UFSS Audit Committee Meeting

SACRAMENTO STATE

California State University, Sacramento
Tuesday, September 8, 2026 at 1:00 PM
https://csus.zoom.us/j/81309629784?pwd=y2ZYtiaaSzthpr4uYQgI4y6mKSpn1R.1

Agenda

I. Call to order and approval of September 8, 2026 agenda

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

III. Review and approval of minutes from the June 17, 2026 meeting

IV. Presentation by CLA

- **A. Review of the audit of UFSS financial statement for fiscal year ending June 30, 2026**
- **B. Audit Recommendations**

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

VI. Board votes to approve the Audited Financials

VII. Other Business

VIII. Adjourn

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

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2026 AND 2025

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The University Foundation at Sacramento State (the Foundation), a component unit of California State University, Sacramento, as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2026 and 2025, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements. The schedule of net position, the schedule of revenues, expenses, and changes in net position, note to supplementary information and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying schedule of net position, the schedule of revenues, expenses, and changes in net position, note to supplementary information and other information, 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 REPORT DATE on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Sacramento, California
REPORT DATE

This section of The University Foundation at Sacramento State (the Foundation's) annual financial report presents management's discussion and analysis of the financial performance of the Foundation during the fiscal years ended June 30, 2026 and 2025. This discussion has been prepared by management along with the financial statements and related note disclosures and should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes. The financial statements, notes, and this discussion are the responsibility of management.

Overview of the Financial Statements

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

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

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

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

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

Financial Summary and Detailed Analysis

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

	2026	2025	2024
ASSETS			
Current Assets	$ 10,566	$ 12,399	$ 6,837
Noncurrent Assets	154,427	133,852	120,982
Total Assets	164,993	146,251	127,819
LIABILITIES			
Current Liabilities	1,241	881	974
Noncurrent Liabilities	-	-	-
Total Liabilities	1,241	881	974
NET POSITION			
Restricted:			
Expendable	70,250	58,642	44,372
Nonexpendable	89,439	83,819	80,241
Unrestricted	4,063	2,909	2,232
Total Net Position	$ 163,752	$ 145,370	$ 126,845

Assets

Total assets increased by $18.7 million from fiscal year 2025 to fiscal year 2026. This change was primarily attributable to a $20.6 million increase in restricted long-term investments, partially offset by a $1.9 million decrease in cash and cash equivalents. Restricted long-term investments increased primarily because of unrealized investment gains, reinvested investment earnings, and transfers of available cash into the investment portfolio. The decrease in cash and cash equivalents primarily reflected the timing of cash receipts and disbursements associated with the Foundation's operating activities.

Total assets increased by $18.4 million from fiscal year 2024 to fiscal year 2025. This change consisted primarily of a $12.8 million increase in restricted long-term investments and a $5.6 million increase in cash and cash equivalents. Restricted long-term investments increased primarily because of realized and unrealized investment gains, reinvested investment earnings, and transfers into the investment portfolio. Cash and cash equivalents increased primarily because of a $5.0 million contribution received during fiscal year 2025 and the timing of other cash receipts and operating disbursements.

Liabilities

Total liabilities increased by $360,000 from fiscal year 2025 to fiscal year 2026, primarily because of an increase in accounts payable at year-end. During fiscal year 2026, campus departments increased their use of available current-use Foundation funds to support University programs and activities. These expenditures were made in accordance with applicable donor restrictions and the established purposes of the individual funds. The higher level of spending resulted in additional unpaid obligations at year-end and contributed to the increase in accounts payable.

Total liabilities decreased by $93,000 from fiscal year 2024 to fiscal year 2025, primarily because of a decrease in accounts payable resulting from the timing of year-end expenditures and related payments.

Net Position

Net position increased by $18.4 million from fiscal year 2025 to fiscal year 2026, primarily because of investment earnings recognized during the year.

Net position increased by $18.5 million from fiscal year 2024 to fiscal year 2025, primarily because of investment earnings and a $5.0 million contribution received during fiscal year 2025.

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

	2026	2025	2024
OPERATING REVENUES			
Contributions and Gifts	$ 4,159	$ 11,170	$ 6,928
Fees and Other	42	38	470
Total Operating Revenues	4,201	11,208	7,398
OPERATING EXPENSES			
University Projects	9,213	8,166	6,593
General and Administration	1,650	1,011	1,004
Total Operating Expenses	10,863	9,177	7,597
OPERATING INCOME (LOSS)	(6,662)	2,031	(199)
INCOME (LOSS) BEFORE NONOPERATING REVENUES	(6,662)	2,031	(199)
NONOPERATING REVENUES			
Additions to Permanent Endowments	5,620	3,577	2,787
Investment Income	19,424	12,917	15,299
Total Nonoperating Revenues	25,044	16,494	18,086
CHANGES IN NET POSITION	18,382	18,525	17,887
Net Position - Beginning of Year	145,370	126,845	108,958
NET POSITION - END OF YEAR	$ 163,752	$ 145,370	$ 126,845

Operating Revenues

Operating revenues decreased by $7.0 million from fiscal year 2025 to fiscal year 2026. The decrease was primarily attributable to the receipt of a $5.0 million contribution and several other significant contributions in fiscal year 2025 that did not recur at comparable levels in fiscal year 2026.

Operating revenues increased by $3.8 million from fiscal year 2024 to fiscal year 2025. The increase was primarily attributable to a $5.0 million contribution received in fiscal year 2025, partially offset by a decrease in non-philanthropic revenue. The reduction in non-philanthropic revenue resulted from certain activities no longer being administered through the Foundation.

