

# The University Foundation, California State University, Chico

Financial Statements and Supplemental Information  
Years Ended June 30, 2019 and 2018

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Financial Statements and Supplemental Information

June 30, 2019 and 2018

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The University Foundation, California State University, Chico

### Report on the Financial Statements

We have audited the accompanying financial statements of The University Foundation, California State University, Chico (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### 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 audits. We conducted our audits in accordance with auditing standards generally accepted in 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 auditor's 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 University Foundation, California State University, Chico as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with principles generally accepted in the United States of America.

### Emphasis-of-Matter Regarding a Change in Accounting Principle

As discussed in Note 1 to the financial statements, The University Foundation, California State University, Chico adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958); Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

## INDEPENDENT AUDITORS' REPORT, CONTINUED

### Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included on pages 25 - 33 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 19, 2019

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO****Statements of Financial Position**

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 2,129,677	\$ 1,773,453
Receivables and other current assets	2,232,340	294,898
Investments	13,939,567	12,486,611
Current portion of contributions receivable, net	1,486,768	1,536,513
Student loans administered through CSU, Chico	-	152,281
Total Current Assets	<u>19,788,352</u>	<u>16,243,756</u>
Investments	68,552,280	70,352,786
Contributions Receivable, net	5,023,019	3,820,550
Building and Equipment, net of accumulated depreciation	<u>199,143</u>	<u>286,448</u>
Total Assets	<u>\$ 93,562,794</u>	<u>\$ 90,703,540</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 1,013,916	\$ 1,143,912
Liabilities under deferred gift agreements, current	<u>18,568</u>	<u>81,706</u>
Total Current Liabilities	1,032,484	1,225,618
Long-Term Liabilities Under Deferred Gift Agreements	<u>3,774,056</u>	<u>4,479,246</u>
Total Liabilities	4,806,540	5,704,864
Net Assets:		
Without donor restrictions	9,314,944	7,464,788
With donor restrictions	<u>79,441,310</u>	<u>77,533,888</u>
Total Net Assets	<u>88,756,254</u>	<u>84,998,676</u>
Total Liabilities and Net Assets	<u>\$ 93,562,794</u>	<u>\$ 90,703,540</u>

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO****Statement of Activities**

Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support:			
Donations and contributions	\$ 496,836	\$ 9,438,834	\$ 9,935,670
University programs' receipts	249,648	859,589	1,109,237
Interest and dividend income	537,938	1,013,054	1,550,992
Realized and unrealized gains	302,807	517,104	819,911
Change in split interest agreement	-	298,778	298,778
Net assets released from restrictions	<u>10,219,937</u>	<u>(10,219,937)</u>	<u>-</u>
Total Revenue and Support	11,807,166	1,907,422	13,714,588
Operating Expenses:			
Program services:			
Campus programs	6,510,912	-	6,510,912
Student scholarships	1,982,723	-	1,982,723
Supporting services:			
Management and general	931,423	-	931,423
Fundraising	<u>531,952</u>	<u>-</u>	<u>531,952</u>
Total Expenses	<u>9,957,010</u>	<u>-</u>	<u>9,957,010</u>
Change in Net Assets	1,850,156	1,907,422	3,757,578
Net Assets, beginning	<u>7,464,788</u>	<u>77,533,888</u>	<u>84,998,676</u>
Net Assets, ending	<u>\$ 9,314,944</u>	<u>\$ 79,441,310</u>	<u>\$ 88,756,254</u>

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Statement of Activities**

Year Ended June 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support:			
Donations and contributions	\$ 417,151	\$ 6,807,299	\$ 7,224,450
University programs' receipts	617,460	1,604,545	2,222,005
Interest and dividend income	255,101	1,434,473	1,689,574
Realized and unrealized gains	333,787	2,738,588	3,072,375
Change in split interest agreement	-	(1,351,658)	(1,351,658)
Net assets released from restrictions	<u>9,059,490</u>	<u>(9,059,490)</u>	<u>-</u>
Total Revenue and Support	10,682,989	2,173,757	12,856,746
Operating Expenses:			
Program services:			
Campus programs	6,502,155	-	6,502,155
Student scholarships	2,045,450	-	2,045,450
Supporting services:			
Management and general	925,897	-	925,897
Fundraising	<u>485,342</u>	<u>-</u>	<u>485,342</u>
Total Expenses	<u>9,958,844</u>	<u>-</u>	<u>9,958,844</u>
Change in Net Assets	724,145	2,173,757	2,897,902
Net Assets, beginning	<u>6,740,643</u>	<u>75,360,131</u>	<u>82,100,774</u>
Net Assets, ending	<u>\$ 7,464,788</u>	<u>\$ 77,533,888</u>	<u>\$ 84,998,676</u>

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Statement of Functional Expenses**

Year Ended June 30, 2019

	Program Services		Supporting Services		Total
	Campus Programs	Student Scholarships	Management and General	Fundraising	
Community and donor relations	\$ 3,674,786	\$ -	\$ 115,038	\$ 131,057	\$ 3,920,881
Scholarship	-	1,982,723	-	-	1,982,723
Salaries, related costs and benefits	1,268,675	-	119,901	1,239	1,389,815
Consultants and professional fees	181,440	-	594,239	169,916	945,595
Travel, conference, and education	361,224	-	-	167,106	528,330
Supplies	278,221	-	9,216	1,203	288,640
Advertising	221,716	-	-	1,367	223,083
Taxes, permits and licenses	168,114	-	-	8,282	176,396
In-kind	86,904	-	-	-	86,904
Printing	59,312	-	-	19,845	79,157
Depreciation	50,570	-	22,633	-	73,203
Vehicle expenses and mileage	70,628	-	-	947	71,575
Bank charges	10,836	-	58,189	-	69,025
Occupancy	48,276	-	1,181	-	49,457
Courier, shipping and postage	12,600	-	-	15,966	28,566
Insurance	1,215	-	11,026	-	12,241
Telephone	2,148	-	-	9,852	12,000
Equipment maintenance	10,051	-	-	-	10,051
Equipment rental	-	-	-	5,172	5,172
Miscellaneous	4,196	-	-	-	4,196
<b>Total Expenses</b>	<b>\$ 6,510,912</b>	<b>\$ 1,982,723</b>	<b>\$ 931,423</b>	<b>\$ 531,952</b>	<b>\$ 9,957,010</b>



