

**SAN FRANCISCO STATE UNIVERSITY FOUNDATION
(COMPONENT UNIT OF SAN FRANCISCO STATE UNIVERSITY)**

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

June 30, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
San Francisco State University Foundation

Opinion

We have audited the accompanying financial statements of San Francisco State University Foundation (Component Unit of San Francisco State University) (the Foundation), which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenue, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the changes in its net 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 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 within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards 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 generally accepted auditing standards 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 (MD&A) on pages 4-15 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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 opinions on the financial statements as a whole. The accompanying supplementary information on pages 38-53 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 financial statements. The information has been subjected to the auditing procedures applied in the audits 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2025 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, grant agreements, and other matters. The purpose of that report is 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.



Long Beach, California
September 18, 2025

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

**MANAGEMENT DISCUSSION AND ANALYSIS
(Unaudited)**

This section of the San Francisco State University Foundation (the "Foundation") annual financial report presents management's discussion and analysis of the financial performance of the Foundation for the fiscal years ended June 30, 2025 and 2024.

The Foundation presents its management discussion and analysis for fiscal year 2025, with comparative data presented for fiscal years 2024 and 2023. The emphasis of the discussions concerning these statements will be on the fiscal years ended June 30, 2025 and 2024. There are three financial statements presented: the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows.

The following discussion and analysis is intended to provide the readers of the Foundation's financial statements a better understanding of its financial position and operating activities. The financial statements should be read in conjunction with the related financial statements and footnotes. The financial statements, footnotes and this discussion and analysis were prepared by the Foundation and are the responsibility of its management.

The Foundation

The Foundation is a non-profit auxiliary organization of San Francisco State University (the "University") with a 501(c)(3) designation with the Internal Revenue Service. The Foundation's purpose is to provide private financial support to assist the University in meeting its educational mission.

The Business-Type Activity ("BTA") reporting model has been adopted by the California State University ("CSU") system for use by all its member campuses. The CSU determined the BTA model best represents the combined activities of the CSU and its auxiliary corporations.

Two of the three auxiliary not-for-profit corporations serving the University, of which the Foundation is one, have also adopted the BTA reporting model, primarily for efficiencies gained in combining the three auxiliaries' annual financial statements with the University and ultimately, the combined CSU financial statements.

The Foundation's June 30, 2025 and 2024 financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as prescribed by the Governmental Accounting Standards Board ("GASB"). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

**MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED
(Unaudited)**

Highlights of Financial Operations

- **Operating Revenues and Expenses**

In fiscal year 2025, the Foundation updated its portfolio mix based on the Foundation's targeted allocations for equities, fixed income, and private investments. Under the new Outsourced Chief Investment Officer (OCIO) model with Cambridge Associates (see page 14), the Foundation built out its private investment allocation by adding new private investments and increasing its allocation with some investment managers. The Foundation committed over \$4.6 million in private investments during fiscal year 2025.

The Foundation's operating revenue for 2025 increased from the previous fiscal year. Operating revenue consists of administrative fees earned from the management of the endowments. The management fee is determined based on the average unitized quarterly balance of the endowments, which can fluctuate with contributions, endowment payouts, interest/dividends and realized and unrealized income earned. The Foundation reports net investment return, which includes interest, dividends, realized and unrealized gains (losses), and investment fees. Operating expenses for fiscal year 2025 was \$2,193,739, which is primarily composed of the administrative cost for accounting services performed by the University Corporation, San Francisco State (the "Corporation"), Auxiliary Business Services unit, auditing services, legal, professional consultancy, and salary reimbursement to the University for University staff, who manage the Foundation.

- **Non-Operating Revenue**

Non-operating revenue increased in 2025 over the previous fiscal year by 8%. The increase in non-operating revenue is a result of investment earnings increasing by \$2,044,565 (16%) in 2025.

- **Other Additions and Transfers**

Additions to permanent endowments decreased in fiscal year 2025 by \$3,226,925 (-61%), over the previous fiscal year. Transfers to the University Corporation decreased by \$348,864 (-5%) in fiscal year 2025. The transfers from the endowments are for scholarships, endowed chairs, and other programs carried out by the Corporation. These transfers are made in accordance with the Foundation's spending policy.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

**MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED
(Unaudited)**

Financial Position

The statements of net position present the financial position of the Foundation at the end of fiscal years 2025 and 2024. The purpose of the statements of net position is to present to the readers of the financial statements a fiscal summary of the Foundation. From the data presented, the readers of the statements of net position can determine the assets available to continue the operations of the Foundation. The readers are also able to determine how much the Foundation owes its vendors as well as assessing other liabilities. Finally, the statements of net position provide an overview of the net position (assets minus liabilities) and their availability for expenditures.