Operating Expenses

Operating expenses increased by $1.7 million from fiscal year 2025 to fiscal year 2026. Approximately $1 million of the increase resulted from additional expenditures for University programs and projects. During fiscal year 2026, campus departments increased their use of available current-use Foundation funds in accordance with donor restrictions and the established purposes of the individual funds. This increased use of Foundation resources resulted in higher program- and project-related expenses.

General and administrative expenses accounted for approximately $600,000 of the increase. These expenses increased partly because the Foundation expanded its support of pregame events at University home games to strengthen engagement and connections within the University community. The increase also reflected higher costs for contractual services, on-campus support services, and catering, including the effects of inflation.

Operating expenses increased by $1.6 million from fiscal year 2024 to fiscal year 2025. Following an internal review of the timeliness with which campus departments used Foundation funds, the Foundation implemented procedures to encourage the timely expenditure of funds in accordance with donor restrictions. Campus departments subsequently increased their use of available funds for their designated purposes, resulting in higher operating expenses during fiscal year 2025.

Nonoperating Revenues

Nonoperating revenues increased by $8.5 million from fiscal year 2025 to fiscal year 2026. The increase was primarily attributable to a $6.5 million increase in investment income and a $2.0 million increase in additions to permanent endowments. Investment income increased because of higher unrealized investment gains and greater interest and dividend income, partially offset by lower realized gains. Additions to permanent endowments increased because of several significant endowment contributions received during fiscal year 2026.

Nonoperating revenues decreased by $1.6 million from fiscal year 2024 to fiscal year 2025. The decrease was primarily attributable to a $2.4 million reduction in investment income, partially offset by an $800,000 increase in additions to permanent endowments. Investment income decreased primarily because of lower realized gains, partially offset by higher unrealized gains and increased interest and dividend income.

Capital Assets and Long-Term Debt Financing

The Foundation had no capital assets or long-term debt outstanding as of June 30, 2026 or 2025 and had no capital asset or long-term financing activity during either fiscal year.

Currently Known Facts Impacting Net Position

As of June 30, 2026, the fair value of the total endowment exceeded its historical gift value (corpus). The Foundation Board and its investment managers actively oversee the investment portfolio in accordance with the Foundation's investment policy. However, economic and market volatility may affect the portfolio's performance and, consequently, the Foundation's ability to support the University. Because the values of the Foundation's investments fluctuate in response to changing market conditions and other factors, some of which are not reasonably foreseeable, the amount of investment gains or losses that may be recognized in future periods cannot be determined.

Request for Information

The financial report is designed to provide a general overview of the Foundation's finances. For questions concerning any information in this report or for additional financial information, please contact California State University, Sacramento, Rose McAuliffe, CFO and Vice President of Administration and Business Affairs, 6000 J Street, Sacramento, California, 95819, or call (916) 278-6312.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash	$ 6,272,677	$ 8,645,875
Restricted Short-Term Investments	4,210,876	3,726,630
Total Cash and Cash Equivalents	10,483,553	12,372,505
Receivables:		
Unrestricted Receivables	21	-
Restricted Receivables	82,846	26,848
Total Current Assets	10,566,420	12,399,353
NONCURRENT ASSETS		
Cash Surrender Value of Life Insurance Policies	223,770	283,838
Restricted Long-Term Investments	154,202,751	133,568,146
Total Noncurrent Assets	154,426,521	133,851,984
Total Assets	$ 164,992,941	$ 146,251,337
LIABILITIES AND NET POSITION		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 1,240,810	$ 881,117
Total Liabilities	1,240,810	881,117
NET POSITION		
Restricted:		
Expendable	70,250,446	58,641,846
Nonexpendable	89,438,995	83,818,960
Unrestricted	4,062,690	2,909,414
Total Net Position	163,752,131	145,370,220
Total Liabilities and Net Position	$ 164,992,941	$ 146,251,337

See accompanying Notes to Financial Statements.

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2026 AND 2025**

	2026	2025
OPERATING REVENUES		
Contributions and Gifts - Noncapital	$ 4,158,988	$ 11,170,152
Fees and Other	41,960	37,951
Total Operating Revenues	4,200,948	11,208,103
OPERATING EXPENSES		
University Projects	9,212,917	8,165,874
General and Administration	1,650,426	1,011,447
Total Operating Expenses	10,863,343	9,177,321
OPERATING INCOME (LOSS)	(6,662,395)	2,030,782
NONOPERATING REVENUES		
Additions to Permanent Endowments	5,620,035	3,578,224
Investment Income	19,424,271	12,916,880
Total Nonoperating Revenues	25,044,306	16,495,104
CHANGES IN NET POSITION	18,381,911	18,525,886
Net Position - Beginning of Year	145,370,220	126,844,334
NET POSITION - END OF YEAR	$ 163,752,131	$ 145,370,220

See accompanying Notes to Financial Statements.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Campus Community	$ 4,204,808	$ 11,209,140
Cash Paid to Suppliers	(10,503,461)	(9,269,748)
Net Cash Provided (Used) by Operating Activities	(6,298,653)	1,939,392
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Endowments Received	5,620,035	3,578,224
Net Cash Provided by Noncapital Financing Activities	5,620,035	3,578,224
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Long-Term Investments	10,759,707	59,319,579
Long-Term Investments Purchased	(16,657,623)	(62,636,576)
Investment Income Received	4,687,582	3,405,752
Net Cash Provided (Used) by Investing Activities	(1,210,334)	88,755
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,888,952)	5,606,371
Cash and Cash Equivalents - Beginning of Year	12,372,505	6,766,134
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 10,483,553	$ 12,372,505

