information on capital assets can be found in note 6 to the basic financial statements included in this report.

Changes in Long-Term Debt

Long-term debt totaled $2.1 million and $2.3 million at June 30, 2018 and 2017, 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:

	2018	2017
Current portion of long-term debt	$ 230,000	$ 220,000
Long-term debt	1,859,327	2,123,168
	$ 2,089,327	$ 2,343,168

Additional information on long-term debt obligations can be found in note 7 to the basic 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 Kim Napoli, University Controller, California State University, East Bay, 25800 Carlos Bee Boulevard, Hayward California 94542 or call (510) 885-7363.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
Statement of Net Position
June 30, 2018

Assets:		
Current assets:		
Cash and cash equivalents	$	785,829
Short-term investments		20,743,633
Accounts receivable, net		1,771,945
Total current assets		23,301,407
Noncurrent assets:		
Capital assets, net		4,150,475
Total noncurrent assets		4,150,475
Total assets		27,451,882
Deferred outflows of resources:		
Net pension liability		553,739
Net OPEB liability		36,350
Total deferred outflows of resources		590,089
Liabilities		
Current liabilities:		
Accounts payable		1,000,681
Unearned revenues		1,373,496
Long-term debt obligations, current portion		230,000
Depository accounts		2,926,815
Other liabilities		21,375
Total current liabilities		5,552,367
Noncurrent liabilities:		
Long-term debt obligations, net of current portion		1,859,327
Net other postemployment benefits liability		1,251,714
Net pension liability		4,820,220
Total noncurrent liabilities		7,931,261
Total liabilities		13,483,628
Deferred inflows of resources:		
Net pension liability		154,015
Total deferred inflows of resources		154,015
Net position:		
Net investment in capital assets		2,045,793
Unrestricted		12,358,535
Total net position	$	14,404,328

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, 2018

Revenues:		
Operating revenues:		
Grants and contracts, noncapital:		
Federal	$	5,527,910
State and local		905,996
Nongovernmental		1,269,450
Total research grants and contracts		7,703,356
Commercial services		482,155
Management fees		129,863
Total operating revenues		8,315,374
Expenses:		
Operating expenses:		
Cost of research		7,703,356
Auxiliary enterprise expenses		2,233,370
Depreciation		150,109
Total operating expenses		10,086,835
Operating loss		(1,771,461)
Nonoperating revenues (expense):		
Investment income, net		1,084,282
Interest expense		(62,092)
Net nonoperating revenue (expenses)		1,022,190
Decrease in net position		(749,271)
Net position:		
Net position at beginning of year, as previously reported		14,683,333
Restatements (see Note 14)		470,266
Net position at beginning of year, as restated		15,153,599
Net position at end of year	$	14,404,328

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
Statement of Cash Flows
Year Ended June 30, 2018

Cash flows from operating activities:		
Receipts from grants and contracts	$	7,665,150
Other receipts		566,564
Payments to suppliers		(3,692,322)
Payments to employees		(4,821,091)
Payments to students		(2,445)
Net cash used in operating activities		(284,144)
Cash flows from noncapital financing activities:		
Funds paid on behalf of others		(1,810,545)
Funds received on behalf of others		1,765,605
Net cash provided by noncapital financing activities		(44,940)
Cash flows from capital and related financing activities:		
Payment on principal of capital related debt		(220,000)
Interest paid on capital-related debt		(97,649)
Net cash used in capital and related financing activities		(317,649)
Cash flows from investing activities:		
Purchases of investments		(8,807,344)
Sales of investments		8,413,592
Investment income, net		1,238,301
Net cash used in investing activities		844,549
Net increase in cash and cash equivalents		197,816
Cash and cash equivalents at beginning of year		588,013
Cash and cash equivalents at end of year	$	785,829
Reconciliation of operating income to net cash used in operating activities:		
Operating income	$	(1,771,461)
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation		150,109
Changes in operating assets and liabilities:		
Accounts receivable, net		(167,146)
Deferred outflows of resources		14,675
Accounts payable		147,318
Unearned revenue		106,965
Net other postemployment benefits liability		78,915
Net pension liability		1,208,218
Other liabilities		(8,487)
Deferred inflows of resources		(43,250)
Net cash used in operating activities	$	(284,144)

See accompanying notes to financial statements.

(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 basic financial statements include the accounts of the Foundation, including 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 (U.S. GAAP) and is also 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 basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. GAAP 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 non-exchange 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 U.S. GAAP 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.