Net position is divided into two major categories. The first category is Restricted Net Position, which is divided into two categories, Nonexpendable and Expendable. The corpus of nonexpendable restricted resources is available for investment purposes in accordance with the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), which calls for using prudent judgment when expending funds to carry out the purpose of the donor. Expendable restricted assets are available for expenditure by the Foundation but must be spent for purposes as determined by the donors and /or external entities that have placed time, purpose, or legal restrictions on the use of the assets. The final category is Unrestricted Net Position, which is available to the Foundation for any operational purpose of the Foundation.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED
(Unaudited)

Financial Position (Continued)

The detailed statements of net position as of June 30, 2025 and 2024 are included in the financial statements. A condensed version is shown below:

Condensed Statements of Net Position - 2025, 2024, and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets:			
Current assets	\$ 44,752,356	\$ 45,607,072	\$ 42,973,039
Noncurrent assets	<u>146,668,220</u>	<u>134,647,458</u>	<u>122,877,437</u>
 Total assets	 <u>\$ 191,420,576</u>	 <u>\$ 180,254,530</u>	 <u>\$ 165,850,476</u>
 Liabilities:			
Current liabilities	<u>\$ 373,703</u>	<u>\$ 689,360</u>	<u>\$ 112,205</u>
 Net position:			
Restricted net position			
Nonexpendable - endowments	120,595,060	116,690,956	110,276,380
Expendable - scholarships, fellowships, capital projects,			
Quasi endowments	60,856,698	53,816,945	47,196,959
Unrestricted net position	<u>9,595,115</u>	<u>9,057,269</u>	<u>8,264,932</u>
 Total net position	 <u>191,046,873</u>	 <u>179,565,170</u>	 <u>165,738,271</u>
 Total liabilities, deferred inflows of resources, and net position	 <u>\$ 191,420,576</u>	 <u>\$ 180,254,530</u>	 <u>\$ 165,850,476</u>

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

**MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED
(Unaudited)**

Assets

As of June 30, 2025, current assets decreased by \$854,716 (-2%) when compared to the prior fiscal year. Current assets are comprised of cash and cash equivalents, short-term investments, receivable from the University Corporation, SF State, accounts receivable, and other assets. Cash and cash equivalents increased by \$11,826 (2%) over the prior fiscal year as excess cash was not needed to cover operational expenses and then transferred to the Local Agency Investment Fund ("LAIF") for short-term holding. Short-term investments decreased by \$2,567,035 in fiscal year 2025 as well as contributions. The decrease in short-term investments is primarily related to investment earnings from the portfolio during fiscal year 2025 as well as contributions. Short-term investments also consist of an increase in the mix of equities, mutual funds, and fixed income. Equities increased by \$645,458 during fiscal year 2025 compared to fiscal year 2024. Accounts receivable increased by \$1,374,654 (453%), primarily due to redemption funds received from Ownership and Greenbacker that were outstanding at the end of fiscal year 2025 and received in July 2025. Prepaid and other assets increased by \$62,559 (86%) in fiscal year 2025 over the prior fiscal year. The increase was attributable to the Foundation paying the investment management fees for fiscal year 2026 in June 2025.

As of June 30, 2024, current assets increased by \$2,634,033 (6%) when compared to the prior fiscal year. Current assets are comprised of cash and cash equivalents, short-term investments, receivable from the University Corporation, SF State, accounts receivable, and other assets. Cash and cash equivalents increased by \$409,921 (240%) over the prior fiscal year. The Foundation increased cash held to cover expected expenses and excess cash not needed to cover operational expenses was transferred to LAIF for short-term holding. Short-term investments increased by \$11,080,208 in fiscal year 2024. The increase in short-term investments is primarily related to liquidating investment holdings for the Foundation's endowment payout and new endowment contributions transferred to LAIF. Short-term investments also consist of an increase in the mix of equities, mutual funds, and fixed income. Equities increased by \$2,691,929 during fiscal year 2024 compared to fiscal year 2023. Accounts receivable decreased by \$8,731,694 (-97%) primarily due to receiving and reinvesting redemption funds from DE Shaw of \$8,894,601 in 2024. Related-party receivable increased primarily as a result of payments received from auxiliaries for donations due to the Foundation. Other assets increased by \$20,117 (38%) in fiscal year 2024 over the prior fiscal year. The increase was attributable to the Foundation recognizing a prepaid tax of \$20,117 for Unrelated Business Income Tax ("UBIT") in fiscal year 2024.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

**MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED
(Unaudited)**

Assets (Continued)

The Foundation and the Corporation are auxiliaries of the University that have an ongoing relationship where the entities transfer funds between the two organizations throughout the year. The Corporation manages the spending accounts associated with the endowments maintained by the Foundation. The Foundation transfers endowment payouts to the Corporation's associated spending account. The Corporation or Foundation may also transfer a portion of contributed funds the entity receives that have a split allocation between the two organizations. In this case, the receiving entity would issue a payment to the other auxiliary for its portion of any contributions received in this manner.

