

**The University Corporation**

**Financial Statements**  
**(With Supplementary Information)**  
**and Independent Auditor's Report**

**June 30, 2023**

---

# The University Corporation

## Index

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9
Supplementary Information	
Schedule of Net Position	26
Schedule of Revenues, Expenses and Changes in Net Position	27
Other Information	28
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	36

## Independent Auditor's Report

The Board of Directors  
The University Corporation  
(A California State University Auxiliary Organization)

### Report on Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of The University Corporation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The University Corporation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The University Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 University Corporation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

#### *Auditor's 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 auditor's 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 University Corporation'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 University Corporation'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.

#### Report on Summarized Comparative Information

We have previously audited The University Corporation's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 26 to 34 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023 on our consideration of The University Corporation'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 University Corporation'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 University Corporation's internal control over financial reporting and compliance.



Los Angeles, California  
September 25, 2023

**The University Corporation**  
**Statement of Financial Position**  
**June 30, 2023**  
**With Summarized Totals at June 30, 2022**

Assets

	2023	2022
Current assets		
Cash and cash equivalents	\$ 6,873,741	\$ 7,491,477
Short-term investments	8,429,555	8,679,312
Grants and contracts receivable	9,912,573	8,078,886
Accounts receivable, net	611,316	275,066
Accounts receivable from the University	220,520	439,737
Accounts receivable from other University auxiliary organizations	10,015	24,080
Current portion of note receivable	5,057	4,763
Prepaid expenses and deposits	167,666	11,583
Total current assets	26,230,443	25,004,904
Note receivable, net of current portion	22,999	28,104
Investments	29,909,841	27,119,584
Capital assets, net	21,507,906	20,246,690
Total	<u>\$ 77,671,189</u>	<u>\$ 72,399,282</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable	\$ 2,018,319	\$ 2,141,495
Other accrued liabilities	1,348,675	1,515,416
Current portion of accrued compensated absences	517,826	470,189
Current portion of postretirement benefit payable	122,358	148,653
Deposits held in custody for others	5,366,593	4,423,787
Deferred revenue	4,255,747	3,714,457
Current portion of long-term debt	865,000	785,000
Total current liabilities	14,494,518	13,198,997
Accrued compensated absences, net of current portion	221,926	201,509
Postretirement benefit payable, net of current portion	1,911,364	1,987,147
Long-term debt, net of current portion	7,493,000	8,453,859
Total liabilities	24,120,808	23,841,512
Commitments and contingencies	-	-
Net assets		
Without donor restrictions		
Undesignated	36,701,641	33,069,482
Board designated	12,987,947	11,567,299
Total without donor restrictions	49,689,588	44,636,781
With donor restrictions	3,860,793	3,920,989
Total net assets	53,550,381	48,557,770
Total liabilities and net assets	<u>\$ 77,671,189</u>	<u>\$ 72,399,282</u>

See Notes to Financial Statements.

# The University Corporation

## Statement of Activities Year Ended June 30, 2023 With Summarized Totals for the Year Ended June 30, 2022

	2023		2022
		With donor restrictions	Total
			Total
Operating revenues and support			
Auxiliary services			
Food service sales and commissions	\$ 6,342,129	\$ -	\$ 6,342,129
Bookstore commissions	1,050,000	-	1,050,000
Real estate rentals	1,720,637	-	1,720,637
University provided support	-	-	-
Total auxiliary services	9,112,766	-	9,112,766
Grants and contracts	37,342,218	-	37,342,218
Investment income (loss), net	3,261,496	8,742	3,270,238
Other revenue	943,254	-	943,254
Net assets released from restrictions	68,938	(68,938)	-
Total operating revenues and support	50,728,672	(60,196)	50,668,476
Operating expenses			
Auxiliary services	8,037,795	-	8,037,795
Program services			
Grants and contracts	31,713,076	-	31,713,076
Student grants and scholarships	1,006,084	-	1,006,084
University support	1,436,826	-	1,436,826
Total program services	34,155,986	-	34,155,986
Supporting services			
General and administrative	3,440,107	-	3,440,107
Total operating expenses	45,633,888	-	45,633,888
Change in net assets from operating activities	5,094,784	(60,196)	5,034,588
Nonoperating expenses (income)			
Loss on retirement of property and equipment	28,791	-	28,791
Other components of net postretirement benefit cost	(147,406)	-	(147,406)
Other postretirement changes recognized	160,592	-	160,592
Net nonoperating expenses (income)	41,977	-	41,977
Change in net assets	5,052,807	(60,196)	4,992,611
Net assets, beginning	44,636,781	3,920,989	48,557,770
Net assets, end	\$ 49,689,588	\$ 3,860,793	\$ 53,550,381

See Notes to Financial Statements.

**The University Corporation**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2023**  
**With Summarized Totals for the Year Ended June 30, 2022**

	2023						2022
	Program services					Supporting services	
	Auxiliary services	Grants and contracts	Student grants, scholarships and faculty awards	University support	Total	General and administrative	Total
Compensation and benefits	\$ 410,336	\$ 22,183,345	\$ 233,216	\$ -	\$ 22,416,561	\$ 1,868,789	\$ 24,695,686
University projects	-	-	-	1,436,826	1,436,826	-	1,436,826
Cost of goods sold	4,772,561	-	-	-	-	-	4,772,561
Depreciation and amortization	1,574,398	-	-	-	-	314,230	1,888,628
Interest expense	157,352	-	-	-	-	9,673	167,025
Professional services	327,439	2,481,500	1,014	-	2,482,514	510,098	3,320,051
Insurance	131,988	130,302	-	-	130,302	117,773	380,063
Supplies	4,943	166,523	19,958	-	186,481	19,925	211,349
Scholarships and program costs	-	1,255,344	224,705	-	1,480,049	-	1,480,049
Travel and hospitality	1,580	1,242,958	70,325	-	1,313,283	18,329	1,333,192
Fees and charges	198,597	-	-	-	-	15,335	213,932
Utilities	80,515	225,020	207	-	225,227	238,668	544,410
Marketing and advertising	1,439	130,304	-	-	130,304	-	131,743
Repairs and maintenance	352,803	70,376	-	-	70,376	286,355	709,534
Other expenses	23,844	655,468	456,659	-	1,112,127	40,932	1,176,903
Program materials and equipment	-	3,171,936	-	-	3,171,936	-	3,171,936
Total operating expenses	8,037,795	31,713,076	1,006,084	1,436,826	34,155,986	3,440,107	45,633,888
Other components of net postretirement benefit cost	(36,852)	(44,222)	-	-	(44,222)	(66,332)	(147,406)
	<u>\$ 8,000,943</u>	<u>\$ 31,668,854</u>	<u>\$ 1,006,084</u>	<u>\$ 1,436,826</u>	<u>\$ 34,111,764</u>	<u>\$ 3,373,775</u>	<u>\$ 45,486,482</u>
							<u>\$ 42,939,059</u>

See Notes to Financial Statements.