	2026	2025
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ (6,662,395)	$ 2,030,782
(Increase) Decrease in Noncash Assets:		
Cash Surrender Value of Life Insurance Policies	60,068	(42,148)
Unrestricted Accounts Receivable	(21)	(8,128)
Restricted Receivables	(55,998)	51,313
Increase (Decrease) in Noncash Liabilities:		
Accounts Payable and Accrued Expenses	359,693	(92,427)
Net Cash Provided (Used) by Operating Activities	$ (6,298,653)	$ 1,939,392

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Basis of Presentation

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

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

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents consist of cash on hand, cash in commercial accounts, short-term money market funds, and deposits in the State of California Investment Pooled Money Investment Account Local Agency Investment Fund (LAIF). With cash, there is board designated cash that represents 50% of next year’s operating budget. The board designated amount as of June 30, 2026 and 2025 is $694,550 and $519,436, respectively.

Restricted Short-Term Investments

Restricted short-term investments represent restricted donations.

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

Investments

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

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

Fair Value Measurements

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

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

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

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

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

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

Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value for the years ended June 30, 2026 and 2025.

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

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

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

LAIF: The investment in LAIF is measured and reported at amortized cost and is part of the State of California Pooled Money Investment Account (PMIA), which, as of June 30, 2026 and 2025, had a balance of $193.1 billion and $178.1 billion, respectively. The weighted average maturity of PMIA investments was 269 days and 248 days as of June 30, 2026 and 2025, respectively. The total amount invested by all public agencies in LAIF as of June 30, 2026 and 2025, was $29.4 billion and $24.5 billion, respectively. The Local Investment Advisory Board (the Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute. The value of the pool shares in LAIF which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Foundation's portion of the pool. PMIA funds are on deposit with the state's Centralized Treasury System and are not U.S. Securities and Exchange Commission registered but are managed in compliance with the *California Government Code*, according to a statement of investment policy that sets forth permitted investment vehicles, liquidity parameters, and maximum maturity of investments. These investments consist of U.S. government securities, securities of federally sponsored agencies, domestic corporate bonds, interest bearing time deposits in California banks, prime rated commercial paper, bankers' acceptances, negotiable certificates of deposit, and repurchase and reverse repurchase agreements. The PMIA policy limits the use of reverse repurchase agreements, subject to limits of no more than 10% of the PMIA. The PMIA does not invest in leveraged products or inverse floating rate securities. Included in the PMIA's investment portfolio are asset backed securities totaling $3.9 million and $3.4 million as of June 30, 2026 and 2025, respectively.

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

Net Position

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

Donations and Contributions

Accepting and administering philanthropic contributions for the benefit of the University are among the Foundation's principal ongoing activities. Accordingly, current-use contributions and gifts received to support the University's ongoing programs and activities are reported as operating revenue. Contributions required by donors to be maintained permanently as endowments are reported as nonoperating revenue. Unrestricted contributions are recorded as revenue when received. Under the accrual basis of accounting, receivables and revenues from private donations that are voluntary nonexchange transactions are recognized when all applicable eligibility requirements (required characteristics of recipients, time requirements, reimbursements, and contingencies) are met. When the revenue recognition requirements have not been met, amounts are reported as unearned revenue. Noncash donations are recorded at estimated fair market value on the date of donation.

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

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

Approximately 33% and 54% of total donation revenue for the years ended June 30, 2026 and 2025, respectively, was received from five donors.

Use of Estimates

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

Income Taxes

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

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

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net position.

Change in Accounting Principle

The Foundation changed accounting policies related to the presentation of certain financial statement information by adopting Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, for the year ended June 30, 2026. GASB Statement No. 103 improves key components of the financial reporting model, including management's discussion and analysis, the presentation of unusual or infrequent items, and the presentation of proprietary fund statements of revenues, expenses, and changes in net position. The adoption of this standard resulted in presentation and disclosure changes to the financial statements and related notes and did not have an effect on beginning net position.

Subsequent Events

We have evaluated subsequent events through REPORT DATE, the date the financial statements were available to be issued.

NOTE 2 CASH AND INVESTMENTS

The Foundation had the following cash and investments:

	2026	2025
Cash:		
Deposits	$ 6,272,677	$ 8,645,875
Investments:		
Money Market Deposit	4,317,499	3,791,437
LAIF	33,903	32,583
Mutual Funds:		
Equity	-	2,279,612
Fixed Income	23,140,681	20,296,106
Other	4,494,063	3,598,807
Exchange Traded Funds:		
Equity	79,363,598	64,459,018
Fixed Income	41,748,122	39,699,554
Real Estate	4,925,292	2,770,021
Equity Securities	390,469	367,638
Total Investments	158,413,627	137,294,776
Total Cash and Investments	$ 164,686,304	$ 145,940,651

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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