**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Statement of Functional Expenses**

Year Ended June 30, 2018

	Program Services		Supporting Services		Total
	Campus Programs	Student Scholarships	Management and General	Fundraising	
Community and donor relations	\$ 2,804,187	\$ -	\$ 65,252	\$ 135,515	\$ 3,004,954
Scholarship	-	2,045,450	-	-	2,045,450
Consultants and professional fees	540,006	-	586,205	114,808	1,241,019
Salaries, related costs and benefits	1,091,108	-	131,206	-	1,222,314
Travel, conference, and education	589,747	-	5,000	170,535	765,282
In-kind	600,629	-	-	-	600,629
Supplies	264,593	-	14,131	-	278,724
Advertising	232,224	-	-	526	232,750
Printing	101,572	-	-	28,809	130,381
Depreciation	52,004	-	39,602	-	91,606
Miscellaneous	68,691	-	18,326	-	87,017
Occupancy	79,310	-	2,780	190	82,280
Bank charges	19,220	-	48,672	-	67,892
Courier, shipping and postage	19,211	-	-	22,322	41,533
Equipment maintenance	22,605	-	100	-	22,705
Insurance	2,756	-	14,623	-	17,379
Telephone	2,221	-	-	9,009	11,230
Taxes, permits and licenses	6,445	-	-	3,628	10,073
Vehicle expenses and mileage	3,467	-	-	-	3,467
Bad debt (recovery)	2,159	-	-	-	2,159
<b>Total Expenses</b>	<b>\$ 6,502,155</b>	<b>\$ 2,045,450</b>	<b>\$ 925,897</b>	<b>\$ 485,342</b>	<b>\$ 9,958,844</b>

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO****Statement of Cash Flows**

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 3,757,578	\$ 2,897,902
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	73,203	91,606
Net unrealized (gain) loss on investments	1,600,193	(2,041,705)
Net unrealized (gain) loss on split interest agreements	(298,778)	1,326,909
Loss on disposal of building and equipment	14,102	8,511
Student loans administered through CSU, Chico	152,281	351,911
Changes in operating assets and liabilities:		
Receivables and other assets	(1,937,442)	(62,799)
Contributions receivable, net	(1,152,724)	114,633
Accounts payable	(129,996)	674,660
Liabilities under deferred gift agreements	(768,328)	1,430,724
Net Cash Provided by Operating Activities	<u>1,310,089</u>	<u>4,792,352</u>
Cash Flows From Investing Activities:		
Purchase of investments	(9,409,898)	(14,134,115)
Sale of investments	8,456,033	9,497,910
Purchase of property and equipment	-	(7,540)
Net Cash Used by Investing Activities	<u>(953,865)</u>	<u>(4,643,745)</u>
Net Increase in Cash and Cash Equivalents	356,224	148,607
Cash and Cash Equivalents, beginning	<u>1,773,453</u>	<u>1,624,846</u>
Cash and Cash Equivalents, ending	<u>\$ 2,129,677</u>	<u>\$ 1,773,453</u>

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Years Ended June 30, 2019 and 2018

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### Note 1 – Organization and Summary of Significant Accounting Policies

#### Nature of Activities

The University Foundation, California State University, Chico (the Foundation) is a not-for-profit auxiliary organization of California State University, Chico (the University), organized and operated in accordance with the Education Code of the State of California and the California Code of Regulations. The Foundation was organized and incorporated in 1940, with a mission to support and enhance campus projects and programs. In 1997, its function became solely philanthropic.

The Foundation is related to other auxiliaries of the University, including the Chico State Enterprises and the Associated Students, CSU, Chico (Associated Students). These auxiliaries and the University periodically provide various services for one another.

#### New Accounting Pronouncement

The Organization adopted ASU No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three. The guidance also enhances disclosures for board designations amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification. The Organization has adjusted the presentation of these consolidated statements accordingly. The ASU has been applied retrospectively to all periods presented.

#### Basis of Accounting and Reporting

The financial statements of the Foundation have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

The Foundation's financial statements present net assets and contributions classified as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

- Net assets without donor restrictions consist of net assets that are not restricted by donor-imposed stipulations. Net assets without donor restrictions also include funds other than contributions that have been designated for specific purpose by the Board of Governors (the "Board") or CSU, Chico.
- Net assets with donor restrictions consist of unspent contributions that are subject to specific donor restrictions that can be fulfilled by actions of the Foundation or by the passage of time. These include unspent purpose-restricted expendable gifts, certain pledges payable in future periods, and unspent time-restricted gifts. Net assets with donor restrictions also include contributions made with donor imposed stipulations that the funds be held in perpetuity. Generally, the income earned on such contributions is available for use by the Foundation for the benefit of the University. Also included in net assets with donor restrictions are charitable remainder trusts ("CRT"), in which the income earned is included in net assets with donor restrictions.

Contributions, including unconditional promises to give (pledges), are recognized in the year the promise is made. Contributions with donor-imposed restrictions are reported as net assets with donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions at such time the Foundation has fulfilled the donor-imposed restriction.

Pledges that are expected to be collected within one year from the date of the gift are recorded at their net realizable value. Pledges that are expected to be collected in future years are discounted to their estimated net present value (see Note 4).

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Years Ended June 30, 2019 and 2018

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### Note 1 – Organization and Summary of Significant Accounting Policies, continued

#### Cash and Cash Equivalents

The Foundation considers cash and cash equivalents to include cash on hand and in commercial checking accounts. The Foundation has a concentration of cash invested in JP Morgan Chase Bank. The Foundation maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. As of June 30, 2019 the Foundation had approximately \$1,958,606 that was exposed to uninsured deposit risk.

#### Receivables

The Foundation administers campus programs related to the philanthropic activity of the University. Receivables represent amounts due at June 30 from various campus program activities. At June 30, 2019, management had determined that the receivables were fully collectible; therefore no allowance for doubtful accounts was considered necessary.

#### Investments

Investments are reported at fair value, with gains and losses included in the statements of activities.

Investments include charitable remainder trust assets which consist primarily of mutual funds invested in equities and fixed income instruments.

#### Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value and establishes a framework for measuring fair value under generally accepted accounting principles.

The Foundation defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Foundation applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2019 due to the relative short maturities of these instruments.

Following is a description of the valuation methodologies used for assets measures at fair value. There have been no changes in the methodologies used during the years ended June 30, 2019 and 2018.

- Money Market Funds - Amounts are interest-bearing deposit accounts, which at times may be in excess of the FDIC insurance limit. The Foundation does not consider these amounts for use in general operations; therefore, they are not classified as cash and cash equivalents.