**The University Corporation**

**Statement of Cash Flows**  
**Year Ended June 30, 2023**  
**With Summarized Totals for the Year Ended June 30, 2022**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 4,992,611	\$ (1,789,657)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Loss on disposal of property and equipment	28,791	-
Depreciation and amortization	1,888,628	2,081,537
Net realized and unrealized (gains) losses on investments	(2,302,843)	4,089,231
Postretirement benefits	160,592	(180,822)
Amortization of bond premiums	(95,859)	(101,123)
Changes in operating assets and liabilities		
Grants and contracts receivable	(1,833,687)	(1,911,981)
Accounts receivable	(336,250)	229,625
Accounts receivable from the University	219,217	(375,291)
Accounts receivable from other University auxiliary organizations	14,065	(15,005)
Prepaid expenses and deposits	(156,083)	(11,542)
Accounts payable	(123,176)	769,751
Other accrued liabilities	(98,687)	(592,513)
Deposits held in custody for others	942,806	546,957
Postretirement benefit payable	(262,670)	(216,410)
Deferred revenue	541,290	(211,028)
Net cash provided by operating activities	<u>3,578,745</u>	<u>2,311,729</u>
Cash flows from investing activities		
Purchase of capital assets	(3,178,635)	(524,886)
Refund from University for capital projects	-	38,959
Payments from note receivable	4,811	4,167
Purchases of investments	(16,308,796)	(10,560,360)
Proceeds from sales of investments	16,071,139	8,588,749
Net cash used in investing activities	<u>(3,411,481)</u>	<u>(2,453,371)</u>
Cash flows from financing activities		
Payments on long-term debt	<u>(785,000)</u>	<u>(695,000)</u>
Net decrease in cash and cash equivalents	(617,736)	(836,642)
Cash and cash equivalents, beginning	<u>7,491,477</u>	<u>8,328,119</u>
Cash and cash equivalents, end	<u>\$ 6,873,741</u>	<u>\$ 7,491,477</u>
Supplemental disclosure of cash flow information		
Interest paid during the year	<u>\$ 269,707</u>	<u>\$ 294,694</u>

See Notes to Financial Statements.

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 - Business activity and summary of significant accounting policies**

**Business activity**

The University Corporation (the "Corporation") is a California State University auxiliary organization located on the campus of California State University, Northridge (the "University"). The Corporation operates food services and vending operations; administers various funds and grants; owns and manages faculty and staff housing; is responsible for the bookstore operations through a third-party operator; and performs other activities related to the University community. The Corporation is also responsible for the licensing of campus facilities, logos, and trademarks via an operating agreement with the University.

**Basis of accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Financial statement presentation**

To ensure the observance of certain constraints and restrictions placed on the use of resources, the accounts of the Corporation are maintained in accordance with Accounting Standards Codification Topic 958. Under this standard, resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

*Net assets without donor restrictions* - These generally result from revenues generated by receiving contributions without donor restrictions, providing services, and receiving income from investments less expenses incurred in providing program related services, raising contributions and performing administrative functions. At June 30, 2023, the Corporation has \$12,987,947 of board designated net assets (see Note 10).

*Net assets with donor restrictions* - The Corporation reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose, or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from purpose or time restrictions. At June 30, 2023, the Corporation has \$3,860,793 of net assets with donor restrictions (see Note 10).

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits and all highly liquid investments with an initial maturity at date of purchase of three months or less.

**Accounts receivable**

Accounts receivable are stated at unpaid balances less an allowance for doubtful accounts. The Corporation provides for losses on receivables using the allowance method which is based on experience and other circumstances. The Corporation had approximately \$5,000 in allowance for doubtful accounts at June 30, 2023.

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

**Grants and contracts**

Grants and contracts revenue are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. At June 30, 2023, the Corporation has received grant advances of \$2,910,370 which is included in deferred revenue because qualifying expenditures have not yet been incurred. The Corporation considers all grants and contracts receivable to be fully collectible and, as such, an allowance for doubtful accounts is not considered necessary.

**Investments**

Investments are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the statement of activities as investment income.

**Fair value measurements**

The Corporation values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted priced (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

**Capital assets**

Capital assets are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from three to thirty years. Building and leasehold improvements are stated at cost and are amortized using the straight-line method over the shorter of the estimated useful life of the asset or the lease term. Repairs and maintenance are charged to expense as incurred.

**Deposits held in custody for others**

Funds administered by the Corporation on behalf of University academic and administrative units and other campus organizations are recorded as deposits held in custody for others. It is management's belief that the Corporation is acting as an agent for the transactions of these units. Accordingly, the financial activities of such units have not been recorded in the accompanying statement of activities.

**Revenue recognition**

The Corporation recognizes revenues from auxiliary services when earned. Revenues from food service consist of meal plan revenues and commission revenues. Meal plan revenues are recognized when delivered, and commission revenues are recognized when earned as a

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

percentage of the retail sales in accordance with an outsourcing agreement with a third party operator. The bookstore is operated by a third party in accordance with a revenue sharing agreement of which the Corporation is entitled to a commission percentage of the sales. Bookstore commissions are recognized as revenue when the commissions are earned. Real estate rental revenue is recognized in the period earned, according to lease contract terms. Deferred revenue consists of amounts received which have not been earned and include gift cards, meal plans and maintenance advances. These amounts are transferred to revenue when earned.

**Advertising costs**

Advertising costs are charged to expense as incurred. There was no advertising expense for the year ended June 30, 2023.

**Functional allocation of expenses**

The costs of providing programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between functional services based on personnel time and space utilized for activities.

**Income taxes**

The Corporation is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue Taxation Code of California. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The Corporation has no unrecognized tax benefits at June 30, 2023. The Corporation's federal income tax returns for fiscal years 2022, 2021 and 2020 remain open. The Corporation's state income tax returns for fiscal years 2022, 2021, 2020 and 2019 remain open. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Management has analyzed the tax positions taken by the Corporation and has concluded that, as of June 30, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

If applicable, the Corporation recognizes interest and penalties associated with tax matters as part of income tax expense and includes accrued interest and penalties with accounts payable and accrued expenses in the statement of financial position.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Comparative totals**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

**Reclassifications**

Prior period financial statement amounts have been reclassified to conform to the current period presentation.