	2026			
	Level 1	Level 2	Net Asset Value	Total
Investments:				
Money Market-WFB	$ -	$ 140,526	$ -	$ 140,526
Money Market-Sand Hill	-	4,176,973	-	4,176,973
Pooled Investments:				
Local Agency Investment Fund	-	-	33,903	33,903
Mutual Funds by Investment Objective:				
Bond and Fixed Income Funds	23,140,681	-	-	23,140,681
Other	4,494,063	-	-	4,494,063
Exchange Traded Funds by Investment Objective:				
Bond and Fixed Income Funds	41,748,122	-	-	41,748,122
Blend Funds	53,580,370	-	-	53,580,370
Growth Funds	6,017,383	-	-	6,017,383
Real Assets Funds	4,925,292	-	-	4,925,292
International Funds	19,765,845	-	-	19,765,845
Equity Securities by Industry Type:				
Consumer Discretionary	45,827	-	-	45,827
Consumer Staples	9,276	-	-	9,276
Energy	16,465	-	-	16,465
Financials	58,173	-	-	58,173
Health Care	26,754	-	-	26,754
Industrials	48,877	-	-	48,877
Information Technology	182,032	-	-	182,032
Materials	3,065	-	-	3,065
Total Assets at Fair Value	$ 154,062,225	$ 4,317,499	$ 33,903	$ 158,413,627

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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

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

Interest Rate Risk

Interest rate risk is the risk of loss due to the fair value of an investment falling as a result of rising interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Foundation's investment policy for current funds limits its investment portfolio for fixed income securities to an average maturity of between one and one half to three years. Generally, endowment funds invested in fixed income securities are limited to between 15% and 35% of total endowment funds invested; charitable remainder unitrust funds invested in fixed income securities are limited to between 15% and 35% of total charitable remainder unitrust funds; and current funds are limited entirely to either fixed income securities or cash equivalents. There is no interest rate risk for money market accounts as they are available on demand. Refer to the tables on page 20 for the interest rate risk disclosures as of June 30, 2026 and 2025.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. Credit risk is measured by the assignment of ratings by nationally recognized statistical rating organizations. Investments in commercial paper should be rated A-1 by Standard & Poor's and P-1 by Moody's Investors Service, and the senior long-term debt of the issuer must be rated above investment grade. Refer to the tables on page 20 for the credit risk disclosures as of June 30, 2026 and 2025.

Custodial Credit Risk

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

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Foundation's investment policy limits investments in any single fixed income issuer to no more than 10% at cost of the total portfolio, with the exception of U.S. Treasury and Federal Government Agency securities. No more than 15% of the portfolio may be invested with a single active fund family, and no more than 30% of the endowment or charitable remainder unitrust portfolios may be invested in a single industry. The policy prohibits investments in certain vehicles without prior Board approval, including short sales, derivatives, margin purchases, private placements, futures, commodities, currency hedges, tobacco stocks, and any future direct fossil fuel investments (excluding broadly diversified funds). As of June 30, 2026 and 2025, there were no investments subject to GASB 40 concentration of credit risk disclosure that represented 5% or more of the Foundation's investment portfolio.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

The following indicates the credit and interest rate risk of investments as of June 30, 2026 and 2025. The credit ratings listed are for Standard & Poor's and Moody's Investors Services, whichever rating is lower.

June 30, 2026	Fair Value	Net Asset Value	Less Than One Year	One to Five Years	Five to Ten Years	More Than Ten Years	Weighted Average Maturity
LAIF	$ -	$ 33,903	$ -	$ -	$ -	$ -	269 Days
Mutual Funds:							
Fixed Income	$ 23,140,681	$ -	$ 2,720,689	$ 13,908,440	$ 4,583,338	$ 1,928,214	
Exchange Traded Funds:							
Fixed Income	$ 41,748,122	$ -	$ 2,920,915	$ 31,020,084	$ 6,255,362	$ 1,551,761	

June 30, 2025	Fair Value	Net Asset Value	Less Than One Year	One to Five Years	Five to Ten Years	More Than Ten Years	Weighted Average Maturity
LAIF	$ -	$ 32,583	$ -	$ -	$ -	$ -	248 Days
Mutual Funds:							
Fixed Income	$ 20,296,106	$ -	$ 2,003,088	$ 12,094,580	$ 2,708,420	$ 3,490,018	
Exchange Traded Funds:							
Fixed Income	$ 39,699,554	$ -	$ 4,149,820	$ 30,047,076	$ 4,265,071	$ 1,237,587	

June 30, 2026	Fair Value	AAA	AA	AA-	A+	A	A-	BBB	BB	BB-	B	Below B	Not Rated
LAIF	$ 33,903	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 33,903
Mutual Funds:													
Fixed Income	$ 23,140,681	$ 1,059	$ 12,582,190	$ -	$ 7,768,180	$ 10	$ -	$ 959	$ 8,697	$ 2,252,993	$ 4,946	$ 2,372	$ 519,275
Exchange Traded Funds:													
Fixed Income	$ 41,748,122	$ 2,281,145	$ 15,523,526	$ 9,497,952	$ 8,327,367	$ 35,607	$ 5,970,400	$ 43,426	$ 36,935	$ -	$ 25,502	$ 6,112	$ 150

June 30, 2025	Fair Value	AAA	AA	AA-		A	A-	BBB	BB	BB-	B	Below B	Not Rated
LAIF	$ 32,583	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,583
Mutual Funds:													
Fixed Income	$ 20,296,106	$ 1,041	$ 2,232,248	$ 9,946,645	$ 4,886,741	$ 9	$ -	$ 943	$ 8,550	$ 1,838,338	$ 4,862	$ 2,332	$ 1,374,397
Exchange Traded Funds:													
Fixed Income	$ 39,699,554	$ 1,842,225	$ 15,292,949	$ 14,467,707	$ 1,954,668	$ 33,270	$ 6,005,907	$ 38,855	$ 33,164	$ -	$ 21,369	$ 9,300	$ 140

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment Income

The rate of return on investments varies with the rate of return of the underlying portfolios. For the years ended June 30, 2026 and 2025, the rate of return earned on investments governed under the Foundation's investment policy approximated 15.7% and 11.4%, respectively.