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Years Ended June 30, 2019 and 2018

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### Note 1 – Organization and Summary of Significant Accounting Policies, continued

#### Fair Value Measurements, continued

- **Mutual Funds and Equity Securities** - Each investor in a mutual fund will typically receive units of participation or shares in the mutual fund. These shares are valued daily, based on the underlying securities owned by the mutual fund, and are usually publicly traded equity securities. Equity securities are instruments that signify an ownership position in a corporation and represents a claim on its proportional share in the corporation's assets and profits. Ownership is determined by the number of shares an investor owns divided by the total number of shares outstanding. Equity securities are valued daily based on the closing market price in the active exchange markets.
- **Debt and Fixed Income Securities** - Corporate and municipal bonds and other debt and fixed income securities are generally valued by a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value. Each bond series has a unique set of variables including coupon payment, number of payments, interest rate, and the maturity value. These factors are used to determine the estimated market value and can be determined daily.
- **Unit Investment Trusts (UIT)** - UIT typically issue redeemable securities or units, similar to a mutual fund, and will buy back an investor's units, at the investor's request, at their approximate net asset value. A UIT does not actively trade its investment portfolio; instead, it buys a relatively fixed portfolio of specific stocks or bonds and holds them with little or no change for the life of the UIT. A UIT will have a termination date, which is established when the UIT is created. In the case of a UIT investing in bonds, for example, the termination date may be determined by the maturity date of the bond investments. When a UIT terminates, any remaining investment portfolio securities are sold and the proceeds are paid to the investors. Distributions to investors are calculated by annualizing the distribution paid and dividing by the market price. The distribution rate may include realized short-term capital gains as well as return of capital.
- **Partnership Interests** - The fair value of the partnership interests have been estimated based on information provided by the fund managers or the general partners.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

#### Artwork and Collections

The Foundation maintains collections of art. Collection items acquired either through purchase or donation are not capitalized or recognized as revenues or gains provided that such donations are added to collections and are held for public exhibition, education, or research in furtherance of public service rather than financial gain; are protected, kept unencumbered, cared for, and preserved; and are subject to a policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. Purchases of collection items are recorded as decreases in net assets without donor restrictions if purchased with assets without donor restrictions and as decreases in net assets with donor restrictions if purchased with donor-restricted assets. Proceeds from deaccessions or insurance recoveries are reflected in the statements of activities based on the absence or existence and nature of donor-imposed restrictions.

#### Student Loans Administered through CSU, Chico

Gifts made to the Foundation for the purpose of providing student loans are annually assessed by the University for collectability. These funds are provided to students through the University's Financial Aid office. As of June 30, 2019 all of these funds has been transferred to the University.

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Years Ended June 30, 2019 and 2018

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### Note 1 – Organization and Summary of Significant Accounting Policies, continued

#### Building and Equipment

Buildings and equipment are stated at cost, or if acquired by gift, are recorded at estimated market value at the date of acquisition. Buildings and equipment are not capitalized by the Foundation if the title remains with or reverts to the grantor. Expenditures for new construction, major renewals and replacements, and equipment over \$5,000 are capitalized.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method.

#### Liabilities under Deferred Gift Agreements

The Foundation serves as trustee and administrator for various types of trust agreements, including split-interest agreements, whereby the beneficial interest is shared with one or more parties. The arrangements generally require payment of annual trust income to the beneficiary or beneficiaries over the term of the trust, with the remainderman portion of the assets reverting to the Foundation. The liability under deferred gift agreements on the statements of financial position represents the present value of the estimated future payments to be distributed to these beneficiaries over the life expectancies of the beneficiaries, as derived using actuarial tables. The present value calculation included a discount rate of 4%. The California Insurance Code provides limitations on investment vehicles utilized for charitable gift annuity agreements.

#### Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Foundation has been classified as an organization that is not a private foundation under Section 509(a)(2). The Foundation has not entered into any activities that would jeopardize its tax-exempt status. Income from certain investments with activity not related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income (UBI). The Foundation files exempt organization returns in the U.S. federal and California jurisdictions.

The Foundation accounts for income taxes in accordance with FASB ASC 740, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in the Foundation's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740, *Income Taxes*, also provides guidance on de-recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on this analysis, a liability is recorded if uncertain tax benefits have been received. The Foundation's practice is to recognize interest and penalties, if any, related to uncertain tax positions in the tax expense.

#### Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Significant estimates include the discount rates on pledges receivable, unitrust liabilities, the life expectancy of annuitants of unitrusts, the collectability of pledges receivables and the fair value of alternative investments. Actual results could differ from those estimates.

#### Board Designated Funds

The Foundation's governing board through specific action has created self-imposed limits on net assets without donor restrictions. As of June 30, 2019, the board has earmarked \$7,082,522 of net assets without donor restrictions of which \$199,143 is restricted for plant and equipment. This reserve recognizes that some of the Foundation's net assets have been used to purchase buildings, fixtures, or equipment. These assets are not readily convertible to cash thus, the amount reserved shall equal the cost of the Foundation's fixed assets less accumulated depreciation.

The Foundation's working capital reserve was \$367,508 as of June 30, 2019. The intent of the working capital reserve is to provide a cushion of short-term operating cash. Working capital shall be at a minimum level of \$150,000 or an amount equal to 25% of the budgeted operating expenses (excluding depreciation) whichever is greater.

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Years Ended June 30, 2019 and 2018

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### Note 1 – Organization and Summary of Significant Accounting Policies, continued

#### Board Designated Funds, continued

The Foundation's reserve for planned future operations is \$320,169. This reserve is to provide funding for new operations, campaigns or development projects specifically adopted by the Board, including the facilities, equipment, staff, or training needed to accomplish them. The reserve shall be equal to the planned future operational expenditures approved by the Board. The Foundation has designated \$2,000,000 as the liquidity reserve. These funds are intended to be relatively liquid and low risk. Endowment net assets without donor restrictions were \$4,195,702. These funds are designated for long-term investing to support ongoing operations and programs.

#### Functional Expense Allocations

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, consultants, professional fees, and community and donor relations. Salaries are allocated on the basis of time and effort and consultants, professional fees, and community and donor relations are broken out by accounts and can be directly charged to the appropriate function based on actual expenses.

#### Future Accounting Standards

The Financial Accounting Standards Board (FASB) has issued three substantial Accounting Standards Updates (ASU) which will become effective in future years.

The amendments in ASU 2014-09 *Revenue from Contracts with Customers* and subsequent updates require that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Adoption of the new standard is to be applied on a full retrospective basis or modified retrospective basis. The Foundation is in the process of assessing how this new ASU and subsequent updates will affect the Foundation's reporting of revenues. This assessment includes determining the effect of the new standard on the Foundation's financial statements, accounting systems, business processes, and internal controls.

Based on its assessment to date, the Foundation does not currently expect adoption to have a material effect on its revenues. Adoption of ASU 2014-09 will also require enhanced financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In June 2018, ASU 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* was issued to provide guidance on the accounting and reporting of grants and contributions. This guidance will assist nonprofit organizations in evaluating if a transaction is an exchange transaction or a contribution. Clarification was also added to determine if a contribution is conditional or unconditional and how each of these should be recorded. This update is effective for transactions in which the entity serves as the resource recipient for fiscal years beginning after December 15, 2018. The Foundation is evaluating the effect that the provisions of ASU 2018-08 will have on its financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02 *Leases*. The primary change in generally accepted accounting principles (GAAP) addressed by ASU 2016-02 is the requirement for a lessee to recognize on the balance sheet a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2020. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Foundation is evaluating the effect that the provisions of ASU 2016-02 will have on its financial statements and related disclosures.