**Adoption of new accounting pronouncements**

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases* ("Topic 842"), which establishes the principles to report transparent and economical neutral information about the assets and liabilities that arise from leases. This guidance results in a more faithful representation of the rights and obligations arising from operating and capital leases in the statements of financial position and to disclose qualitative and quantitative information about lease transactions, such as information about variable lease payments and options to renew and terminate leases. The Corporation has elected to apply the deferrals provided by ASU 2020-05, and thereafter adopted Topic 842 for fiscal years beginning after December 15, 2021 on a modified retrospective basis with a cumulative effect transition adjustment as of the beginning of the period that includes initial adoption of the standard. The Corporation evaluated the potential impact of adoption, and due to the Corporation not having significant operating leases at June 30, 2023 and 2022, there was not a material impact on the financial statements.

**Recent accounting pronouncements**

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses*. The new standard changes the accounting for the allowance for credit losses from a historical loss model to an estimate of current expected credit loss ("CECL") model. Under the historic loss model, losses were recognized as they were incurred. The CECL model is applicable to all financial instruments that are not accounted for at fair value through net income. ASU 2016-13 will be effective for the Corporation for the year beginning July 1, 2023. The Corporation has yet to determine the potential impact, if any.

**Subsequent events**

The Corporation has evaluated subsequent events through September 25, 2023, which is the date these financial statements were available to be issued.

**Note 2 - Liquidity and availability**

The Corporation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Corporation has various sources of liquidity at its disposal, including cash and cash equivalents, receivables, and marketable equity securities. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Corporation considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

At June 30, 2023, the Corporation had the following financial assets and liquidity resources available over the next 12 months:

Cash and cash equivalents	\$ 6,873,741
Short-term investments	8,429,555
Grants and contracts receivable	9,912,573
Accounts receivable, net	841,851
Current portion of note receivable	<u>5,057</u>
	<u><u>\$ 26,062,777</u></u>

**Note 3 - Concentrations**

Financial instruments which potentially subject the Corporation to concentrations of credit risk consist primarily of cash and cash equivalents. The Corporation maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Corporation's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Corporation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

**Note 4 - Investments**

At June 30, 2023, investments consist of the following:

Equities	\$ 16,843,572
Mutual funds	4,441,434
Debt securities	10,032,385
Pooled investment with the University	4,496,015
Certificates of deposit	1,345,024
Other	<u>6,000</u>
	37,164,430
Public safety building	<u>1,174,966</u>
Total	<u><u>\$ 38,339,396</u></u>

These investments are disclosed in the accompanying statement of financial position as follows:

Short-term investments	\$ 8,429,555
Long-term investments	<u>29,909,841</u>
	<u><u>\$ 38,339,396</u></u>

## The University Corporation

### Notes to Financial Statements June 30, 2023

The Corporation and the parking authority of the University have an investment in a public safety building which was initially recorded at fair value. The Corporation has a two-thirds interest in this investment. During the year ended June 30, 2011, the Corporation and the administration of the University reached an agreement that the University will repay the Corporation the remaining balance of \$1,174,966 by June 30, 2025. During the year ended June 30, 2023, the Corporation received payments of \$543,749 relating to the public safety building, which provides a return on the investment of approximately 5%. Upon full recovery of this investment, ownership of the public safety building will be transferred to the University.

The Corporation established investment funds to be managed by graduate and undergraduate University finance students and faculty. At June 30, 2023, the amount of student managed funds was \$3,434,682, of which, \$3,163,081 is included in investments and \$271,601 is included in cash and cash equivalents.

#### Note 5 - Fair value measurements

At June 30, 2023, investments are carried at fair value and are classified in the table below in one of the three categories as described in Note 1:

	Level 1	Level 2	Level 3	Investments measured at NAV	Total
Equities	\$ 16,843,572	\$ -	\$ -	\$ -	\$ 16,843,572
Mutual funds	4,441,434	-	-	-	4,441,434
Debt securities	-	10,032,385	-	-	10,032,385
Pooled investment	-	-	-	4,496,015	4,496,015
Certificates of deposit	-	1,345,024	-	-	1,345,024
Other	6,000	-	-	-	6,000
	<u>\$ 21,291,006</u>	<u>\$ 11,377,409</u>	<u>\$ -</u>	<u>\$ 4,496,015</u>	<u>\$ 37,164,430</u>

Valuations of equities and mutual funds are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Money market funds are valued based on investment yield. The pooled investment represents funds pooled with the University invested in the System Wide Investment Fund Trust ("SWIFT"). The pooled investment is valued based on the underlying investments in the pooled fund and classified as investments measured at net asset value ("NAV") in the table above. There are no unfunded commitments or redemption restrictions.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Corporation 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.

The Corporation's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstance that caused the transfer.

#### Note 6 - Endowment

The Corporation's endowment includes donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

designated by the Board of Directors to function as endowments, are classified and reported based on the existence of donor-imposed restrictions.

The Board of Directors of the Corporation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as perpetually restricted net assets (a) the original value of gifts donated to the perpetually restricted endowment, (b) the original value of subsequent gifts to the perpetually restricted endowment, and (c) accumulations to the perpetually restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as net assets with time or purpose restrictions until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Corporation 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 Corporation and 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 Corporation, and (7) the Corporation's investment policies.

**Investment return objectives, risk parameters and strategies**

The funds entrusted to the Corporation will be pooled in an actively managed portfolio, except when precluded by a donor or granting agency. The Corporation will participate in standards within the content of the "Prudent Investor" rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The primary investment objective is to achieve risk-adjusted real returns necessary to preserve and grow capital and to support the long-term and short-term spending requirements of the Corporation. The Corporation and its investment managers must properly balance the following overall objectives:

1. *Liquidity.* The Corporation's investment portfolio will remain satisfactorily liquid to enable it to meet anticipated operating and cash flow requirements, which are to be analyzed continuously.
2. *Return on investment.* The investment portfolio will be designed to attain a market rate or better rate of return throughout a full economic cycle.
3. *Preservation of capital.* Sufficient limitations are placed on risks associated with the implementation of the return on investment objective and to protect the portfolio through the diversification of assets and the setting of specific quality standards.

The long-term investment pool includes all endowment and certain reserve funds and is invested with a focus on long-term growth of capital through asset diversification. The investment target mix for the long-term pool will be 25% - 85% equities, 10% - 50% fixed income, 0% - 15% alternative investments - real assets and 0% - 30% cash. The Corporation prohibits investments that jeopardize the non-profit status of the Corporation or unduly jeopardizes the safety of principal.