(f) Accounts Receivable

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 approximate fair market value at the date of donation. Expenditures 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 five 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) Agency Liabilities

The Foundation administers agency 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 as an agent for the transactions of these units. Accordingly, the activity of such organizations is not recorded in the schedule of revenues, expenses, and changes in 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 Plan. 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.

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, 2016
Measurement Date (MD) June 30, 2017
Measurement Period (MP) June 30, 2016 to June 30, 2017

(k) Other Post-Employment 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,* require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	July 1, 2018
Measurement Date	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018

(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 assets, including those net assets designated by the board or management.

(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 non-operating revenues and expenses in accordance with GASB Statement No. 35, *Basic Financial Statements–and Management's Discussion and Analysis – for Public Colleges and Universities-an amendment of GASB Statement No. 34*. These non-operating 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 deferred.

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 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, 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.

(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 $785,829 in cash and cash equivalents at June 30, 2018, which consist of $572,392 unrestricted and $213,437 held on behalf of other agencies.

(3) Investments

The Foundation's investment policy dictates that investments in fixed income securities must represent a minimum of 25% of total investments. A maximum of 80% may be invested in domestic equities and a maximum of 25% 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.

The Foundation participates in an internal investment pool (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. Such short-term investments are reported at fair value. The Foundation's investment in the pool was $451,563 and represents approximately 0.01% of the Pool. The Pool is not rated as of June 30, 2018; however, the Foundation's share of the Pool is included in the rating and risk disclosures below.

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 and UBS Financial Services.

Investments consist of the following at June 30, 2018:

Equity Securities	$	13,171,135
Mutual funds		3,009,410
U.S. treasury securities		1,649,187
U.S. agency securities		1,223,770
Corporate bonds		1,046,818
Local agency investment fund		579,627
Asset backed securities		32,881
Certificate of deposit		22,705
Municipal bonds		5,823
Repurchase agreements		1,149
Money market funds		1,097
Mortgage backed securities		30
Surplus money investment fund		1
Total investments	$	20,743,633

Investments are classified into the following categories at June 30, 2018:

Unrestricted	$	17,376,984
Restricted - agency liabilities		2,868,147
Restricted - expendable other		498,501
Restricted - expendable debt service		1
	$	20,743,633

Investment income, net, consists of the following as of June 30, 2018:

Interests and dividends	$	350,089
Realized gains		898,679
Unrealized gains		(55,180)
Investment consulting fees		(109,306)
	$	1,084,282

(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 rating of corporate bonds and U.S. agency securities as of June 30, 2018:

	Weighted-Average Duration (Years)	Fair Value	Rating			
			AAA	AA	A	BBB
Corporate bonds	2.54	$ 1,046,818	$ 55,352	$ 140,400	$ 574,872	$ 276,194
U.S. agency securities	18.27	1,223,770	1,093,322	130,448	-	-

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. *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 transaction 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.

The following table shows the investments by the fair value level as of June 30, 2018:

		Fair Value Measurements Using		
	6/30/2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Net Asset Value (NAV)
Equity Securities	$ 13,171,135	$ 13,171,135	$ -	$ -
Mutual funds	3,009,410	-	3,009,410	-
Corporate bonds	1,046,818	-	1,046,818	-
U.S. treasury securities	1,649,187	-	1,649,187	-
Mortgage backed securities	30	-	30	-
U.S. agency securities	1,223,770	-	1,223,770	-
Asset backed securities	32,881	-	32,881	-
Certificate of deposit	22,705	-	22,705	-
Municipal bonds	5,823	-	5,823	-
Money market funds	1,097	-	-	1,097
Repurchase agreements	1,149	-	1,149	-
Local agency investment fund	579,627	-	-	579,627
Surplus money investment fund	1	-	-	1
Total leveled investments	$ 20,743,633	$ 13,171,135	$ 6,991,773	$ 580,725

(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.

(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.

(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 (core) (25-50%), domestic equities (satellite-high alpha) (15-30%), international equities (10-25%), and fixed income (25- 40%). 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. Less than 8% of Foundation's investments are in Allianz Fixed Income.

(4) Accounts Receivable

Accounts receivable, net, consist of the following at June 30, 2018:

Sponsored programs	$ 1,720,253
Other receivables	55,058
	1,775,311
Less allowance for doubtful accounts	(3,366)
	$ 1,771,945

(5) Prepaid Expenses and Other Assets

The Foundation has no prepaid expenses and other assets for the year ended June 30, 2018.