#### Subsequent Events

Management has evaluated subsequent events through September 19, 2019, the date which the report was available to be issued.

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Years Ended June 30, 2019 and 2018

### Note 2 – Financial Assets and Liquidity Resources

The Foundation's financial assets available within one year of the statement of financial date for general expenditures are as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 2,129,677	\$ 1,773,453
Receivables and other current assets	2,232,340	294,898
Contributions receivable, net	6,509,787	5,357,063
Investments	<u>82,491,847</u>	<u>82,839,397</u>
Total financial assets	93,363,651	90,264,811
Less amounts not available to be used within one year:		
Restricted by donor with time or purpose restrictions	(58,411,754)	(57,156,958)
Subject to appropriation and satisfaction of donor restrictions	(15,250,268)	(13,450,450)
Investments held in annuity trust	(8,684,207)	(9,289,605)
Amounts set aside for liquidity reserve	(2,000,000)	(2,000,000)
Amounts set aside for post retirement benefit obligation	(515,421)	(601,958)
Board designated for investment in plant and equipment	(199,143)	(286,448)
Board designated reserve for working capital	(367,508)	(369,573)
Board designated reserve for planned future operations	(320,169)	(320,169)
Board designated for Quasi-endowment fund, primarily for long-term investing	<u>(4,195,702)</u>	<u>(3,197,074)</u>
	<u>(89,944,172)</u>	<u>(86,672,235)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>3,419,479</u></u>	\$ <u><u>3,592,576</u></u>

The Foundation is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as it general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments with a benchmark of a 4% return. Occasionally, the board designates a portion of any operating surplus to its liquidity reserve, which was \$2,000,000 as of June 30, 2019 and 2018.



**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Notes to Financial Statements**

Years Ended June 30, 2019 and 2018

**Note 3 – Investments**

The following is a schedule of investments at fair value, by level within the fair value hierarchy at June 30, 2019:

	Level 1	Level 2	Level 3	NAV	Total
Money market funds	\$ 793,364	\$ -	\$ -	\$ -	\$ 793,364
Mutual funds, by investment objective:					
Growth funds	5,774,227	-	-	-	5,774,227
Blend funds	15,345,585	-	-	-	15,345,585
Value funds	8,052,540	-	-	-	8,052,540
International funds	12,599,121	-	-	-	12,599,121
Bond and fixed income funds	13,596,229	-	-	-	13,596,229
Equity securities, by industry type:					
Technology	159,985	-	-	-	159,985
Healthcare	40,020	-	-	-	40,020
Financial	70,030	-	-	-	70,030
Other	520,589	-	-	-	520,589
Debt and fixed income securities:					
U.S. Treasury	-	33,255	-	-	33,255
Corporate	-	19,606	-	-	19,606
Other	-	249,489	-	-	249,489
Pooled investments:					
Local Agency Investment Fund (a)	-	-	-	744,083	744,083
Unit investment trusts	-	508,295	-	-	508,295
Partnership interests, by investment objective:					
Hedge funds and commodity pools (a)	-	-	-	7,667,346	7,667,346
International funds (a)	-	-	-	1,487,486	1,487,486
Growth and special opportunity (a)	-	-	-	7,709,454	7,709,454
Private equity (a)	-	-	-	4,872,691	4,872,691
Real estate (a)	-	-	-	2,248,452	2,248,452
	<u>\$ 56,951,690</u>	<u>\$ 810,645</u>	<u>\$ -</u>	<u>\$ 24,729,512</u>	<u>\$ 82,491,847</u>

(a) In accordance with subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Notes to Financial Statements**

Years Ended June 30, 2019 and 2018

**Note 3 – Investments, continued**

The following is a schedule of investments at fair value, by level within the fair value hierarchy at June 30, 2018:

	Level 1	Level 2	Level 3	NAV	Total
Money market funds	\$ 1,052,175	\$ -	\$ -	\$ -	\$ 1,052,175
Mutual funds, by investment objective:					
Growth funds	6,385,920	-	-	-	6,385,920
Blend funds	13,859,297	-	-	-	13,859,297
Value funds	7,684,260	-	-	-	7,684,260
International funds	12,602,938	-	-	-	12,602,938
Bond and fixed income funds	15,603,498	-	-	-	15,603,498
Equity securities, by industry type:					
Technology	279,940	-	-	-	279,940
Healthcare	65,620	-	-	-	65,620
Energy	77,332	-	-	-	77,332
Services	166,526	-	-	-	166,526
Financial	104,638	-	-	-	104,638
Other	461,961	-	-	-	461,961
Debt and fixed income securities:					
U.S. Treasury	-	33,312	-	-	33,312
Corporate	-	18,587	-	-	18,587
Other	-	411,302	-	-	411,302
Pooled investments:					
Local Agency Investment Fund (a)	-	-	-	727,409	727,409
Unit investment trusts	-	484,230	-	-	484,230
Partnership interests, by investment objective:					
Hedge funds and commodity pools (a)	-	-	-	6,875,412	6,875,412
International funds (a)	-	-	-	1,258,072	1,258,072
Growth and special opportunity (a)	-	-	-	9,088,130	9,088,130
Private equity (a)	-	-	-	3,623,306	3,623,306
Real estate (a)	-	-	222,095	1,753,437	1,975,532
	<u>\$ 58,344,105</u>	<u>\$ 947,431</u>	<u>\$ 222,095</u>	<u>\$ 23,325,766</u>	<u>\$ 82,839,397</u>

(a) In accordance with subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

The following schedule summarizes the change in Level 3 investments for the year ending June 30, 2019:

	Real Estate
Balance - June 30, 2018	\$ 222,095
Reclassifications to NAV	<u>(222,095)</u>
Balance - June, 30 2019	<u>\$ -</u>

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Years Ended June 30, 2019 and 2018

### Note 3 – Investments, continued

Commitments and redemption schedules for those investments based on net asset values are as follows:

Description	Fair value at June 30, 2019	Unfunded commitments	Redemption frequency	Redemption notice period
Hedge funds and commodity pools [a]	\$ 7,667,346	n/a	quarterly	n/a
International funds [b]	\$ 1,487,486	n/a	daily	90 days
Growth and special opportunity [c]	\$ 4,664,906	n/a	quarterly	60 to 65 days
Growth and special opportunity [c]	\$ 1,623,808	n/a	semi-annual	30 days
Growth and special opportunity [c]	\$ 1,420,740	n/a	monthly	30 days
Private equity [d]	\$ 4,872,691	\$ 6,946,549	n/a	n/a
Real estate [e]	\$ 2,248,452	\$ 920,545	n/a	n/a
Local Agency Investment Fund (LAIF) [f]	\$ 744,083	n/a	n/a	n/a