**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

**Spending policy**

The Corporation has a policy of appropriating for distribution each year 4% of its prior year ending combined balance of the corpus and growth accounts. The total amount available to spend consists of the spending allocation plus any unspent dollars remaining from prior years. A quarterly report is forwarded to all endowment custodians containing the amount of available funds they can spend. All endowment expenditures have to be authorized by the respective endowment custodian. Endowment custodians include various University department chairs and the Office of Academic Affairs.

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Without donor restrictions	With donor restrictions		Total
		Time or purpose restricted	Perpetually restricted	
Donor restricted	\$ -	\$ -	\$ 3,860,793	\$ 3,860,793
Board designated	6,017,048	-	-	6,017,048
Total funds	<u>\$ 6,017,048</u>	<u>\$ -</u>	<u>\$ 3,860,793</u>	<u>\$ 9,877,841</u>

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	Without donor restrictions	With donor restrictions		Total
		Time or purpose restricted	Perpetually restricted	
Endowment net assets, beginning	\$ 5,539,691	\$ 60,196	\$ 3,860,793	\$ 9,460,680
Investment income	163,306	1,775	-	165,081
Net realized and unrealized gains	641,170	6,967	-	648,137
Appropriated for expenditure	(327,119)	(68,938)	-	(396,057)
Endowment net assets, end	<u>\$ 6,017,048</u>	<u>\$ -</u>	<u>\$ 3,860,793</u>	<u>\$ 9,877,841</u>

As of June 30, 2023, there were no deficiencies of donor-restricted endowment funds.

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 7 - Capital assets**

At June 30, 2023, capital assets consist of the following:

Finance leases	\$ 12,914,389
Buildings	8,569,171
Building improvements	17,069,834
Furniture, fixtures, and equipment	5,686,683
Computers and software	171,286
Residential housing	4,306,785
Land	
Empty lots	479,887
College court	938,619
Reseda building	2,000,000
Renovations in progress	3,164,488
Solar observatory	<u>1</u>
	55,301,143
Less accumulated depreciation and amortization	<u>(33,793,237)</u>
	<u><u>\$ 21,507,906</u></u>

Depreciation and amortization expense for the year ended June 30, 2023 was \$1,888,628.

In January 1976, the Corporation received from Aerospace Corporation a gift of a solar observatory situated on the Van Norman Reservoir in the San Fernando Valley. The Corporation recorded this gift as a capital asset at a nominal value of \$1 because of the unique nature of, and limited market for, the facility at the date of gift.

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 8 - Long-term debt**

At June 30, 2023, long-term debt consists of the following bonds and finance leases:

**Bonds payable**

On August 1, 2018, the California State University ("CSU") System issued \$1,500,000 in System Wide Revenue Bonds ("SRB") to refund 2008 SRB used to acquire 28 faculty/staff housing units ("College Court"). The bond is payable in varying annual installments and matures in November 2025. Interest is payable semi-annually at rates ranging from 4.00% to 5.00%. The bond includes a net bond premium of \$72,670 which is being amortized over the life of the bond.

\$ 697,670

On May 26, 2015, the CSU System issued \$3,415,000 in commercial paper to fund the acquisition of the Reseda building ("Reseda"). The commercial paper was converted into an SRB in August 2015. The bond is payable in varying annual installments and matures in November 2045. Interest is payable semi-annually at rates ranging from 3.00% to 5.00%. The bond includes a net bond premium of \$283,021 which is being amortized over the life of the bond.

2,943,021

Total bonds payable

3,640,691

**Finance leases**

The Corporation and the trustees of the CSU signed a 30-year finance lease for the Sierra Center Building effective October 2003. The three-story building incorporates food service units, indoor and outdoor seating, and office spaces. On September 14, 2011, the CSU System completed a partial refinancing of the SRB connected with the Sierra Center Building finance lease. The face amount of the bonds refinanced was \$2,485,000. On August 1, 2012, the CSU System completed a refinancing of the remaining 2003 SRB connected with the Sierra Center Building finance lease. The face amount of the bonds refinanced was \$3,145,000. On September 1, 2020, the CSU completed a partial refinancing of the 2012 SRB connected with the Sierra Center Building finance lease. The face amount of the bonds refinanced was \$3,730,000. The bonds are payable in varying annual installments maturing through November 2033. Interest is payable semi-annually at rates ranging from 0.55% to 5.00%. The bond includes a net bond discount of \$45,136 which is being amortized over the life of the bond.

3,779,864

The Corporation and the trustees of the CSU System signed an 18-year lease for the Matador Bookstore Complex addition effective March 2007. The CSU System issued \$3,945,000 in SRB in relation to the finance lease. The bond is payable in varying annual installments and matures in May 2026. In March 2017, the bond terms were modified resulting in an additional bond premium of \$323,556. Interest is payable semi-annually at rates ranging from 4.00% to 5.00%. The bond includes a net bond premium of \$117,441 which is being amortized over the life of the bond.

937,445

Total finance leases

4,717,309

Total long-term debt

8,358,000

Less current portion

(865,000)

Total long-term debt, net of current portion

\$ 7,493,000

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

Future minimum principal payments on the Corporation's bonds payable for each of the next five years and thereafter subsequent to June 30, 2023 are as follows:

	CSU SRB College Court	CSU SRB Reseda	Total
2024	\$ 200,000	\$ 65,000	\$ 265,000
2025	205,000	70,000	275,000
2026	220,000	70,000	290,000
2027	-	75,000	75,000
2028	-	80,000	80,000
Thereafter	-	2,300,000	2,300,000
	625,000	2,660,000	3,285,000
Bond premium	72,670	283,021	355,691
Total	<u>\$ 697,670</u>	<u>\$ 2,943,021</u>	<u>\$ 3,640,691</u>

The estimated future minimum lease payments for each of the next five years and thereafter subsequent to June 30, 2023 under the finance leases are included in the above long-term debt schedule as follows:

	Sierra Center Building	Matador Bookstore Complex	Total
2024	\$ 394,425	\$ 294,500	\$ 688,925
2025	387,470	296,125	683,595
2026	384,840	292,125	676,965
2027	376,480	-	376,480
2028	372,395	-	372,395
Thereafter	2,286,771	-	2,286,771
	4,202,381	882,750	5,085,131
Bond (discount) premium	(45,136)	117,441	72,305
Less amounts representing interest	(377,381)	(62,746)	(440,127)
	<u>\$ 3,779,864</u>	<u>\$ 937,445</u>	<u>\$ 4,717,309</u>

At June 30, 2023, the gross amount of finance leases and related accumulated amortization recorded under finance leases were as follows:

Finance leases	\$ 12,914,389
Less accumulated amortization	<u>(10,592,763)</u>
	<u>\$ 2,321,626</u>

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

Weighted average remaining lease term and weighted average incremental borrowing rate for the Corporation's finance leases as of June 30, 2023:

Weighted average remaining term (in years)	9
Weighted average incremental borrowing rate	1.82%

**Note 9 - Postretirement benefit plan**

The Corporation has a postretirement benefit plan (the "Plan") which provides postretirement medical benefits. Employees are eligible if they are either age 65 with 10 years of qualifying service, age 62 with 15 years of qualifying service or age 60 with 20 years of qualifying service. The Corporation currently pays 85% of the cost up to a maximum level. The current maximum is \$883 per month for retiree coverage and up to an additional \$1,241 per month for dependent coverage.