(6) Capital Assets

Capital assets' activity for the year ended June 30, 2018 consists of the following:

	Balance June 30, 2017	Additions	Retirements/ Transfers	Balance June 30, 2018
Buildings	$ 7,649,921	$ -	$ -	$ 7,649,921
Furniture, fixtures, and equipments	525,875	-	-	525,875
Land	35,000	-	-	35,000
Total	8,210,796			8,210,796
Less accumulated depreciation	(3,910,212)	(150,109)	-	(4,060,321)
Capital assets, net	$ 4,300,584	$ (150,109)	$ -	$ 4,150,475

(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.

Bonds payable activity for the year ended June 30, 2018 consists of the following:

Description	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Current Portion
Systemwide Revenue Bonds 2013A	$2,095,000	$ -	$ (220,000)	$1,875,000	$ 230,000
Premium on SRB 2013A	248,168	-	(33,841)	214,327	-
Total	$2,343,168	$ -	$ (253,841)	$2,089,327	$ 230,000

Premium on SRB 2013A is amortized $33,841 per annum using straight-line method over the life of the loan agreement. Principal and interest payments for the Systemwide Revenue Bonds are due as follows:

Year(s) ending June 30,	Principal	Interest	Total
2019	$ 230,000	$ 86,925	$ 316,925
2020	245,000	75,325	320,325
2021	250,000	63,150	313,150
2022	265,000	50,475	315,475
2023	280,000	37,000	317,000
2024-2025	605,000	30,525	635,525
	$ 1,875,000	$ 343,400	$ 2,218,400

(8) Pension

(a) General Information About the Pension Plan

Plan Description

The Foundation participates in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF C), administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous risk pool and safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Each individual employer rate plan generally has less than 100 active members. The Foundation participates in the miscellaneous risk pool of the PERF C. The benefit provisions include pension benefits for Foundation's employees at a rate of 2.0% of the final average compensation at 55 years of age at retirement. The Foundation has the authority to establish and amend benefit provisions of the Plan.

Contributions

In January 2013, the California Public Employees' Pension Reform Act (PEPRA) took effect which changes the way CalPERS retirement and health 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 2018(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, 2017 (the measurement date), the Foundation contributed $0 for active employees as the Foundation no longer has active employees. The Foundation contributed $365,582.00 to the required employer contribution of the unfunded liability.

Actual Methods and Assumptions Used to Determine Total Pension Liability

The total pension liability was determined by rolling forward the total pension liability determined in the June 30, 2016, actuarial valuation to June 30, 2017. The June 30, 2017, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

[1] The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

Other significant actuarial assumptions used in the June 30, 2016, valuations were based on the results of the actuarial experience study for the period from 1997 to 2011.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the asset would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results are presented in a detailed report called "GASB Crossover Testing Report" than can be obtained on CalPERS' website under GASB 68 section.

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.

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 (Public Employees' Retirement Fund) cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long- term (11+ years) using 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 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 table below reflects the long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10[1]	Real Return Years 11+[2]
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%

[1] An expected inflation of 2.50% used for this period.
[2] An expected inflation of 3.00% used for this period.

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.

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 is amortized over the remaining amortization periods. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and prior measurement period on a net basis.

Deferred Outflows of Resources and Deferred Inflows of Resources relating to Differences Between Expected and Actual Experience and Changes of Assumptions are amortized over the Expected Average Remaining Service Lifetime (EARSL) of members provided with pensions through the Plan determined as of the beginning of the related measurement period. The EARSL for PERF C for the June 30, 2017 measurement date is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of all active employees) by 130,595 (the total number of 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.

(b) Changes in the Plan's Proportionate Share of Net Pension Liability

The following tables show the Plan's proportionate share of the risk pool collective net pension liability over the measurement period of June 30, 2017:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Pension	Plan Net Pension Liability
Balance at: 6/30/16 (VD)	$ 17,109,498	$ 13,497,496	$ 3,612,002
Balance at: 6/30/17 (MD)	17,760,498	12,940,278	4,820,220
Net Changes	$ 651,000	$ (557,218)	$ 1,208,218

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 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's Net Pension Liability	$ 7,514,016	$ 4,820,220	$ 2,589,170

(c) Pension Expense and Deferred Outflows and Deferred Inflows of Resources

For the measurement period ended June 30, 2017 (the measurement date), the Foundation incurred a pension expense of $865,137 (the pension expense for the risk pool for the measurement period is $719,747,608).

As of the measurement date June 30, 2017, 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	$ 6,475	$ (92,760)
Changes in assumptions	-	(61,255)
Net difference between projected and actual earnings on Pension Plan investments	181,682	-
Pension contribution made subsequent to measurement date	365,582	-
Total	$ 553,739	$ (154,015)

Pension contribution made subsequent to measurement date in the amount of $365,582 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:

Measurement Period(s) Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	$ 47,110	$ (40,178)
2019	47,110	(40,178)
2020	47,110	(40,178)
2021	46,827	(33,481)

(9) Other Post-Employment Benefits (OPEB)

(a) Plan Description

The Foundation sponsors a single-employer post-retirement 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 five 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, 2018, the Foundation's share of the monthly medical premiums was limited to $725 (single), $1,377 (two parties), and $1,766 (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 did not make a contribution to the Plan for the year ended June 30, 2018.