Description	Fair value at June 30, 2018	Unfunded commitments	Redemption frequency	Redemption notice period
Hedge funds and commodity pools [a]	\$ 6,875,412	n/a	quarterly	n/a
International funds [b]	\$ 1,258,072	n/a	daily	90 days
Growth and special opportunity [c]	\$ 5,714,128	n/a	quarterly	60 to 65 days
Growth and special opportunity [c]	\$ 2,042,155	n/a	semi-annual	30 days
Growth and special opportunity [c]	\$ 1,331,847	n/a	monthly	30 days
Private equity [d]	\$ 3,623,306	\$ 4,796,212	n/a	n/a
Real estate [e]	\$ 1,753,437	\$ 235,545	n/a	n/a
Local Agency Investment Fund (LAIF) [f]	\$ 727,409	n/a	n/a	n/a

[a] This class includes investments hedged bond and equity strategies with low net risk exposure (i.e., bond-like volatility).

[b] This class includes investments in regionally diverse stocks, predominantly long-only.

[c] This class includes investments in diverse growth sensitive hedged strategies with significant but less than full equity-like risk exposure.

[d] This class includes investments in equity and debt of companies that are not publicly traded on a stock exchange.

[e] This class includes investments in privately held commercial real estate, either equity or debt, through funds or direct investment.

[f] This class holds short-term deposits in a State of California, Treasurer's Office, investment pool. The value of each participating LAIF dollar equals the fair value divided by the amortized cost.

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Years Ended June 30, 2019 and 2018

### Note 4 – Contributions Receivable

Contributions receivable consists of unconditional promises to give, including pledges receivable and beneficial interest in trusts. The Foundation is the beneficiary of trusts managed by others; beneficial interest in trusts represents the estimated value of the Foundation's future payment upon the termination of those trusts. Contributions receivable consists of the following at June 30:

	<u>2019</u>	<u>2018</u>
Major pledges	\$ 4,749,471	\$ 3,504,161
Less unamortized discount (5%)	<u>(584,938)</u>	<u>(392,207)</u>
Total Pledges Receivable	<u>4,164,533</u>	<u>3,111,954</u>
Beneficial interest in trusts	2,873,953	2,786,259
Less unamortized discount (4%)	<u>(528,699)</u>	<u>(541,150)</u>
Total Beneficial Interest in Trust	<u>2,345,254</u>	<u>2,245,109</u>
	<u>\$ 6,509,787</u>	<u>\$ 5,357,063</u>

The contributions receivable are estimated to be collected as follows at June 30:

	<u>2019</u>
Amounts due in:	
Less than one year	\$ 1,486,768
One to five years	4,380,952
More than five years	<u>642,067</u>
	<u>\$ 6,509,787</u>

### Note 5 – Building and Equipment

Building and equipment consists of the following at June 30:

	<u>2019</u>	<u>2018</u>
Building improvements	\$ 28,615	\$ 28,615
Equipment and furnishing	<u>1,436,925</u>	<u>1,686,014</u>
	1,465,540	1,714,629
Less accumulated depreciation	<u>(1,266,397)</u>	<u>(1,428,181)</u>
	<u>\$ 199,143</u>	<u>\$ 286,448</u>

Depreciation expense charged to operations amounted to \$73,203 and \$91,606 for the years ended June 30, 2019 and 2018, respectively.

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Notes to Financial Statements**

Years Ended June 30, 2019 and 2018

**Note 6 – Net Assets and Net Asset Reserves**

The Board of Governors of the Foundation, under guidelines established by the Chancellor’s Office, developed policies that reserve the net assets without donor restrictions of the Foundation. Future increases in net assets will also be reserved by these policies. Reservations of net assets are as follows at June 30:

	<u>2019</u>	<u>2018</u>
Investment in plant and equipment	\$ 199,143	\$ 286,448
Reserve for working capital	367,508	369,573
Reserve for planned future operations	<u>320,169</u>	<u>320,169</u>
	886,820	976,190
Endowment net assets without donor restrictions	4,195,702	3,197,074
Available for general purposes	2,232,422	1,291,524
Liquidity reserve	<u>2,000,000</u>	<u>2,000,000</u>
Net Assets Without Donor Restrictions	<u>\$ 9,314,944</u>	<u>\$ 7,464,788</u>

Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2019</u>	<u>2018</u>
Donor-restricted endowment fund	\$ 51,681,932	\$ 50,303,453
Campus programs	13,146,548	10,509,364
Scholarships and fellowships	7,542,593	10,333,906
Charitable remainder trust assets	4,869,375	4,674,942
Capital projects	2,200,862	1,559,942
Scholarship loans	<u>-</u>	<u>152,281</u>
Net Assets With Donor Restrictions	<u>\$ 79,441,310</u>	<u>\$ 77,533,888</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30:

	<u>2019</u>	<u>2018</u>
Satisfaction of purpose restrictions:		
Endowment distribution	\$ 2,419,237	\$ 1,955,120
Scholarships	1,982,723	2,045,450
Other	<u>5,817,977</u>	<u>5,058,920</u>
	<u>\$ 10,219,937</u>	<u>\$ 9,059,490</u>

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Years Ended June 30, 2019 and 2018

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### Note 7 – Donor-Restricted Endowment Funds

The pooled endowment portfolio of the Foundation consists of over 614 individual donor-restricted funds established for a variety of purposes. As required by US GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and its own governing documents in order to account for its donor-restricted endowment funds.

#### General Board Policy on Administration of Endowment Funds

The Foundation's Board has interpreted UPMIFA as requiring the Board's goal, using prudent investment techniques, to be the preservation of the value of the original endowed gifts, absent explicit donor stipulations to the contrary.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the various funds; (2) the purposes of the donor-restricted endowment funds; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Foundation; and (7) the Foundation's investment policies.

The Foundation classifies as net assets with donor restrictions the value of gifts donated to permanent endowment funds. The remaining portion of donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until such time as appropriate for expenditure. The unrestricted endowment net assets represent quasi-endowments, which are established at the discretion of the Board or CSU, Chico.

#### Investment Objectives, Strategies, and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a stable, predictable level of spending for the endowed purposes, and that provides for a rate of growth in the endowment that meets or exceeds the rate of inflation. Outside parties are contracted by the Foundation for purposes of providing investment management and consulting. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under the investment policy as approved by the Board, the endowment assets are invested in a manner that is intended to produce results comparable to or above the yield results of various market indicators such as the Standard & Poor's 500 Index, Barclays Capital Aggregate Bond Index, and the Consumer Price Index as indicators of inflation.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on equity-based investments, debt and fixed income securities, real estate, and partnership interests while maintaining prudent risk constraints.