Liabilities

As of June 30, 2025, total liabilities decreased by \$315,657 (-46%) when compared to the prior fiscal year. Current liabilities are comprised of accounts payable to San Francisco State University, accounts payable to the University Corporation, SF State, and other liabilities. Accounts payable to the University decreased by \$3,802 (-100%) for fiscal year 2025 over the prior fiscal year. Accounts payable to the University Corporation decreased by \$228,487 (-84%) over the prior fiscal year primarily due to the Foundation receiving fewer deposits at fiscal year-end for gifts intended for current use that belonged to the Corporation. Other liabilities decreased by \$83,368 (-20%) in fiscal year 2025 over the prior fiscal year primarily due to fewer contributions received for which the purpose or restriction has not been completely identified.

As of June 30, 2024, total liabilities increased by \$577,155 (514%) when compared to the prior fiscal year. Current liabilities are comprised of accounts payable to San Francisco State University, accounts payable to the University Corporation, SF State, and other liabilities. Accounts payable to the University increased by \$1,336 (54%) for fiscal year 2024 over the prior fiscal year. Accounts payable to the University Corporation increased by \$261,426 (2161%) over the prior fiscal year primarily due to the Foundation receiving fewer deposits at fiscal year-end for gifts intended for current use that belonged to the Corporation. Other liabilities increased by \$314,393 (322%) in fiscal year 2024 over the prior fiscal year primarily due to contributions received in which the purpose or restriction has not been completely identified.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

**MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED
(Unaudited)**

Net Position

As of June 30, 2025, the Foundation's net position is \$191,046,873, which is an increase of \$11,481,703 (6%) from the prior fiscal year. The overall increase is derived mainly from investment earnings during fiscal year 2025.

As of June 30, 2024, the Foundation's net position is \$179,565,170, which is an increase of \$13,826,899 (8%) from the prior fiscal year. The overall increase is derived from investment earnings during fiscal year 2024.

Results of Operations

The statements of revenues, expenses, and changes in net position present the Foundation's operating results, as well as its non-operating revenues and expenses. Operating revenues consist primarily of revenue earned from administrative fees. Gifts and investment income are classified, as prescribed by GASB, as net non-operating revenues or expenses. This is an integral component in determining the increase or decrease in net position.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED
(Unaudited)

Results of Operations (Continued)

The detailed statements of revenues, expenses, and changes in net position for the years ended June 30, 2025 and 2024 are included in the financial statements. A condensed version is shown below:

Condensed statements of revenue, expenses, and changes in net position - for the years ended June 30:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues (expenses)			
Revenues	\$ 2,099,886	\$ 1,956,171	\$ 1,824,647
Expenses	<u>(2,193,739)</u>	<u>(1,695,132)</u>	<u>(1,348,485)</u>
Operating income (loss), net	<u>(93,853)</u>	<u>261,039</u>	<u>476,162</u>
Non-operating revenues (expenses):			
Contributions	1,807,524	3,562,379	893,195
Endowment management fees	(2,099,886)	(1,956,171)	(1,824,647)
Investment return, net	<u>14,520,869</u>	<u>12,476,304</u>	<u>13,221,341</u>
Net non-operating revenues (expenses)	<u>14,228,507</u>	<u>14,082,512</u>	<u>12,289,889</u>
Other additions and transfers:			
Additions to permanent endowments	3,048,138	5,275,063	1,969,013
Transfers to the University Corporation, SF State	(6,557,055)	(6,905,919)	(8,994,102)
Transfers from temp restricted fund	855,966	-	-
Transfers from transitional funds	-	1,114,204	580,115
Transfers from the University	<u>-</u>	<u>-</u>	<u>(700,000)</u>
Total other additions and transfers	<u>(2,652,951)</u>	<u>(516,652)</u>	<u>(7,144,974)</u>
Change in net position	<u>\$ 11,481,703</u>	<u>\$ 13,826,899</u>	<u>\$ 5,621,077</u>

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

**MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED
(Unaudited)**

REVENUES

Operating Revenues

For the year ended June 30, 2025, total operating revenues were \$2,099,886, which is an increase of \$143,715 (7%) from the prior year.