(b) Employees Covered

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the post-retirement healthcare plan:

Active employees	0
Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to, but not yet receiving benefits	-
Total	**39**

(c) Net OPEB Liability

Foundation's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018.

Discount Rate	7.00%, based on PARS Moderately Conservative investment policy
Net Investment Return	7.00%, based on PARS Moderately Conservative investment policy
Inflation	2.0% annual inflation assumed

Health Care Trend

Year Beginning	Increase in Premium Rate Pre-65	Post-65
2019	8.05%	5.00%
2020	7.80%	5.00%
2021	7.55%	5.00%
2022	7.30%	5.00%
2023	7.05%	5.00%
2024	6.80%	5.00%
2025	6.55%	5.00%
2026	6.30%	5.00%
2027	6.05%	5.00%
2028	5.80%	5.00%
2029	5.55%	5.00%
2030	5.30%	5.00%
2031	5.05%	5.00%

Dental Trend	4% per year
Vision Trend	4% per year

Plan Distribution for Calculating Baseline Cost

Plan	Distribution
Kaiser	44%
PERS Choice	23%
PERS Care	23%
United Healthcare	10%
Total	100%

Baseline cost	Pre-Medicare: $9,608 per year Post-Medicare: $4,109 per year
Administrative Expenses	$0 administrative fees
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 2013 study
Population for Curving	CalPERS 2013 study

Age-Weighted Claims Costs[1]

Age	Premium
50	$ 9,517.00
55	$ 11,592.00
60	$ 13,395.00
65	$ 4,452.00
70	$ 3,636.00
75	$ 4,209.00
80	$ 4,682.00
85	$ 4,887.00

Mortality

The mortality rates used in this valuation are those used in the most recent CalPERS valuations.
Pre-Retirement: CalPERS 2014 Mortality pre-retirement
Post-Retirement: CalPERS 2014 Mortality post-retirement

Long-Term Expected Rate of Return – as of June 30, 2018, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return[1]
Equity	63.00%	5.07%
Fixed Income	35.00%	1.70%
REITs	0.00%	5.06%
Cash	2.00%	0.00%

[1] JPMorgan arithmetic Long Term Capital Market assumptions and expected inflation of 2.26%

The above table shows the target asset allocation in the PARS Moderately Conservative investment policy.

(d) Discount Rate

The discount rate is based on a blend of (a) 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.

Above are the arithmetic long-term 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 30 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, 2017	June 30, 2018
Discount Rate	7.00%	7.00%
Bond Buyer 20-Bond GO Index	3.58%	3.87%

(e) Changes in the OPEB Liability

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2017 (Valuation Date July 1, 2018)	$ 3,651,517	$ 2,524,156	$ 1,127,361
Changes recognized for the measurement period:			
Service Cost	-	-	-
Interest	245,662	-	245,662
Changes of assumptions	-	-	-
Contributions - employer	-	-	-
Net Investment income	-	121,309	(121,309)
Benefit payments	(289,000)	(289,000)	-
Administrative expenses	-	-	-
Net Changes	(43,338)	(167,691)	124,353
Balance at June 30, 2018 (Measurement Date June 30, 2018)	$ 3,608,179	$ 2,356,465	$ 1,251,714

(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% point lower (6.00%) or 1% point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability	$1,578,426	$1,251,714	$969,410

(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 calculate using a trend table that is 1% point lower or 1% point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	$979,230	$1,251,714	$1,561,765

(h) Recognition of Deferred Outflows and Deferred Inflows of Resources

Gain 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 earnings on OPEB 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, 2018, Foundation recognized OPEB expense of $88,003. As of fiscal year ended June 30, 2018, Foundation reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions subsequent to measurement date	$ -	$ -
Changes of Assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	36,350	-
Total	$ 36,350	$ -

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

Fiscal Year Ended June 30	Deferred Inflow of Resources
2019	$ 9,088
2020	9,088
2021	9,088
2022	9,086
2023	-
Thereafter	-
	$ 36,350

(10) Designated Net Position

Unrestricted net position designated by the Board for the following purposes at June 30, 2018:

Working capital and sponsored programs	$ 3,284,546
Capital replacement	100,000
Planned future operations	100,000
	$ 3,484,546

(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, 2020. 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.