Retirees over age 65 may opt for the Medicare Risk Program. Under this option, the Corporation pays only the Medicare Part B premium. Any cost associated in the future with the Medicare Risk Program will be paid by the retiree. Retiree contributions fund the cost of coverage exceeding these amounts.

The Corporation's postretirement benefits include the effects of the Affordable Care Act (the "Act"). The Act provides health care benefits for individuals who previously were not eligible for health care. The Corporation's Plan takes into account the effects of the Act, which resulted in additional participants in the Plan.

The following tables provide further information about the Plan:

Benefit obligation at beginning of year	\$ 2,135,800
Service cost	41,742
Interest cost	90,970
Actuarial gains	(77,784)
Benefits paid	<u>(157,006)</u>
Benefit obligation at end of year	<u>2,033,722</u>
Fair value of plan assets at beginning of year	-
Actual return on plan assets	-
Employer contributions	157,006
Benefits paid	<u>(157,006)</u>
Fair value of assets at end of year	<u>-</u>
Net unfunded status	<u><u>\$ 2,033,722</u></u>

Amounts recognized in the statement of financial position consist of the following:

Current liabilities	\$ 122,358
Noncurrent liabilities	<u>1,911,364</u>
Total recognized in the statement of financial position	<u><u>\$ 2,033,722</u></u>

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

Amounts recognized in the statement of activities consist of the following:

Service cost	\$ 41,742
Other components of net postretirement benefit cost	
Interest cost	90,970
Amortization of transition obligation	-
Amortization of unrecognized prior service cost	(57,743)
Amortization of unrecognized gain	(180,633)
Total other components of net postretirement benefit cost	(147,406)
Total net postretirement benefit cost ("NPBC")	\$ (105,664)

Other changes recognized in changes in net assets without donor restrictions are as follows:

Prior service cost for period	\$ -
Net gain for period	(77,784)
Amortization of transition obligation	-
Amortization of prior service cost	57,743
Amortization of net gain	180,633
Total changes recognized in changes in net assets without donor restrictions	\$ 160,592
Total changes recognized in NPBC and changes in net assets without donor restrictions	\$ 54,928

**Assumptions**

Weighted average assumptions used in accounting for the Plan were as follows:

Benefit obligations at June 30, 2023	
Discount rate	4.42%
Rate of return on Plan assets	N/A
Rate of compensation increase	N/A
Medical trend	
Initial	5.50%
Ultimate	4.00%
Number of years to ultimate	47 years

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

**Cash flows**

The following benefit payments, subsequent to June 30, are expected to be paid as follows:

Years beginning July 1,	
2023	\$ 122,358
2024	110,554
2025	118,343
2026	102,957
2027	112,007
2028 - 2032	<u>657,002</u>
	<u><u>\$ 1,223,221</u></u>

The Corporation expects to contribute the pay-as-you-go cost of \$122,358 during the next fiscal year.

The following table includes the amounts in net assets without donor restrictions expected to be recognized as components of net periodic benefit cost over the 2023 - 2024 fiscal year:

Net actuarial gain (loss)	\$ (167,378)
Net prior service (cost)	(57,743)

**Note 10 - Net assets**

Net assets with donor restrictions are restricted for the following purposes or periods:

Perpetual Endowment	<u><u>\$ 3,860,793</u></u>
------------------------	----------------------------

Board designated net assets consist of the following:

Board designated endowments	\$ 6,017,048
Reserved for University support	5,665,943
Faculty and staff housing project operational reserve	<u>1,304,956</u>
	<u><u>\$ 12,987,947</u></u>

During the year ended June 30, 2022, North Campus - University Park Development Corporation ("NCDC") and the Corporation embarked on the process of developing a faculty and staff housing project on a portion of open lands on North Campus. This joint project will be pre-developed by NCDC and built, operated and owned by the Corporation as approved by the Corporation's Board of Directors. The project is currently in the pre-development phase, and its financial viability continues to be evaluated and monitored. NCDC has committed to fund the pre-development cost of \$2,000,000. To ensure the financial viability of the project, during the year ended June 30, 2022, the Corporation had established a faculty and staff housing operational reserve and set aside an initial \$935,416 to this reserve. At June 30, 2023, the faculty and staff housing operational reserve was \$1,304,956. Additionally, NCDC also committed to establish a reserve by setting aside \$500,000 per year to a NCDC board-approved reserve to help mitigate the negative cash outflows during the stabilization phase after the project is placed in service. NCDC's faculty and staffing housing

**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

operational reserve will be released to the Corporation upon the completion of construction and during the project's stabilization phase. At June 30, 2023, NCDC has allocated \$1,000,000 to the faculty and staff housing operations reserve. Subsequent to year end, the Corporation and NCDC decided to put the project on hold due to rising construction and interest costs, and they will continue to evaluate the financial viability of the project including pursuing alternative options to increase the faculty and staff housing stock.

**Note 11 - Employee retirement plan**

The employee retirement plan, administered through The Principal Financial Group, is a defined contribution plan that received a favorable determination from the Internal Revenue Service in 1994. All eligible employees that complete over 1,000 hours of service in the plan year, complete two consecutive years of employment, and are age 21 or older are eligible for the plan. The employee retirement plan has four levels of employer matching with a maximum match of 10% of the employee's salary. Under the terms of the plan, the Corporation and its eligible employees make contributions which the Corporation deposits monthly with a trustee, The Principal Financial Group. Employees are 100% vested upon eligibility. Contributions payable at June 30, 2023 totaled \$26,112. Contributions for the year ended June 30, 2023 totaled \$116,750, which is included in compensation and benefits in the accompanying statement of functional expenses.

**Note 12 - Commitments and contingencies**

The Corporation participates in a number of federal, state, and local grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Corporation expects such amounts, if any, to be immaterial to the Corporation's financial statements.

From time to time, the Corporation is named as a defendant in legal actions arising from its normal operations and is presented with claims for damages arising out of its actions. However, the Corporation is not currently named in any litigation.