#### Spending Policy and How the Investment Objectives Relate to Spending Policy

Endowment distributions are made in accordance with the Foundation's Endowment Policy. For the fiscal years ended June 30, 2019 and 2018, the Board's adopted distribution rate was 4 % of the endowment principal market value using a three-year moving average.

Amounts distributed from endowments per the Board's policy are classified as temporarily restricted for a specific purpose on the statement of financial position. Purpose restrictions generally include student aid and faculty and program excellence.

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Notes to Financial Statements**

Years Ended June 30, 2019 and 2018

**Note 7 – Donor-Restricted Endowment Funds, continued**

Endowments consisted of the following at June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board Designated quasi-endowment funds	\$ 4,195,702	\$ -	\$ 4,195,702
Donor designated funds:			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	-	51,681,932	51,681,932
Accumulated investment gains	-	<u>9,415,696</u>	<u>9,415,696</u>
	<u>\$ 4,195,702</u>	<u>\$ 61,097,628</u>	<u>\$ 65,293,330</u>

Changes in endowment net assets for the year ended June 30, 2019 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Investment return, net	114,463	1,404,143	1,518,606
Contributions and other additions	1,217,205	1,222,401	2,439,606
Appropriations for expenditures	<u>(333,040)</u>	<u>(3,060,425)</u>	<u>(3,393,465)</u>
Change in endowment net assets	998,628	(433,881)	564,747
Endowment net assets, beginning	<u>3,197,074</u>	<u>61,531,509</u>	<u>64,728,583</u>
Endowment net assets, ending	<u>\$ 4,195,702</u>	<u>\$ 61,097,628</u>	<u>\$ 65,293,330</u>

Endowments consisted of the following at June 30, 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board Designated quasi-endowment funds	\$ 3,197,074	\$ -	\$ 3,197,074
Donor designated funds:			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	-	50,303,453	50,303,453
Accumulated investment gains	-	<u>11,228,056</u>	<u>11,228,056</u>
	<u>\$ 3,197,074</u>	<u>\$ 61,531,509</u>	<u>\$ 64,728,583</u>

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Years Ended June 30, 2019 and 2018

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### Note 7 – Donor-Restricted Endowment Funds, continued

Changes in endowment net assets for the year ended June 30, 2018 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Investment return, net	221,310	4,455,501	4,676,811
Contributions and other additions	713,412	1,214,621	1,928,033
Appropriations for expenditures	<u>(680,509)</u>	<u>(2,191,153)</u>	<u>(2,871,662)</u>
Change in endowment net assets	254,213	3,478,969	3,733,182
Endowment net assets, beginning	<u>2,942,861</u>	<u>58,052,540</u>	<u>60,995,401</u>
Endowment net assets, ending	\$ <u><u>3,197,074</u></u>	\$ <u><u>61,531,509</u></u>	\$ <u><u>64,728,583</u></u>

### Note 8 – Related-Party Transactions

#### Operating Leases and Facility Use Agreements

The Foundation operates as an auxiliary organization to CSU, Chico, under an operating agreement negotiated every five years. The current operating and lease agreements expire on June 30, 2020. The Foundation uses certain campus and other facilities under lease agreements requiring rental payments or space trade. All leases are cancelable with 30 days' notice to the lessor.

#### Business and Financial Services

Chico State Enterprises (formerly The Research Foundation) provides administrative and financial services to the Foundation.

#### Receivables/Payables with CSU, Chico

Receivables with CSU, Chico result from student loans and miscellaneous campus programs' transactions. The student loans' receivable balance amounted to \$0 and \$152,281 at June 30, 2019 and 2018, respectively, and are reflected net of allowances for uncollectible accounts of \$0 and \$0 at June 30, 2019 and 2018, respectively. The allowance for uncollectible accounts is estimated by CSU, Chico. The payables result from miscellaneous supplies and services provided.

#### Personnel

The Foundation contracts with Chico State Enterprises for personnel services. Chico State Enterprises charges the Foundation for the cost of these services. As such, the personnel hired are employees of Chico State Enterprises who participate in the benefit plans offered. The Foundation indemnifies Chico State Enterprises for the acts of its employees under the Foundation's supervision.



# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Notes to Financial Statements

Years Ended June 30, 2019 and 2018

### Note 8 – Related-Party Transactions, continued

The following is a schedule of transactions with related parties at June 30:

	<u>2019</u>	<u>2018</u>
Transactions with CSU, Chico		
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 149,143	\$ 113,100
Payments to University for other than salaries to University personnel	\$ 2,160,061	\$ 2,378,101
Payments received from University for services, spaces, and programs	\$ 18,139	\$ 707,387
Gifts-in-kind to the University from discretely presented component units	\$ 22,200	\$ -
Gifts (cash or assets) to the University from recognized auxiliary organizations	\$ 1,334,837	\$ 1,151,397
Amounts payable to University	\$ (6,945)	\$ (93,041)
Student loan receivables from University	\$ -	\$ 152,281
Transactions with Chico State Enterprises		
Administrative and financial service expenses	\$ 590,000	\$ 570,402
Amounts payable for personnel service expenses	\$ (763,122)	\$ (800,315)
Amounts receivable from Chico State Enterprises	\$ 62,905	\$ -
Transactions with Associated Students		
Amounts receivable from Associated Students	\$ 1,727	\$ -
Amounts payable to Associated Students	\$ (386)	\$ -

### Note 9 – Self-Insurance

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Foundation participates with other auxiliaries and universities in the California State University Risk Management Authority (CSURMA), a public entity risk pool currently operating as a common risk management and insurance program. The Foundation pays an annual premium to CSURMA for its general liability and property insurance coverage.

CSURMA is economically dependent on its members for funding and has secured a commitment from members to provide sufficient cash flow to meet its operating needs and to fund losses over a period of time. CSURMA has reinsurance policies through a joint powers authority as well as commercial companies.

### Note 10 – Commitments and Contingencies

The Foundation failed to file Forms 926, Return by a U.S. Transferor of Property to a foreign Corporation, with the Internal Revenue Service (“IRS”) and the California Franchise Tax Board (“FTB”) for the 2007-2011 and 2013 tax years and Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships for the 2010-2012 tax years with the IRS (collectively “International Information Returns”). For the same fiscal years, it appears the Foundation failed to report unrelated business taxable income (“UBTI”) to the IRS and the FTB. Based upon the information currently available, (a) there are twenty-two (22) delinquent international information Returns and (b) after taking into account net operating losses for some years, there is an immaterial amount of tax due on the UBTI for the 2007 through 2013 tax years.