During the year ended June 30, 2018, the Foundation received $149,027 for professional services provided to the University. The Foundation paid $5,897,380 to the University for professional fees.

In addition, amounts due to the University at June 30, 2018 was $392,190.

(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.

(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.

(14) Restatement

Effective July 1, 2017, the Foundation implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other than Pensions.* The statement established standards for purposes of measuring the net other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and expenses. The implementation of the statement required Foundation to adjust the beginning net OPEB liability and record the deferred outflow of resources due to change in assumptions.

The effect of the change was to increase the net position by the following amounts as of July 1, 2017:

Statement of Financial Position	As Previously Reported	Adjustments	As Restated
Unrestricted net position	$ 14,683,333	$ 470,266	$ 15,153,599

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Required Supplementary Information - Pension

Schedule of the Plan's Proportionate Share of Net Pension Liability and Related Ratio in Relation to PERF C[1]

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 a 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. The table below represents the plan's proportion of PERF C, excluding the 1959 Survivors Risk Pool, and not its proportion of the Miscellaneous Risk Pool.

	2017	2016	2015	2014
Plan's Proportion of the Net Pension Liability	0.12020%	0.12318%	0.12828%	0.04964%
Plan's Proportionnate Share of the Net Pension Liability	$ 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 as Percentage of its Covered Payroll	-	-	5549.17%	166.52%
Plan's Proportionate Share of the Fiduciary Net Position as Percentage of the Plan's Total Pension Liability	27.14%	21.11%	16.54%	17.59%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 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[1]

	2017	2016	2015	2014
Actuarially Determined Contribution	$ 160,857	$ 138,864	$ 2,800	$ 234,666
Contributions in Relation to the Actuarially Determined Contribution	160,857	138,864	2,770	234,666
Contribution Deficiency (Excess)	$ -	$ -	$ 30	$ -
Covered Payroll	$ -	$ -	$ 50,217	$ 1,855,126
Contributions as a Percentage of Covered Payroll	-	-	5.5%	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.

Change in Assumptions

There were no changes in assumptions during the measurement period ended June 30, 2017.

Schedule of Changes in the Net OPEB Liability and Related Ratios

	2018
Total OPEB Liability	
Service cost	$ -
Interest	245,662
Change of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(289,000)
Net change in Total OPEB Liability	$ (43,338)
Total OPEB Liability - ending (a)	3,651,517
Total OPEB Liability - beginning (b)	$ 3,608,179
Plan Fiduciary Net Position	
Contributions - employer	$ -
Contributions - employee	-
Net investment income	121,309
Benefit payments, including refunds of employee contributions	(289,000)
Administrative expenses	-
Other	-
Net change in Plan Fiduciary Net Position	$ (167,691)
Plan Fiduciary Net Position - beginning (c)	$ 2,524,156
Plan Fiduciary Net Position - ending (d)	$ 2,356,465
Net OPEB Liability - beginning (a) - (c)	$ 1,127,361
Net OPEB Liability - ending (b) - (d)	$ 1,251,714
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	65%
Covered employee payroll[(1)]	N/A
Plan Net OPEB Liability as a percentage of covered employee payroll[(1)]	N/A

[1]Covered payroll not available

OTHER SUPPLEMENTARY INFORMATION
FOR CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
Schedule of Net Position
June 30, 2018
(for inclusion in the California State University)

Assets:		
Current assets:		
Cash and cash equivalents	$	785,829
Short-term investments		20,743,633
Accounts receivable, net		1,771,945
Capital lease receivable, current portion		—
Notes receivable, current portion		—
Pledges receivable, net		—
Prepaid expenses and other current assets		—
Total current assets		23,301,407
Noncurrent assets:		
Restricted cash and cash equivalents		—
Accounts receivable, net		—
Capital lease 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		4,150,475
Other assets		—
Total noncurrent assets		4,150,475
Total assets		27,451,882
Deferred outflows of resources:		
Unamortized loss on debt refunding		—
Net pension liability		553,739
Net OPEB liability		36,350
Others		—
Total deferred outflows of resources		590,089
Liabilities:		
Current liabilities:		
Accounts payable		1,000,681
Accrued salaries and benefits		—
Accrued compensated absences, current portion		—
Unearned revenues		1,373,496
Capital lease obligations, current portion		—
Long-term debt obligations, current portion		230,000
Claims liability for losses and loss adjustment expenses, current portion		—
Depository accounts		2,926,815
Other liabilities		21,375
Total current liabilities		5,552,367
Noncurrent liabilities:		
Accrued compensated absences, net of current portion		—
Unearned revenues		—
Grants refundable		—
Capital lease obligations, net of current portion		—
Long-term debt obligations, net of current portion		1,859,327
Claims liability for losses and loss adjustment expenses, net of current portion		—
Depository accounts		—
Net other postemployment benefits liability		1,251,714
Net pension liability		4,820,220
Other liabilities		—
Total noncurrent liabilities		7,931,261
Total liabilities		13,483,628
Deferred inflows of resources:		
Service concession arrangements		—
Net pension liability		154,015
Net OPEB liability		—
Unamortized gain on debt refunding		—
Nonexchange transactions		—
Others		—
Total deferred inflows of resources		154,015
Net Position:		
Net investment in capital assets		2,045,793
Restricted for:		—
Nonexpendable – endowments		—
Expendable:		—
Scholarships and fellowships		—
Research		—
Loans		—
Capital projects		—
Debt service		—
Others		—
Unrestricted		12,358,535
Total net position	$	14,404,328