**Note 13 - Related party transactions**

The Corporation provides and receives services from the University, Associated Students, California State University, Northridge, Inc. ("ASI"), California State University, Northridge Foundation ("CSUN Foundation"), University Student Union, California State University, Northridge ("USU"), and NCDC.

**Related party detail**

At June 30, 2023, related party receivables and payables are as follows:

Receivables	
University	\$ 220,520
NCDC	10,015
	<hr/>
	\$ 230,535
	<hr/>
Payables	
NCDC	\$ 14,872
	<hr/>



**The University Corporation**  
**Notes to Financial Statements**  
**June 30, 2023**

Accounts payable to related parties are included in accounts payable in the statement of financial position.

During the year ended June 30, 2023, the Corporation received \$9,842,763 from the University for catering provided to the University, rental income for the Corporation's properties, cash receipts related to the Corporation's meal plan, payroll services, licensing, workshops and conferences.

During the year ended June 30, 2023, amounts paid to the University were as follows:

Salaries and benefits	\$ 2,403,785
Services provided by campus	1,602,830
Other	1,069,394
Gifts	<u>484,757</u>
	<u><u>\$ 5,560,766</u></u>

During the year ended June 30, 2023, amounts received from other University auxiliary organizations were \$299,008. Amounts received relate to catering services, food service management fees and payroll services. During the year ended June 30, 2023, the Corporation paid \$191,868 to CSUN Foundation, \$46,176 to USU, and \$21,956 to ASI.

## **Supplementary Information**

**The University Corporation**

**Schedule of Net Position**  
**June 30, 2023**  
**(For inclusion in the California State University)**

<b>Assets:</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 6,873,741
Short-term investments	8,429,555
Accounts receivable, net	10,754,424
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	5,057
Pledges receivable, net	-
Prepaid expenses and other current assets	167,666
<b>Total current assets</b>	<b>26,230,443</b>
<b>Noncurrent assets:</b>	
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	22,999
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	9,877,841
Other long-term investments	20,032,000
Capital assets, net	21,507,906
Other assets	-
<b>Total noncurrent assets</b>	<b>51,440,746</b>
<b>Total assets</b>	<b>77,671,189</b>
<b>Deferred outflows of resources:</b>	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-
<b>Total deferred outflows of resources</b>	<b>-</b>
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accounts payable	2,018,319
Accrued salaries and benefits	1,348,675
Accrued compensated absences, current portion	517,826
Unearned revenues	4,255,747
Lease liabilities, current portion	600,000
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	265,000
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	5,366,593
Other liabilities	-
<b>Total current liabilities</b>	<b>14,372,160</b>
<b>Noncurrent liabilities:</b>	
Accrued compensated absences, net of current portion	221,926
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	4,117,309
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	3,375,691
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	2,033,722
Net pension liability	-
Other liabilities	-
<b>Total noncurrent liabilities</b>	<b>9,748,648</b>
<b>Total liabilities</b>	<b>24,120,808</b>
<b>Deferred inflows of resources:</b>	
P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-
<b>Total deferred inflows of resources</b>	<b>-</b>
<b>Net position:</b>	
Net investment in capital assets	10,828,280
Restricted for:	
Nonexpendable - endowments	3,860,793
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	38,861,308
<b>Total net position</b>	<b>\$ 53,550,381</b>

See Independent Auditor's Report.

# The University Corporation

## Schedule of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2023 (For inclusion in the California State University)

### Revenues:

#### Operating revenues:

Student tuition and fees, gross	\$ -
Scholarship allowances (enter as negative)	-
<b>Grants and contracts, noncapital:</b>	
Federal	26,569,909
State	6,716,734
Local	917,493
Nongovernmental	3,138,082
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	9,112,766
Scholarship allowances (enter as negative)	-
Other operating revenues	943,254
<b>Total operating revenues</b>	<b>47,398,238</b>

### Expenses:

#### Operating expenses:

Instruction	-
Research	31,713,076
Public service	-
Academic support	237,172
Student services	772,868
Institutional support	1,436,826
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	9,598,504
Depreciation and amortization	1,888,628
<b>Total operating expenses</b>	<b>45,647,074</b>
<b>Operating income (loss)</b>	<b>1,751,164</b>

#### Nonoperating revenues (expenses):

State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	3,270,238
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	(28,791)
<b>Net nonoperating revenues (expenses)</b>	<b>3,241,447</b>
<b>Income (loss) before other revenues (expenses)</b>	<b>4,992,611</b>

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
<b>Increase (decrease) in net position</b>	<b>4,992,611</b>

#### Net position:

Net position at beginning of year, as previously reported	48,557,770
Restatements	-
<b>Net position at beginning of year, as restated</b>	<b>48,557,770</b>
<b>Net position at end of year</b>	<b>\$ 53,550,381</b>

See Independent Auditor's Report.

**The University Corporation**  
**Other Information**  
**Year Ended June 30, 2023**  
**(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>	<b>-</b>
Current cash and cash equivalents	6,873,741
<b>Total</b>	<b>\$ 6,873,741</b>

**2.1 Composition of investments:**

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-
Certificates of deposit	1,345,024	-	1,345,024
U.S. agency securities	-	-	-
U.S. treasury securities	2,438,045	2,672,977	5,111,022
Municipal bonds	-	313,313	313,313
Corporate bonds	150,471	4,457,579	4,608,050
Asset-backed securities	-	-	-
Mortgage-backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	-	4,441,434	4,441,434
Exchange-traded funds	-	-	-
Equity securities	-	16,843,572	16,843,572
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investments	-	1,180,966	1,180,966
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	4,496,015	-	4,496,015
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total other investments	-	-	-
<b>Total investments</b>	<b>8,429,555</b>	<b>29,909,841</b>	<b>38,339,396</b>
Less endowment investments (enter as negative number)	-	(9,877,841)	(9,877,841)
<b>Total investments, net of endowments</b>	<b>\$ 8,429,555</b>	<b>\$ 20,032,000</b>	<b>\$ 28,461,555</b>

See Independent Auditor's Report.

**The University Corporation**  
**Other Information**  
**Year Ended June 30, 2023**  
**(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	\$ -	\$ -	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	1,345,024	-	1,345,024	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	5,111,022	-	5,111,022	-	-
Municipal bonds	313,313	-	313,313	-	-
Corporate bonds	4,608,050	-	4,608,050	-	-
Asset-backed securities	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	4,441,434	4,441,434	-	-	-
Exchange-traded funds	-	-	-	-	-
Equity securities	16,843,572	16,843,572	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investments	1,180,966	-	-	-	1,180,966
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	4,496,015	-	-	-	4,496,015
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:	-	-	-	-	-
Total other investments	-	-	-	-	-
<b>Total investments</b>	<b>\$ 38,339,396</b>	<b>\$ 21,285,006</b>	<b>\$ 11,377,409</b>	<b>\$ -</b>	<b>\$ 5,676,981</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 Investment Pool (formerly SWIFT):	\$ 4,496,015	\$ -	\$ 4,496,015

See Independent Auditor's Report.