Investment income for the years ended June 30, 2026 and 2025, consisted of interest, dividends, realized gains and losses, and unrealized gains and losses due to changes in the fair value of investments held at year-end.

NOTE 3 RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in these financial statements, transactions between the Foundation and related organizations during the years ended June 30, 2026 and 2025, included the payments by the Foundation to the University of $403,000 and $260,000, respectively, for accounting, tax, and administrative services. The Foundation made reimbursements to the University for salaries of University personnel working on contracts, grants, and other programs that amounted to $820,819 and $622,138, respectively, as well as for expenses other than salaries of University personnel that amounted to $2,380,422 and $2,596,589 for the years ended June 30, 2026 and 2025, respectively. Amounts due to the University totaled $1,097,559 and $823,727 at June 30, 2026 and 2025, respectively. During the years ended June 30, 2026 and 2025, the Foundation paid on behalf of the University, from expendable resources, $370,758 and $377,124, respectively, for capital improvements and equipment owned by the University. These amounts are presented as part of University projects expense on the statements of revenues, expenses, and changes in net position. Payments received from the University for services, space, and programs amounted to $-0- and $9,300, respectively, for the years ended June 30, 2026 and 2025. As of June 30, 2026 and 2025, there was $51,629 and $-0- due from the University, respectively.

NOTE 4 ENDOWMENTS

The Foundation's endowments consist of multiple individual donor-restricted funds for a variety of purposes. The amounts of net appreciation on investments of donor-restricted endowments that are available for authorization for expenditure as of June 30, 2026 and 2025, were $3,364,975 and $3,089,987, respectively, and are included in the balance of restricted expendable net position as reported in the statements of net position.

NOTE 4 ENDOWMENTS (CONTINUED)

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

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

1. The primary goal is to preserve the real value of the endowment corpus by achieving a growth rate on the principal amount of the endowment over a market cycle (three to five years) of 300 basis points over the rate of inflation as measured by the Consumer Price Index.

2. The secondary goal is to provide spendable income equivalent to the spending rate as defined in the disbursement guidelines.

3. To the extent compatible with objectives 1 and 2, investment strategy should maximize long-term total return while assuming a prudent level of investment risk.

The Foundation's endowment fund spending policy allows for the allocation of income equivalent to 4% of the moving average market value of the endowment portfolio. This average market value is computed using the previous 12 quarters of portfolio activity. Income earned in excess of the spending rate may be reinvested in endowment principal. The spending policy allows for permanent endowment funds to be spent down to 80% of their historical contribution value. An endowment fund balance may decline below its historical contribution value either by the spending policy or by investment losses. The endowment fund balance will be restored to the historical contribution value in years when income earned exceeds the spending rate. There were no endowment accounts with balances below the historical value as of June 30, 2026 and 2025.

The Foundation's Board of Directors has allowed spending within the above Investment Policy and Administrative Guidelines during the years ended June 30, 2026 and 2025, in the amount of 4.0%.

NOTE 5 UNRESTRICTED NET POSITION DESIGNATED BY BOARD OF DIRECTORS

The Foundation's Board of Directors has established designations of its unrestricted net position for certain University programs and activities. As of June 30, 2026 and 2025, designated unrestricted net position totaled $71,417.

NOTE 6 UNRECOGNIZED PLEDGES

The Foundation has received certain pledges from donors that are conditional in nature or otherwise do not meet the criteria for revenue recognition at June 30, 2026 and 2025. Such pledges are not recorded in the accompanying financial statements until the conditions on which they depend are substantially met or until they otherwise satisfy the requirements for recognition under applicable accounting standards. As of June 30, 2026 and 2025, the Foundation had $19,342,183 and $16,242,604 in conditional or other pledges that do not meet the applicable recognition criteria, respectively. These pledges are expected to be fulfilled over future periods; however, the timing and collectability of such amounts cannot be reasonably estimated at this time.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF NET POSITION
JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Assets:	
Current assets:	
Cash and cash equivalents	6,272,677
Short-term investments	4,210,876
Accounts receivable, net	82,867
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net, current portion	—
Prepaid expenses and other current assets	—
Total current assets	10,566,420
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Lease receivable, net of current portion	—
P3 receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	113,029,295
Other long-term investments	41,173,456
Capital assets, net	—
Other assets	223,770
Total noncurrent assets	154,426,521
Total assets	164,992,941
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Leases	—
P3	—
Others	—
Total deferred outflows of resources	—
Liabilities:	
Current liabilities:	
Accounts payable	1,240,810
Accrued salaries and benefits payable	—
Accrued compensated absences - current portion	—
Unearned revenues	—
Lease Liabilities - current portion	—
SBITA liabilities - current portion	—
P3 liabilities - current portion	—
Long-term debt obligations - current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts - current portion	—
Other liabilities, current	—
Total current liabilities	1,240,810

See accompanying Note to Supplementary Schedules.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE, A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF NET POSITION (CONTINUED)
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Lease liabilities, net of current portion	—
SBITA liabilities, net of current portion	—
P3 liabilities, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	—
Total liabilities	1,240,810
Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding(s)	—
Nonexchange transactions	—
Leases	—
P3	—
Others	—
Total deferred inflows of resources	—
Net position:	
Net investment in capital assets	—
Restricted for:	
Endowments	89,438,995
Expendable:	
Scholarships and fellowships	24,300,183
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	45,950,263
Unrestricted	4,062,690
Total net position	163,752,131