There are potential penalties for the failure to file international information returns. The total maximum IRS penalties for the Foundation approximate \$670,000. The total maximum FTB penalties approximate \$635,000. No amount will be due if the Foundation can establish reasonable cause existed for the failures to file. On May 5, 2017, delinquent International Information Returns were filed with the IRS asserting reasonable cause existed. Nothing has been heard from the IRS, which is not usual. Since it has been over a year since the International Information Returns were filed, it is reasonable to conclude the delinquent International Information Returns were accepted, and no penalties will be asserted.

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Notes to Financial Statements**

Years Ended June 30, 2019 and 2018

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**Note 11 – Reclassifications**

Certain revenues in the June 30, 2018 statement of activities have been reclassified for comparative purposes to conform to the presentation in the June 30, 2019, statement of activities. Net assets and changes in net assets are unchanged due to these classifications.

SUPPLEMENTAL INFORMATION

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Schedule of Net Position

June 30, 2019

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 689,022
Short-term investments	13,939,567
Accounts receivable, net	136,151
Capital lease receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	1,486,768
Prepaid expenses and other current assets	2,096,189
Total current assets	<u>18,347,697</u>
Noncurrent assets:	
Restricted cash and cash equivalents	1,440,655
Accounts receivable, net	—
Capital lease receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	5,023,019
Endowment investments	58,900,404
Other long-term investments	9,651,876
Capital assets, net	199,143
Other assets	—
Total noncurrent assets	<u>75,215,097</u>
Total assets	<u>93,562,794</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Others	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	406,141
Accrued salaries and benefits	—
Accrued compensated absences, current portion	—
Unearned revenues	18,568
Capital lease obligations, current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	607,775
Total current liabilities	<u>1,032,484</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
Unearned revenues	3,774,056
Grants refundable	—
Capital lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	<u>3,774,056</u>
Total liabilities	<u>4,806,540</u>
Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
Total deferred inflows of resources	<u>—</u>
Net position:	
Net investment in capital assets	199,143
Restricted for:	
Nonexpendable – endowments	61,097,628
Expendable:	
Scholarships and fellowships	1,659,341
Research	—
Loans	—
Capital projects	2,200,862
Debt service	—
Others	14,284,336
Unrestricted	9,314,944
Total net position	<u>\$ 88,756,254</u>

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO****Schedule of Revenues, Expenses, and Changes in Net Position**

June 30, 2019

(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Student tuition and fees, gross	\$	—
Scholarship allowances (enter as negative)		—
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		68,615
Sales and services of auxiliary enterprises, gross		508,476
Scholarship allowances (enter as negative)		—
Other operating revenues		343,149
Total operating revenues		<u>920,240</u>
Expenses:		
Operating expenses:		
Instruction		69,333
Research		34,206
Public service		1,274,140
Academic support		3,542,924
Student services		1,167,984
Institutional support		1,801,984
Operation and maintenance of plant		10,513
Student grants and scholarships		1,982,723
Auxiliary enterprise expenses		—
Depreciation and amortization		73,203
Total operating expenses		<u>9,957,010</u>
Operating income (loss)		<u>(9,036,770)</u>
Nonoperating revenues (expenses):		
State appropriations, noncapital		—
Federal financial aid grants, noncapital		—
State financial aid grants, noncapital		—
Local financial aid grants, noncapital		—
Nongovernmental and other financial aid grants, noncapital		—
Other federal nonoperating grants, noncapital		—
Gifts, noncapital		6,969,051
Investment income (loss), net		743,931
Endowment income (loss), net		1,633,334
Interest expense		—
Other nonoperating revenues (expenses) - excl. interagency transfers		309,830
Other nonoperating revenues (expenses) - interagency transfers		—
Net nonoperating revenues (expenses)		<u>9,656,146</u>
Income (loss) before other revenues (expenses)		<u>619,376</u>
State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		3,138,202
Increase (decrease) in net position		<u>3,757,578</u>
Net position:		
Net position at beginning of year, as previously reported		84,998,676
Restatements		—
Net position at beginning of year, as restated		<u>84,998,676</u>
Net position at end of year	\$	<u>88,756,254</u>

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Other Information

June 30, 2019

(for inclusion in the California State University)

### 1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
<b>Noncurrent restricted cash and cash equivalents</b>	<u>1,440,655</u>
Current cash and cash equivalents	<u>689,022</u>
<b>Total</b>	<u>\$ 2,129,677</u>

### 2.1 Composition of investments:

	Current		Noncurrent		Total
Money market funds	2,129,677	2,950		790,414	793,364
Repurchase agreements		-		-	-
Certificates of deposit		-		-	-
U.S. agency securities		-		-	-
U.S. treasury securities		-		33,255	33,255
Municipal bonds		-		-	-
Corporate bonds		-		19,606	19,606
Asset backed securities		-		-	-
Mortgage backed securities		-		-	-
Commercial paper		-		-	-
Mutual funds		13,192,534		42,175,168	55,367,702
Exchange traded funds		-		508,295	508,295
Equity securities		-		790,624	790,624
Alternative investments:		-		-	-
Private equity (including limited partnerships)		-		4,872,691	4,872,691
Hedge funds		-		7,667,346	7,667,346
Managed futures		-		-	-
Real estate investments (including REITs)		-		2,248,452	2,248,452
Commodities		-		-	-
Derivatives		-		-	-
Other alternative investment types		-		9,196,940	9,196,940
Other external investment pools (excluding SWIFT)		-		-	-
Other investments		-		249,489	249,489
State of California Local Agency Investment Fund (LAIF)		-		-	744,083
State of California Surplus Money Investment Fund (SMIF)		-		-	-
<b>Total investments</b>		<u>13,939,567</u>		<u>68,552,280</u>	<u>82,491,847</u>
Less endowment investments (enter as negative number)		744,083		(58,900,404)	(58,900,404)
<b>Total investments, net of endowments</b>		<u>\$ 13,939,567</u>		<u>\$ 9,651,876</u>	<u>\$ 23,591,443</u>

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Other Information

June 30, 2019

(for inclusion in the California State University)

### 2.2 Fair value hierarchy in investments:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	793,364	793,364	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	33,255	-	33,255	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	19,606	-	19,606	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	55,367,702	55,367,702	-	-	-
Exchange traded funds	508,295	-	508,295	-	-
Equity securities	790,624	790,624	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	4,872,691	-	-	-	4,872,691
Hedge funds	7,667,346	-	-	-	7,667,346
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	2,248,452	-	-	-	2,248,452
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	9,196,940	-	-	-	9,196,940
Other external investment pools (excluding SWIFT)	-	-	-	-	-
Other investments	249,489	-	249,489	-	-
State of California Local Agency Investment Fund (LAIF)	744,083	-	-	-	744,083
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
<b>Total investments</b>	<b>82,491,847</b>	<b>56,951,690</b>	<b>810,645</b>	<b>-</b>	<b>24,729,512</b>