See accompanying note to supplementary information.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.

Schedule of Revenues, Expenses, and Changes in Net Position

June 30, 2018

(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Student tuition and fees, gross	$	—
Scholarship allowances (enter as negative)		—
Grants and contracts, noncapital:		
Federal		5,527,910
State		905,996
Local		—
Nongovernmental		1,269,450
Sales and services of educational activities		—
Sales and services of auxiliary enterprises, gross		—
Scholarship allowances (enter as negative)		—
Other operating revenues		612,018
Total operating revenues		8,315,374
Expenses:		
Operating expenses:		
Instruction		1,866,196
Research		1,372,921
Public service		2,323,336
Academic support		995,596
Student services		1,145,307
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		—
Auxiliary enterprise expenses		2,233,370
Depreciation and amortization		150,109
Total operating expenses		10,086,835
Operating income (loss)		(1,771,461)
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		1,084,282
Endowment income (loss), net		—
Interest expense		(62,092)
Other nonoperating revenues (expenses) - excl. interagency transfers		—
Other nonoperating revenues (expenses) - interagency transfers		—
Net nonoperating revenues (expenses)		1,022,190
Income (loss) before other revenues (expenses)		(749,271)
State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		(749,271)
Net position:		
Net position at beginning of year, as previously reported		14,683,333
Restatements		470,266
Net position at beginning of year, as restated		15,153,599
Net position at end of year	$	14,404,328

See accompanying note to supplementary information.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
Other Information
June 30, 2018
(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2018:

Portion of restricted cash and cash equivalents related to endowments	$ —
All other restricted cash and cash equivalents	—
Total restricted cash and cash equivalents	$ —

2.1 Composition of investments at June 30, 2018:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	$ —	1	1	—	—	—	1
State of California Local Agency Investment Fund (LAIF)	220,890	358,737	579,627	—	—	—	579,627
Corporate bonds	918,278	128,540	1,046,818	—	—	—	1,046,818
Certificates of deposit	—	22,705	22,705	—	—	—	22,705
Mutual funds	2,446,393	563,017	3,009,410			—	3,009,410
Money Market funds	—	1,097	1,097			—	1,097
Repurchase agreements	—	1,149	1,149			—	1,149
Commercial paper	—	—	—			—	—
Asset backed securities	—	32,881	32,881			—	32,881
Mortgage backed securities	—	30	30			—	30
Municipal bonds	—	5,823	5,823			—	5,823
U.S. agency securities	883,537	340,233	1,223,770			—	1,223,770
U.S. treasury securities	1,419,774	229,413	1,649,187			—	1,649,187
Equity securities	11,488,112	1,683,023	13,171,135			—	13,171,135
Exchange traded funds (ETFs)	—	—	—			—	—
Alternative investments:							
Private equity (including limited partnerships)	—	—	—			—	—
Hedge funds	—	—	—			—	—
Managed futures	—	—	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—	—	—
Commodities	—	—	—	—	—	—	—
Derivatives	—	—	—	—	—	—	—
Other alternative investment types	—	—	—	—	—	—	—
Other external investment pools (excluding SWIFT)							
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Other major investments:							
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Total investments	17,376,984	3,366,649	20,743,633	—	—	—	20,743,633
Less endowment investments (enter as negative number)				—	—	—	—
Total investments	17,376,984	3,366,649	20,743,633	—	—	—	20,743,633

2.2 Investments held by the University under contractual agreements at June 30, 2018:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2018 :	—	451,563	451,563	—	—	—	451,563

See accompanying note to supplementary information.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.