See accompanying Note to Supplementary Schedules.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Revenues:	
Operating revenues:	
Student Tuition & Fees, gross	—
Scholarship allowances, enter as negative	—
Student Financial Aid Grants:	
Federal Financial Aid Grants	—
State Financial Aid Grants	—
Local Financial Aid Grants	—
Nongovernmental and Other Financial Aid Grants	—
Grants and contracts, noncapital:	
Federal	—
State	—
Local	—
Nongovernmental	—
Sales and services of Educational Activities	—
Sales and services Auxiliary Enterprises, gross	41,960
Scholarship allowances for sales of auxiliary enterprises	—
Other operating revenues	—
Total operating revenues	41,960
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	3,046,831
Student services	1,001,180
Institutional support	2,786,821
Operation and maintenance of plant	—
Student grants and scholarships	4,028,511
Auxiliary enterprise expenses	—
Depreciation and amortization	—
Total operating expenses	10,863,343

See accompanying Note to Supplementary Schedules.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE, A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED) YEAR ENDED JUNE 30, 2026

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

NonCapital Subsidies:	
State appropriations	—
Gifts	4,158,988
Other Noncapital Subsidies received/(provided)	—
Federal Noncapital Subsidies received/(provided)	—
Total NonCapital Subsidies Received:	4,158,988
Operating Income (Loss) and NonCapital Subsidies:	(6,662,395)
Nonoperating revenues (expenses):	
Federal Subsidies, capital received/(provided)	—
State appropriations, capital	—
Capital Subsidy received/(provided)	—
Investment income (loss), net	6,810,225
Endowment income (loss), net	12,614,046
Grants and gifts, capital	—
Interest Revenue	—
Interest Expense	—
Gains or losses on capital assets	—
Additions/reductions to permanent endowments	5,620,035
Total nonoperating revenues (expenses)	25,044,306
Increase (decrease) in net position	18,381,911
Net position:	
Net position at beginning of year, as previously reported	145,370,220
Restatements	—
Net position at beginning of year, as restated	145,370,220
Net position at end of year	163,752,131

See accompanying Note to Supplementary Schedules.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

1. Cash and cash equivalents

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	**-**
Current cash and cash equivalents	6,272,677
Total	**$ 6,272,677**

2.1 Composition of investments

Investment Type	Current	Noncurrent	Total
Money market funds	4,176,973	140,526	**4,317,499**
Repurchase agreements			**-**
Certificates of deposit			**-**
U.S. agency securities			**-**
U.S. treasury securities			**-**
Municipal bonds			**-**
Corporate bonds			**-**
Asset backed securities			**-**
Mortgage backed securities			**-**
Commercial paper			**-**
Supranational			**-**
Mutual funds		27,634,744	**27,634,744**
Exchange traded funds		126,037,012	**126,037,012**
Equity securities		390,469	**390,469**
Alternative investments:			
Private equity (including limited partnerships)			**-**
Hedge funds			**-**
Managed futures			**-**
Real estate investments (including REITs)			**-**
Commodities			**-**
Derivatives			**-**
Other alternative investment types			**-**
Other external investment pools			**-**
CSU Consolidated Investment Pool (formerly SWIFT)			**-**
State of California Local Agency Investment Fund (LAIF)	33,903		**33,903**
State of California Surplus Money Investment Fund (SMIF)			**-**
Other investments:			
			-
			-
			-
			-
			-
Total other investments:	-	-	**-**
Total investments	**4,210,876**	**154,202,751**	**158,413,627**
Less endowment investments (enter as negative number)	**-**	(113,029,295)	**(113,029,295)**
Total investments, net of endowments	**4,210,876**	**41,173,456**	**45,384,332**

See accompanying Note to Supplementary Schedules.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

2.2 Fair value hierarchy in investments

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	**4,317,499**		4,317,499		
Repurchase agreements	-				
Certificates of deposit	-				
U.S. agency securities	-				
U.S. treasury securities	-				
Municipal bonds	-				
Corporate bonds	-				
Asset backed securities	-				
Mortgage backed securities	-				
Commercial paper	-				
Supranational	-				
Mutual funds	**27,634,744**	27,634,744			
Exchange traded funds	**126,037,012**	126,037,012			
Equity securities	**390,469**	390,469			
Alternative investments:					
Private equity (including limited partnerships)	-				
Hedge funds	-				
Managed futures	-				
Real estate investments (including REITs)	-				
Commodities	-				
Derivatives	-				
Other alternative investment types	-				
Other external investment pools	-				
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	
State of California Local Agency Investment Fund (LAIF)	**33,903**	-	-	-	33,903
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	
Other investments:					
	-				
	-				
	-				
	-				
	-				
Total other investments:	-	-	-	-	-
Total investments	**$ 158,413,627**	**154,062,225**	**4,317,499**	**0**	**33,903**

2.3 Investments held by the University under contractual agreements

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

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g. - CSU Consolidated Investment Pool (formerly SWIFT):			**$ 0**

See accompanying Note to Supplementary Schedules.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
A COMPONENT UNIT OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