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

	Current	Noncurrent	Total
Investments held by the University under contractual agreements (e.g CSU Consolidated SWIFT Inv pool):	-	-	-

# THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO

## Other Information

Year Ended June 30, 2019

(for inclusion in the California State University)

### 3.1 Composition of capital assets:

	Balance June 30, 2018	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2018 (Restated)	Additions	Retirements	Transfer of completed CWIP	Balance June 30, 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-depreciable/Non-amortizable capital assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
<b>Intangible assets:</b>									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable capital assets</b>	-	-	-	-	-	-	-	-	-
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	28,615	-	-	-	28,615	-	-	-	28,615
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	1,686,014	-	-	-	1,686,014	-	(249,089)	-	1,436,925
Library books and materials	-	-	-	-	-	-	-	-	-
<b>Intangible assets:</b>									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable capital assets</b>	1,714,629	-	-	-	1,714,629	-	(249,089)	-	1,465,540
<b>Total capital assets</b>	1,714,629	-	-	-	1,714,629	-	(249,089)	-	1,465,540
<b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b>									
Buildings and building improvements	(28,615)	-	-	-	(28,615)	-	-	-	(28,615)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(1,399,566)	-	-	-	(1,399,566)	(73,203)	234,987	-	(1,237,782)
Library books and materials	-	-	-	-	-	-	-	-	-
<b>Intangible assets:</b>									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	(1,428,181)	-	-	-	(1,428,181)	(73,203)	234,987	-	(1,266,397)
<b>Total capital assets, net</b>	\$ 286,448	\$ -	\$ -	\$ -	\$ 286,448	\$ (73,203)	\$ (14,102)	\$ -	\$ 199,143



**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Other Information**

Year Ended June 30, 2019

(for inclusion in the California State University)

**3.2 Detail of depreciation and amortization expense:**

Depreciation and amortization expense related to capital assets	\$ 73,203
Amortization expense related to other assets	-
<b>Total depreciation and amortization</b>	<b>\$ 73,203</b>

**4 Long-term liabilities:**

	Balance June 30, 2018	Prior Period Adjustments/Recla ssifications	Balance June 30, 2018 (Restated)	Additions	Reductions	Balance June 30, 2019	Current Portion	Noncurrent Portion
<b>1. Accrued compensated absences</b>	\$ -	-	-	-	-	-	-	-
<b>2. Claims liability for losses and loss adjustment expenses</b>	-	-	-	-	-	-	-	-
<b>3. Capital lease obligations:</b>								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
<b>Total capital lease obligations</b>	-	-	-	-	-	-	-	-
<b>4. Long-term debt obligations:</b>								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
<b>Sub-total long-term debt</b>	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
<b>Total long-term debt obligations</b>	-	-	-	-	-	-	-	-
<b>Total long-term liabilities</b>	<b>\$ -</b>	-	-	-	-	-	-	-

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Other Information**

Year Ended June 30, 2019

(for inclusion in the California State University)

**5 Capital lease obligations schedule:**

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Principal and		Principal Only	Principal and		Principal Only	Principal and	
		Interest Only	Interest		Interest Only	Interest		Interest Only	Interest
<b>Year ending June 30:</b>									
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum lease payments</b>	\$	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
<b>Present value of future minimum lease payments</b>									-
Unamortized net premium/(discount)									-
<b>Total capital lease obligations</b>									-
Less: current portion									-
<b>Capital lease obligations, net of current portion</b>									\$ -

**6 Long-term debt obligations schedule:**

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Principal and		Principal Only	Principal and		Principal Only	Principal and	
		Interest Only	Interest		Interest Only	Interest		Interest Only	Interest
<b>Year ending June 30:</b>									
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum payments</b>	\$	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
<b>Present value of future minimum payments</b>									-
Unamortized net premium/(discount)									-
<b>Total long-term debt obligations</b>									-
Less: current portion									-
<b>Long-term debt obligations, net of current portion</b>									\$ -

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Other Information**

Year Ended June 30, 2019

(for inclusion in the California State University)

**7 Transactions with related entities:**

Payments to University for salaries of University personnel working on contracts, grants, and other programs	149,143
Payments to University for other than salaries of University personnel	2,160,061
Payments received from University for services, space, and programs	18,139
Gifts-in-kind to the University from discretely presented component units	22,200
Gifts (cash or assets) to the University from discretely presented component units	1,334,837
Accounts (payable to) University (enter as negative number)	(6,945)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	-
Other amounts receivable from University (enter as positive number)	-

**8 Restatements/Prior period adjustments:**

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

		<b>Debit/(Credit)</b>
Transaction #1	Enter transaction description	-
		-
		-
		-
		-
Transaction #2	Enter transaction description	-
		-
		-
		-
		-

**THE UNIVERSITY FOUNDATION, CALIFORNIA STATE UNIVERSITY, CHICO**

**Other Information**

June 30, 2018

**(for inclusion in the California State University)**

**9 Natural classifications of operating expenses:**

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	35,836	1,833	-	-	-	31,664	-	69,333
Research	18,076	739	-	-	-	15,391	-	34,206
Public service	35,890	1,890	-	-	-	-	-	1,274,140
Academic support	719,693	130,788	-	-	-	1,236,360	-	3,542,924
Student services	261,856	44,816	-	-	-	2,692,443	-	1,167,984
Institutional support	95,842	42,556	-	-	-	861,312	-	1,801,984
Operation and maintenance of plant	-	-	-	-	-	1,663,586	-	10,513
Student grants and scholarships	-	-	-	-	1,982,723	10,513	-	1,982,723
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	73,203	73,203
<b>Total operating expenses</b>	<b>\$ 1,167,193</b>	<b>222,622</b>	<b>-</b>	<b>-</b>	<b>1,982,723</b>	<b>6,511,269</b>	<b>73,203</b>	<b>9,957,010</b>

**10 Deferred outflows/inflows of resources:**

**1. Deferred Outflows of Resources**

Deferred outflows - unamortized loss on refunding(s)	-
Deferred outflows - net pension liability	-
Deferred outflows - net OPEB liability	-
Deferred outflows - others:	-
	-
	-
	-
	-
	-
Total deferred outflows - others	-
<b>Total deferred outflows of resources</b>	<b>\$ -</b>

**2. Deferred Inflows of Resources**

Deferred inflows - service concession arrangements	-
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	-
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	-
Deferred inflows - others:	-
	-
	-
	-
Total deferred inflows - others	-
<b>Total deferred inflows of resources</b>	<b>\$ -</b>