Other Information

June 30, 2018

(for inclusion in the California State University)

2.3 Restricted current investments at June 30, 2018 related to:

	Amount
Restricted - agency liabilities	$ 2,868,147
Restricted - expendable other	498,501
Restricted - expendable debt service	1
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2018	$ 3,366,649

2.4 Restricted noncurrent investments at June 30, 2018 related to:

	Amount
Endowment investment	$ —
Scholarships	—
Inflation reserves	—
University projects	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2018	$ —

2.5 Fair value hierarchy in investments at June 30, 2018:

		Fair Value Measurements Using			
	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)**
State of California Surplus Money Investment Fund (SMIF)	$ 1	—	—	—	1
State of California Local Agency Investment Fund (LAIF)	579,627	—	—	—	579,627
Corporate bonds	1,046,818	—	1,046,818	—	—
Certificates of deposit	22,705	—	22,705	—	—
Mutual funds	3,009,410	—	3,009,410	—	—
Money Market funds	1,097	—	—	—	1,097
Repurchase agreements	1,149	—	1,149	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	32,881	—	32,881	—	—
Mortgage backed securities	30	—	30	—	—
Municipal bonds	5,823	—	5,823	—	—
U.S. agency securities	1,223,770	—	1,223,770	—	—
U.S. treasury securities	1,649,187	—	1,649,187	—	—
Equity securities	13,171,135	13,171,135	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	—	—	—	—	—
Hedge funds	—	—	—	—	—
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—
Commodities	—	—	—	—	—
Derivatives	—	—	—	—	—
Other alternative investment types	—	—	—	—	—
Other external investment pools (excluding SWIFT)					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Other major investments:					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Total investments	20,743,633	13,171,135	6,991,773	—	580,725

See accompanying note to supplementary information.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
Other Information
June 30, 2018
(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2018:

	Balance June 30, 2017	Prior period Adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2018
Nondepreciable/nonamortizable 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	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	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, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	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	(3,388,742)	—	—	(3,388,742)	(148,966)	—		(3,537,708)
Improvements, other than buildings	—	—	—	—	—	—		—
Infrastructure	—	—	—	—	—	—		—
Leasehold improvements	—	—	—	—	—	—		—
Personal property:								
Equipment	(521,470)	—	—	(521,470)	(1,143)	—		(522,613)
Library books and materials	—	—	—	—	—	—		—
Intangible assets:								
Software and websites	—	—	—	—	—	—		—
Rights and easements	—	—	—	—	—	—		—
Patents, copyright and trademarks	—	—	—	—	—	—		—
Licenses and permits	—	—	—	—	—	—		—
Other intangible assets:								
Add description	—	—	—	—	—	—		—
Add description	—	—	—	—	—	—		—
Add description	—	—	—	—	—	—		—
Add description	—	—	—	—	—	—		—
Add description	—	—	—	—	—	—		—
Total intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(3,910,212)	—	—	(3,910,212)	(150,109)	—	—	(4,060,321)
Total capital assets, net	$ 4,300,584	—	—	4,300,584	(150,109)	—	—	4,150,475

See accompanying note to supplementary information.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
Other Information
June 30, 2018
(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2018:

Depreciation and amortization expense related to capital assets	$ 150,109
Amortization expense related to other assets	—
Total depreciation and amortization	$ 150,109

4 Long-term liabilities activity schedule:

	Balance June 30, 2017	Prior period adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Balance June 30, 2018	Current portion	Long-term portion
Accrued compensated absences	$ —	—	—	—	—	—	—	—	—
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capital lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capital lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	2,095,000	—	—	2,095,000	—	(220,000)	1,875,000	230,000	1,645,000
Others: (list by type)									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	2,095,000	—	—	2,095,000	—	(220,000)	1,875,000	230,000	1,645,000
Unamortized bond premium / (discount)	248,168	—	—	248,168	—	(33,841)	214,327	—	214,327
Total long-term debt obligations, net	2,343,168	—	—	2,343,168	—	(253,841)	2,089,327	230,000	1,859,327
Total long-term liabilities	$ 2,343,168	—	—	2,343,168	—	(253,841)	2,089,327	230,000	1,859,327

5 Future minimum lease payments - Capital lease obligations:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
Total minimum lease payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum lease payments									—
Unamortized net premium (discount)									—
Total capital lease obligations									—
Less: current portion									—
Capital lease obligations, net of current portion									$ —

See accompanying note to supplementary information.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
Other Information
June 30, 2018
(for inclusion in the California State University)