3.1 Capital Assets

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2025 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	0				0				0
Works of art and historical treasures	0				0				0
Construction work in progress (CWIP)	0				0				0
Intangible assets:									
Rights and easements	0				0				0
Patents, copyrights and trademarks	0				0				0
Intangible assets in progress (PWIP)	0				0				0
Licenses and permits	0				0				0
Other intangible assets:									
	0				0				0
	0				0				0
	0				0				0
	0				0				0
	0				0				0
Total Other intangible assets	0	0	0	0	0	0	0	0	0
Total intangible assets	0	0	0	0	0	0	0	0	0
Total non-depreciable/non-amortizable capital assets	0	0	0	0	0	0	0	0	0
Depreciable/Amortizable capital assets:									
Buildings and building improvements	0				0				0
Improvements, other than buildings	0				0				0
Infrastructure	0				0				0
Leasehold improvements	0				0				0
Personal property:									
Equipment	0				0				0
Library books and materials	0				0				0
Intangible assets:									
Software and websites	0				0				0
Rights and easements	0				0				0
Patents, copyrights and trademarks	0				0				0
Licenses and permits	0				0				0
Other intangible assets:									
	0				0				0
	0				0				0
	0				0				0
	0				0				0
	0				0				0
Total Other intangible assets	0	0	0	0	0	0	0	0	0
Total intangible assets	0	0	0	0	0	0	0	0	0
Total depreciable/amortizable capital assets	0	0	0	0	0	0	0	0	0
Total capital assets	0	0	0	0	0	0	0	0	0
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	0				0				0
Improvements, other than buildings	0				0				0
Infrastructure	0				0				0
Leasehold improvements	0				0				0
Personal property:									
Equipment	0				0				0
Library books and materials	0				0				0
Intangible assets:									
Software and websites	0				0				0
Rights and easements	0				0				0
Patents, copyrights and trademarks	0				0				0
Licenses and permits	0				0				0
Other intangible assets:									
	0				0				0
	0				0				0
	0				0				0
	0				0				0
	0				0				0
Total Other intangible assets	0	0	0	0	0	0	0	0	0
Total intangible assets	0	0	0	0	0	0	0	0	0
Total accumulated depreciation/amortization	0	0	0	0	0	0	0	0	0
Total capital assets, net excluding ROU assets	0	0	0	0	0	0	0	0	0

See accompanying Note to Supplementary Schedules.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Does the component unit have any capital assets held for sale? **No**

FALSE

Date sale approved:	Item	Asset Category	Asset Cost (+)	Accumulated Depreciation (-)	NBV	Is asset pleadged as collateral?	Debt Outstanding Balance	Sale probable within one year?
					$ 0.00			
					$ 0.00			
					$ 0.00			
					$ 0.00			

Capital Assets - Right of Use, net

Composition of capital assets - Lease ROU, net:	Balance June 30, 2025	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	0				0				0
Total non-depreciable/non-amortizable lease assets	0	0	0	0	0	0	0	0	0
Depreciable/Amortizable lease assets:									
Land and land improvements	0				0				0
Buildings and building improvements	0				0				0
Improvements, other than buildings	0				0				0
Infrastructure	0				0				0
Personal property:									
Equipment	0				0				0
Total depreciable/amortizable lease assets	0	0	0	0	0	0	0	0	0
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Land and land improvements	0				0				0
Buildings and building improvements	0				0				0
Improvements, other than buildings	0				0				0
Infrastructure	0				0				0
Personal property:									
Equipment	0				0				0
Total accumulated depreciation/amortization	0	0	0	0	0	0	0	0	0
Total capital assets - lease ROU, net	0	0	0	0	0	0	0	0	0

See accompanying Note to Supplementary Schedules.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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Composition of capital assets - SBITA ROU, net	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions
Depreciable/Amortizable SBITA assets:								
Software	0				0			
Total depreciable/amortizable SBITA assets	0	0	0	0	0	0	0	0
Less accumulated depreciation/amortization:								
Software	0				0			
Total accumulated depreciation/amortization	0	0	0	0	0	0	0	0
Total capital assets - SBITA ROU, net	0	0	0	0	0	0	0	0

Composition of capital assets - P3 ROU, net:	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions
Non-depreciable/Non-amortizable P3 assets:								
Land and land improvements	0				0			
Total non-depreciable/non-amortizable P3 assets	0	0	0	0	0	0	0	0
Depreciable/Amortizable P3 assets:								
Land and land improvements	0				0			
Buildings and building improvements	0				0			
Improvements, other than buildings	0				0			
Infrastructure	0				0			
Personal property:								
Equipment	0				0			
Total depreciable/amortizable P3 assets	0	0	0	0	0	0	0	0
Less accumulated depreciation/amortization:								
Land and land improvements	0				0			
Buildings and building improvements	0				0			
Improvements, other than buildings	0				0			
Infrastructure	0				0			
Personal property:								
Equipment	0				0			
Total accumulated depreciation/amortization	0	0	0	0	0	0	0	0
Total capital assets - P3 ROU, net	0	0	0	0	0	0	0	0
Total capital assets, net including ROU assets								

3.2 Detail of depreciation and amortization expense

Depreciation and amortization expense related to capital assets	$	0	
Amortization expense - Leases ROU		0	
Amortization expense - SBITA ROU		0	
Amortization expense - P3 ROU		0	
Depreciation and Amortization expense - Others			Provide explanation for others:
Total depreciation and amortization	**$**	**0**	

See accompanying Note to Supplementary Schedules.