**The University Corporation**  
**Other Information**  
**Year Ended June 30, 2023**  
**(For inclusion in the California State University)**

**3.1 Capital Assets, excluding ROU assets:**

<u>Composition of capital assets, excluding ROU assets:</u>	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2022 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
<b>Non-depreciable/Non-amortizable capital assets:</b>									
Land and land improvements	\$ 4,721,787	\$ -	\$ -	\$ -	\$ 4,721,787	\$ -	\$ -	\$ -	\$ 4,721,787
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	112,190	-	-	-	112,190	3,176,408	-	(124,109)	3,164,489
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable capital assets</b>	<b>\$ 4,833,977</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,833,977</b>	<b>\$ 3,176,408</b>	<b>\$ -</b>	<b>\$ (124,109)</b>	<b>\$ 7,886,276</b>
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	24,487,064	(12,914,389)	-	-	11,572,675	-	-	-	11,572,675
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	17,366,255	-	-	-	17,366,255	2,227	(410,890)	112,242	17,069,834
Personal property:									
Equipment	5,955,765	-	-	-	5,955,765	-	(280,949)	11,867	5,686,683
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	989,407	-	-	-	989,407	-	(818,121)	-	171,286
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>989,407</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>989,407</b>	<b>-</b>	<b>(818,121)</b>	<b>-</b>	<b>171,286</b>
<b>Total depreciable/amortizable capital assets</b>	<b>48,798,491</b>	<b>(12,914,389)</b>	<b>-</b>	<b>-</b>	<b>35,884,102</b>	<b>2,227</b>	<b>(1,509,960)</b>	<b>124,109</b>	<b>34,500,478</b>
<b>Total capital assets</b>	<b>\$ 53,632,468</b>	<b>\$ (12,914,389)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,718,079</b>	<b>\$ 3,178,635</b>	<b>\$ (1,509,960)</b>	<b>\$ -</b>	<b>\$ 42,386,754</b>
<b>Less accumulated depreciation/amortization:</b>									
Buildings and building improvements	\$ (16,684,950)	\$ 10,366,263	\$ -	\$ -	\$ (6,318,687)	\$ (305,583)	\$ -	\$ -	\$ (6,624,270)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(10,266,531)	-	-	-	(10,266,531)	(1,159,480)	392,324	-	(11,033,687)
Personal property:									
Equipment	(5,532,539)	-	-	-	(5,532,539)	(154,007)	270,724	-	(5,415,822)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	(901,758)	-	-	-	(901,758)	(43,058)	818,121	-	(126,695)
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>(901,758)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(901,758)</b>	<b>(43,058)</b>	<b>818,121</b>	<b>-</b>	<b>(126,695)</b>
<b>Total accumulated depreciation/amortization</b>	<b>(33,385,778)</b>	<b>10,366,263</b>	<b>-</b>	<b>-</b>	<b>(23,019,515)</b>	<b>(1,662,128)</b>	<b>1,481,169</b>	<b>-</b>	<b>(23,200,474)</b>
<b>Total capital assets, net excluding ROU assets</b>	<b>\$ 20,246,690</b>	<b>\$ (2,548,126)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,698,564</b>	<b>\$ 1,516,507</b>	<b>\$ (28,791)</b>	<b>\$ -</b>	<b>\$ 19,186,280</b>

See Independent Auditor's Report.

**The University Corporation**  
**Other Information**  
**Year Ended June 30, 2023**  
**(For inclusion in the California State University)**

**Capital Assets, Right of Use**

**Composition of capital assets - Lease ROU, net:**

	Balance June 30, 2022	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
<b>Non-depreciable/Non-amortizable lease assets:</b>									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total non-depreciable/non-amortizable lease assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciable/Amortizable lease assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	12,914,389	-	-	12,914,389	-	-	-	12,914,389
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable lease assets</b>	<b>-</b>	<b>12,914,389</b>	<b>-</b>	<b>-</b>	<b>12,914,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,914,389</b>
<b>Less accumulated depreciation/amortization:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	(10,366,263)	-	-	(10,366,263)	(226,500)	-	-	(10,592,763)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	<b>-</b>	<b>(10,366,263)</b>	<b>-</b>	<b>-</b>	<b>(10,366,263)</b>	<b>(226,500)</b>	<b>-</b>	<b>-</b>	<b>(10,592,763)</b>
<b>Total capital assets - lease ROU, net</b>	<b>\$ -</b>	<b>\$ 2,548,126</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,548,126</b>	<b>\$ (226,500)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,321,626</b>

**Composition of capital assets - SBITA ROU, net**

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



**The University Corporation**  
**Other Information**  
**Year Ended June 30, 2023**  
**(For inclusion in the California State University)**

**Composition of capital assets - P3 ROU, net:**

	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
<b>Non-depreciable/Non-amortizable P3 assets:</b>									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total non-depreciable/non-amortizable P3 assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciable/Amortizable P3 assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable P3 assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less accumulated depreciation/amortization:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital assets - P3 ROU, net</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total capital assets, net including ROU assets</b>									<b>\$ 21,507,906</b>

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

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 1,662,128
Amortization expense - Leases ROU	226,500
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
<b>Total depreciation and amortization</b>	<b>\$ 1,888,628</b>

**The University Corporation**  
**Other Information**  
**Year Ended June 30, 2023**  
**(For inclusion in the California State University)**

**4 Long-term liabilities:**

	Balance June 30, 2022	Prior Period Adjustments / Reclassifications	Balance June 30, 2022 (Restated)	Additions	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 671,698	\$ -	\$ 671,698	\$ 569,222	\$ (501,168)	\$ 739,752	\$ 517,826	\$ 221,926
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	5,180,000	(5,180,000)	-	-	-	-	-	-
Unamortized net premium/(discount)	124,356	(124,356)	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	5,304,356	(5,304,356)	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	3,535,000	-	3,535,000	-	(250,000)	3,285,000	265,000	3,020,000
4.4 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	3,535,000	-	3,535,000	-	(250,000)	3,285,000	265,000	3,020,000
4.6 Unamortized net bond premium/(discount)	399,503	-	399,503	-	(43,812)	355,691	-	355,691
Total long-term debt obligations	\$ 3,934,503	\$ -	\$ 3,934,503	\$ -	\$ (293,812)	\$ 3,640,691	\$ 265,000	\$ 3,375,691