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	$ —	—	—	230,000	86,925	316,925	230,000	86,925	316,925
2020	—	—	—	245,000	75,325	320,325	245,000	75,325	320,325
2021	—	—	—	250,000	63,150	313,150	250,000	63,150	313,150
2022	—	—	—	265,000	50,475	315,475	265,000	50,475	315,475
2023	—	—	—	280,000	37,000	317,000	280,000	37,000	317,000
2024 - 2028	—	—	—	605,000	30,525	635,525	605,000	30,525	635,525
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	1,875,000	343,400	2,218,400	1,875,000	343,400	2,218,400
Less amounts representing interest									(343,400)
Present value of future minimum payments									1,875,000
Unamortized net premium (discount)									214,327
Total long-term debt obligations									2,089,327
Less: current portion									(230,000)
Long-term debt obligations, net of current portion									$ 1,859,327

7 Calculation of net position:

7.1 Calculation of net position - Net investment in capital assets

Capital assets, net of accumulated depreciation	$ 4,150,475
Capital lease obligations, current portion	—
Capital lease obligations, net of current portion	—
Long-term debt obligations, current portion	(230,000)
Long-term debt obligations, net of current portion	(1,859,327)
Portion of outstanding debt that is unspent at year-end (enter as positive number)	—
Other adjustments: (please list)	
Interest payable	(15,417)
Short-term investment - SMIF	1
Interest receivable	61
Add description	—
Add description	—
Net position - Net investment in capital assets	$ 2,045,793

7.2 Calculation of net position - Restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	$ —
Endowment investments	—
Other adjustments: (please list)	
Restricted expendable endowments	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Net position - Restricted for nonexpendable - endowments	$ —

See accompanying note to supplementary information.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
Other Information
June 30, 2018
(for inclusion in the California State University)

8 Transactions with related entities:

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	$ 4,543,727
Payments to University for other than salaries of University personnel	1,353,654
Payments received from University for services, space, and programs	149,027
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 (enter as negative number)	(392,190)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University (enter as positive number)	—
Other amounts receivable from University	—

9 Other postemployment benefits (OPEB) liability

Intentionaly left blank - not required/applicable eff FY17/18

10 Pollution remediation liabilities under GASB Statement No. 49:

Description	Amount
Add description	$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total pollution remediation liabilities	$ —
Less: current portion	—
Pollution remedition liabilities, net of current portion	—

See accompanying note to supplementary information.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
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11 The nature and amount of the prior period adjustment(s) recorded to beginning net position:

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 2018, as previously reported		$ 14,683,333
Prior period adjustments:		
1 To record the cumulative adjustment of the implementation of GASB 75		470,266
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net position as of June 30, 2017, as restated		$ 15,153,599

Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjustment:

	Debit	Credit
Net position class:_____		
1 (To record the cumulative adjustment of the implementation of GASB 75)		
Unrestricted		$ 470,266
Deferred outflows of resources-Net OPEB liability	$ 45,438	
Net other postemployment benefits liability	424,828	
Net position class:_____		
2 (breakdown of adjusting journal entry)		
	—	—
Net position class:_____		
3 (breakdown of adjusting journal entry)		
	—	—
Net position class:_____		
4 (breakdown of adjusting journal entry)		
	—	—
Net position class:_____		
5 (breakdown of adjusting journal entry)		
	—	—
Net position class:_____		
6 (breakdown of adjusting journal entry)		
	—	—
Net position class:_____		
7 (breakdown of adjusting journal entry)		
	—	—
Net position class:_____		
8 (breakdown of adjusting journal entry)		
	—	—
Net position class:_____		
9 (breakdown of adjusting journal entry)		
	—	—
Net position class:_____		
10 (breakdown of adjusting journal entry)		
	—	—

See accompanying note to supplementary information.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.

Other Information

June 30, 2018

(for inclusion in the California State University)

12 Natural Classifications of Operating Expenses:

	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	553,265	242,021	8,820	1,062,090	—	1,866,196
Research	561,550	162,605	120,000	528,766	—	1,372,921
Public service	766,814	359,927	—	1,196,595	—	2,323,336
Academic support	587,048	193,479	1,000	214,069	—	995,596
Student services	672,443	356,358	—	116,506	—	1,145,307
Institutional support	—	—	—	—	—	—
Operation and maintenance of plant	—	—	—	—	—	—
Student grants and scholarships	—	—	—	—	—	—
Auxiliary enterprise expenses	—	—	—	2,233,370	—	2,233,370
Depreciation and amortization	—	—	—	—	150,109	150,109
Total	3,141,120	1,314,390	129,820	5,351,396	150,109	10,086,835

See accompanying note to supplementary information.

CALIFORNIA STATE UNIVERSITY, EAST BAY FOUNDATION, INC.
Note to Supplementary Information
Year Ended June 30, 2018

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.