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4. Long-term liabilities

	Balance June 30, 2025	Prior Period Adjustments/Reclassifications	Balance June 30, 2025 (Restated)	Additions	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
1. Accrued compensated absences	**0**		**0**		0	**0**		0
2. Claims liability for losses and loss adjustment expenses	**0**		**0**			**0**		0
3. Capital lease obligations (pre-ASC 842):								
Gross balance	**0**		**0**			**0**		0
Unamortized net premium/(discount)	**0**		**0**			**0**	0	0
Total capital lease obligations (pre ASC 842)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	**0**		**0**			**0**	0	0
4.2 Commercial paper	**0**		**0**			**0**		0
4.3 Notes payable (SRB related)	**0**		**0**			**0**		0
4.4 Finance purchase of capital assets	**0**		**0**			**0**		0
4.5 Others:								
	0		0			0		0
	0		0			0		0
	0		0			0		0
	0		0			0		0
Total others	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Sub-total long-term debt	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
4.6 Unamortized net bond premium/(discount)	**0**		**0**			**0**	0	0
Total long-term debt obligations	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

5. Lease, SBITA, P3 liabilities:	Balance June 30, 2025	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
Lease liabilities	0					0		0
SBITA liabilities	0					0		0
P3 liabilities - SCA	0					0		0
P3 liabilities - non-SCA	0					0		0
Sub-total P3 liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Lease, SBITA, P3 liabilities	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**
Total long-term liabilities						**$ 0**	**$ 0**	**$ 0**

See accompanying Note to Supplementary Schedules.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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5. Future minimum payments schedule - leases, SBITA, P3

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:												
2027.00			0			0			0	0	0	0
2028.00			0			0			0	0	0	0
2029.00			0			0			0	0	0	0
2030.00			0			0			0	0	0	0
2031.00			0			0			0	0	0	0
2032 - 2036			0			0			0	0	0	0
2037 - 2041			0			0			0	0	0	0
2042 - 2046			0			0			0	0	0	0
2047 - 2051			0			0			0	0	0	0
2052 - 2056			0			0			0	0	0	0
Thereafter			0			0			0	0	0	0
Total minimum lease payments	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	0
Less: amounts representing interest												0
Present value of future minimum lease payments												0
Total Leases, SBITA, P3 liabilities												0
Less: current portion												0
Leases, SBITA, P3 liabilities, net of current portion												**$ 0**

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

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Interest	Principal Only	Interest Only	Interest	Principal Only	Interest Only	Interest
Year ending June 30:									
2027.00			0			0	0	0	0
2028.00			0			0	0	0	0
2029.00			0			0	0	0	0
2030.00			0			0	0	0	0
2031.00			0			0	0	0	0
2032 - 2036			0			0	0	0	0
2037 - 2041			0			0	0	0	0
2042 - 2046			0			0	0	0	0
2047 - 2051			0			0	0	0	0
2052 - 2056			0			0	0	0	0
Thereafter			0			0	0	0	0
Total minimum payments	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**0**
Less: amounts representing interest									0
Present value of future minimum payments									0
Unamortized net premium/(discount)									0
Total long-term debt obligations			se						0
Less: current portion									0
Long-term debt obligations, net of current portion									**$ 0**

See accompanying Note to Supplementary Schedules.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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7. Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	820,819
Payments to University for other than salaries of University personnel	2,380,422
Payments received from University for services, space, and programs	
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	370,758
Accounts (payable to) University (enter as negative number)	(1,097,559)
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)	51,629

8. Restatements

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

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

		Debit/(Credit)
Restatement #1	Enter transaction description	
		$ 0
Restatement #2	Enter transaction description	
		$ 0

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	0	0	0	0		0		**0**
Research	0	0	0	0		0		**0**
Public service	0	0	0	0		0		**0**
Academic support	0	0	0	0		3,046,831		**3,046,831**
Student services	0	0	0	0		1,001,180		**1,001,180**
Institutional support	0	0	0	0		2,786,821		**2,786,821**
Operation and maintenance of plant	0	0	0	0		0		**0**
Student grants and scholarships					4,028,511			**4,028,511**
Auxiliary enterprise expenses	0	0	0	0		0		**0**
Depreciation and amortization							0	**0**
Total operating expenses	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 4,028,511**	**$ 6,834,832**	**$ 0**	**$ 10,863,343**

See accompanying Note to Supplementary Schedules.

THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE,
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OTHER INFORMATION (CONTINUED)
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(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

No pension plan reported OK

1. Deferred Outflows of Resources		
Deferred outflows - unamortized loss on refunding(s)		
Deferred outflows - net pension liability		
Deferred outflows - net OPEB liability		
Deferred outflows - leases		
Deferred outflows - P3		
Deferred outflows - others:		
Sales/intra-entity transfers of future revenues		
Gain/loss on sale leaseback		
Loan origination fees and costs		
Change in fair value of hedging derivative instrument		
Irrevocable split-interest agreements		
Total deferred outflows - others		**0**
Total deferred outflows of resources	**$**	**0**
2. Deferred Inflows of Resources		
Deferred inflows - service concession arrangements		
Deferred inflows - net pension liability		
Deferred inflows - net OPEB liability		
Deferred inflows - unamortized gain on debt refunding(s)		
Deferred inflows - nonexchange transactions		
Deferred inflows - leases		
Deferred inflows - P3		
Deferred inflows - others:		
Sales/intra-entity transfers of future revenues		
Gain/loss on sale leaseback		
Loan origination fees and costs		
Change in fair value of hedging derivative instrument		
Irrevocable split-interest agreements		
Total deferred inflows - others		**0**
Total deferred inflows of resources	**$**	**0**

See accompanying Note to Supplementary Schedules.

NOTE 1 ADMINISTRATIVE DIRECTIVE

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The University Foundation at Sacramento State (the Foundation), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated REPORT DATE.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Directors
The University Foundation at Sacramento State

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Sacramento, California
REPORT DATE