For the year ended June 30, 2024, total operating revenues were \$1,956,171, which is an increase of \$131,524 (7%) from the prior year.

Administrative fees are the main component of operating revenues earned by the Foundation for management of the endowments. The administrative fees earned is based on the annual 1.25% fee charged by the Foundation.

OPERATING EXPENSES

Operating expenses are tied to the use of both restricted and unrestricted funds. Use of unrestricted operating funds are primarily for accounting services provided by the Corporation through its Auxiliary Business Services unit, auditing services, legal, professional consultancy, and salary reimbursement to the University for University staff, who manage the Foundation, and insurance expenses. The use of restricted operating funds is from the Foundation's administrative fees charged to the endowments. The expenses related to accounting services were \$343,196 and \$327,684 for fiscal years 2025 and 2024, respectively.

NON-OPERATING REVENUES AND EXPENSES

Contributions

Contributions are recognized as revenue when they are verifiable, measurable and the Foundation has met all time and purpose restrictions. Contributions were \$1,807,524 for fiscal year 2025, a decrease of \$1,754,855 (-49%). During fiscal year 2025, the Foundation received one-time gifts totaling \$1,063,000 to support University Scholarship fund and matching support for the Braven program expenses. Contributions were \$3,562,379 for fiscal year 2024, an increase of \$2,669,184 (299%) when compared to the prior fiscal year. Contributions saw growth in fiscal year 2024, as the Foundation received a large bequest to support history and nursing.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

**MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED
(Unaudited)**

Investment Return

The Foundation's investment portfolio is relatively close to policy targets. Long-term targets under the guidance of the Foundation's OCIO will increase its private investment allocation. Investment return for fiscal year 2025 was \$14,520,869, an increase of \$2,044,565 (16%) compared to the prior fiscal year, as public equities performed above the benchmark and private investments performed below the benchmark. The endowment fund returned 8.6% for fiscal year 2025, lagging behind the standard policy benchmark of 10.6%. Emerging market equity and international equities were the top performing asset classes, with international equities outperforming the policy benchmark by 3.8%. Real assets performed below the standard policy benchmark for fiscal year 2025, returning -8.8%.

The Foundation has a balanced and diversified investment portfolio that continues to allocate investments according to the portfolio targets established by its investment consultant. Investment return for fiscal year 2024 was \$12,476,304, a decrease of \$745,037 (-6%) compared to the prior fiscal year, as public equities performed above the benchmark and private investments performed below the benchmark. The endowment fund returned 8% for fiscal year 2024, lagging behind the standard policy benchmark of 14.5%. U.S. equities and global equities were the top performing asset classes although both asset classes trailed behind policy benchmarks. Private growth and real assets were the weakest performing asset classes for fiscal year 2024, returning -4.3% and -3.5%, respectively.

Other Additions and Transfers

Other additions consist of contributions received for permanent endowments. In fiscal year 2025, endowments decreased by \$2,226,935 (-42%) over the prior fiscal year. The decrease is due to the Foundation receiving a large one-time donation of \$4,000,000 in fiscal year 2024 to support students in the College of Ethnic Studies.

Other additions consist of contributions received for permanent endowments. In fiscal year 2024, endowments increased by \$3,306,050 (168%) over the prior fiscal year. Donations received by the Foundation to support the mission of the University include a large one-time contribution of \$4,000,000 for ongoing support for students in the College of Ethnic Studies, \$150,000 for ongoing support for students in the College of Education, \$112,000 for ongoing support of the College of Chemistry, and \$111,874 for support for students in the College of Education.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

**MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED
(Unaudited)**

Other Additions and Transfers (Continued)

Transfers consist of funds transferred to related parties to fund campus programs, scholarships, endowed chairs, and projects carried out by the University or the Corporation, which are not true operational expenses of the Foundation. During fiscal year 2025, \$6,557,055 was transferred to the Corporation, which represented the payout from the endowments to the related spending accounts managed by the Corporation, to provide scholarships, support department chairs, program supplies, and reimbursed release time. The payout and additional transfer to the Corporation in fiscal year 2025 decreased by \$348,864 (-5%) over the prior fiscal year. The decrease is primarily attributed to a one-time transfer in 2024 from the Foundation's general endowment to support the Braven/SEIC campaign and fees. The Foundation payout represents 4% of the average unitized balance of the endowment pool.