**5. Lease, SBITA, P3 liabilities:**

	Balance June 30, 2022	Prior Period Adjustments / Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2023	Current Portion	Noncurrent Portion
Lease liabilities	\$ -	\$ 5,304,356	\$ -	\$ -	\$ (587,047)	\$ 4,717,309	\$ 600,000	\$ 4,117,309
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ -	\$ 5,304,356	\$ -	\$ -	\$ (587,047)	\$ 4,717,309	\$ 600,000	\$ 4,117,309
Total long-term liabilities						\$ 9,097,752	\$ 1,382,826	\$ 7,714,926

**The University Corporation**  
**Other Information**  
**Year Ended June 30, 2023**  
**(For inclusion in the California State University)**

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

Year ending June 30:

2024  
2025  
2026  
2027  
2028  
2029 - 2033  
2034 - 2038  
2039 - 2043  
2044 - 2048  
2049 - 2053  
Thereafter  
**Total minimum payments**  
Less: amounts representing interest  
**Present value of future minimum payments**  
**Total Leases, SBITA, P3 liabilities**  
Less: current portion  
**Leases, SBITA, P3 liabilities, net of current portion**

Lease Liabilities				SBITA liabilities				Public-Private or Public-Public Partnerships (P3)				Total Leases, SBITA, P3 liabilities		
Principal	Interest	Principal and Interest		Principal	Interest	Principal and Interest		Principal	Interest	Principal and Interest		Principal Only	Interest Only	Principal and Interest
\$ 600,000	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	600,000	\$ -	\$ 600,000
683,595	73,595	757,190	-	-	-	-	-	-	-	-	-	683,595	73,595	757,190
676,965	56,965	733,930	-	-	-	-	-	-	-	-	-	676,965	56,965	733,930
376,480	46,480	422,960	-	-	-	-	-	-	-	-	-	376,480	46,480	422,960
372,395	42,395	414,790	-	-	-	-	-	-	-	-	-	372,395	42,395	414,790
2,007,874	148,387	2,156,261	-	-	-	-	-	-	-	-	-	2,007,874	148,387	2,156,261
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,717,309	367,822	5,085,131	-	-	-	-	-	-	-	-	-	4,717,309	367,822	5,085,131
														(367,822)
														4,717,309
														4,717,309
														(600,000)
														<b>\$ 4,117,309</b>

**6 Future minimum payments schedule - Long-term debt obligations:**

Year ending June 30:

2024  
2025  
2026  
2027  
2028  
2029 - 2033  
2034 - 2038  
2039 - 2043  
2044 - 2048  
2049 - 2053  
Thereafter  
**Total minimum payments**  
Less: amounts representing interest  
**Present value of future minimum payments**  
Unamortized net premium/(discount)  
**Total long-term debt obligations**  
Less: current portion  
**Long-term debt obligations, net of current portion**

Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
\$ -	\$ -	\$ -	265,000	154,737	419,737	265,000	154,737	419,737
-	-	-	275,000	141,475	416,475	275,000	141,475	416,475
-	-	-	290,000	127,575	417,575	290,000	127,575	417,575
-	-	-	75,000	118,575	193,575	75,000	118,575	193,575
-	-	-	80,000	114,700	194,700	80,000	114,700	194,700
-	-	-	555,000	554,850	1,109,850	555,000	554,850	1,109,850
-	-	-	605,000	374,050	979,050	605,000	374,050	979,050
-	-	-	770,000	211,750	981,750	770,000	211,750	981,750
-	-	-	370,000	28,000	398,000	370,000	28,000	398,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	3,285,000	1,825,712	5,110,712	3,285,000	1,825,712	5,110,712
						(1,825,712)		
						3,285,000		
						355,691		
						3,640,691		
						(265,000)		
						<b>\$ 3,375,691</b>		

**7 Transactions with related entities:**

Payments to University for salaries of University personnel working on contracts, grants, and other programs \$ 2,403,785  
Payments to University for other than salaries of University personnel 2,672,224  
Payments received from University for services, space, and programs 9,842,763  
Gifts-in-kind to the University from discretely presented component units -  
Gifts (cash or assets) to the University from discretely presented component units 484,757  
Accounts payable to University -  
Other amounts payable to University -  
Accounts receivable from University 220,520  
Other amounts receivable from University 1,174,966

**8 Restatements**

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

See Independent Auditor's Report.

**The University Corporation**  
**Other Information**  
**Year Ended June 30, 2023**  
**(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research	19,804,373	2,378,972	-	-	-	9,529,731	-	31,713,076
Public service	-	-	-	-	-	-	-	-
Academic support	205,354	27,862	-	3,956	-	-	-	237,172
Student services	-	-	-	-	-	772,868	-	772,868
Institutional support	-	-	-	-	-	1,436,826	-	1,436,826
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	1,792,737	369,638	116,750	9,230	-	7,310,149	-	9,598,504
Depreciation and amortization	-	-	-	-	-	-	1,888,628	1,888,628
<b>Total operating expenses</b>	<b>\$ 21,802,464</b>	<b>\$ 2,776,472</b>	<b>\$ 116,750</b>	<b>\$ 13,186</b>	<b>\$ -</b>	<b>\$ 19,049,574</b>	<b>\$ 1,888,628</b>	<b>\$ 45,647,074</b>

Select type of pension plan >>

**Defined Contribution Plan**

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

**1. Deferred Outflows of Resources**

Deferred outflows - unamortized loss on refunding(s)	\$ -
Deferred outflows - net pension liability	-
Deferred outflows - net OPEB liability	-
Deferred outflows - leases	-
Deferred outflows - P3	-
Deferred outflows - others:	
Sales/intra-entity transfers of future revenues	-
Gain/loss on sale leaseback	-
Loan origination fees and costs	-
Change in fair value of hedging derivative instrument	-
Irrevocable split-interest agreements	-

Total deferred outflows - others

-

**Total deferred outflows of resources**

**\$ -**

**2. Deferred Inflows of Resources**

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

Total deferred inflows - others

-

**Total deferred inflows of resources**

**\$ -**

**11 Other nonoperating revenues (expenses)**

Other nonoperating revenues	\$ -
Other nonoperating (expenses)	(28,791)
<b>Total other nonoperating revenues (expenses)</b>	<b>\$ (28,791)</b>

See Independent Auditor's Report.

Independent Auditor's 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*

The Board of Directors  
The University Corporation  
(A California State University Auxiliary Organization)

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The University Corporation (the "Corporation"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated September 25, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 entity'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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CohnReznick LLP*

Los Angeles, California  
September 25, 2023



**Independent Member of Nexia International**

**[cohnreznick.com](http://cohnreznick.com)**