During fiscal year 2024, \$6,905,919 was transferred to the Corporation, which represented the payout from the endowments to the related spending accounts managed by the Corporation, to provide scholarships, support department chairs, program supplies, and reimbursed release time. The payout and additional transfer to the Corporation in fiscal year 2024 decreased by \$2,088,183 (-23%) over the prior fiscal year. The decrease is attributed to a large one-time additional transfer from a temporary endowment in 2023. The Foundation payout represents 4% of the average unitized balance of the endowment pool.

The Foundation processes transfers from its transitional accounts created to hold funds that are pending classification to temporary, Quasi, or permanent endowment. The Foundation processed transfers from transitional accounts of \$37,368 and \$1,155,947 for fiscal years 2025 and 2024, respectively. All the required documents for determining the purpose and correct classification of these transitional accounts were completed during fiscal year 2024.

During fiscal year 2025 there were transfers consolidating endowed funds balances reclassifying those balances from expendable endowed funds to new nonexpendable endowed funds. The net total of the transfer was \$855,966 for fiscal year 2025.

All contributions and accumulated earnings for two nonexpendable endowed funds and one expendable endowed fund was sunset and transferred to a new nonexpendable endowed fund with donor's consent.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

**MANAGEMENT DISCUSSION AND ANALYSIS – CONTINUED
(Unaudited)**

Other Additions and Transfers (Continued)

Contributions associated with the transfer from two nonexpendable endowed funds to the new nonexpendable endowed fund, Maryam Mirzakhani Presidential Scholars Endowment, was \$5,023,831.

Contributions associated with the transfer from expendable endowed fund to the new nonexpendable endowed fund, Maryam Mirzakhani Presidential Scholars Endowment, was \$1,000,000.

In addition, another donor requested the transfer of all contributions and accumulated earnings from a nonexpendable endowed fund to an expendable temporary restricted endowed fund due to fund's underwater performance. Contributions associated with the transfer from the nonexpendable endowed fund to new expendable endowed fund, Anantha Sudhakar Memorial Scholarship Endowment, was \$144,034.

Transfers between nonexpendable and expendable for the year ending June 30, 2025 was as follows:

From nonexpendable	\$ (5,023,831)
To nonexpendable	5,023,831
From expendable to nonexpendable	1,000,000
From Nonexpendable to Expendable	<u>(144,034)</u>
Transfers between nonexpendable and expendable	<u>\$ 855,966</u>

SIGNIFICANT ITEMS

During fiscal year 2025, the Foundation revised its Investment Policy Statement (IPS) to include screens for divestment from companies that violate human rights. It also officially began working with Cambridge Associates in a discretionary capacity as its OCIO to manage its investments. The Foundation also funded a campaign feasibility/readiness study for the University's next fundraising campaign and approved funding to support said campaign that will be launched in the 2025-2026 fiscal year. Finally, the Foundation increased its endowment administrative fee from 1.25% to 1.5% and instituted a one-time gift fee (philanthropic allocation) of 5% on all new gifts to the endowment, effective July 1, 2025.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

STATEMENTS OF NET POSITION

June 30,

	<u>2025</u>	<u>2024</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 592,380	\$ 580,554
Investments, unrestricted	6,898,478	8,021,024
Investments, restricted	35,164,507	36,608,996
Receivable from the University Corporation, SF State	283,399	20,119
Accounts receivable	1,678,336	303,682
Prepays and other assets	<u>135,256</u>	<u>72,697</u>
Total current assets	<u>44,752,356</u>	<u>45,607,072</u>
Noncurrent assets:		
Investments, restricted	144,639,328	133,898,905
Pledges receivable, net	<u>2,028,892</u>	<u>748,553</u>
Total noncurrent assets	<u>146,668,220</u>	<u>134,647,458</u>
Total assets	<u>\$ 191,420,576</u>	<u>\$ 180,254,530</u>
Liabilities		
Current liabilities:		
Accounts payable to San Francisco State University	\$ 2	\$ 3,804
Accounts payable to the University Corporation, SF State	45,034	273,521
Other liabilities	<u>328,667</u>	<u>412,035</u>
Total current liabilities	<u>373,703</u>	<u>689,360</u>
Net position:		
Restricted for:		
Nonexpendable - endowments	120,595,060	116,690,956
Expendable - scholarships, fellowships, capital projects	60,856,698	53,816,945
Unrestricted	<u>9,595,115</u>	<u>9,057,269</u>
Total net position	<u>191,046,873</u>	<u>179,565,170</u>
Total liabilities and net position	<u>\$ 191,420,576</u>	<u>\$ 180,254,530</u>

The accompanying notes are an integral part of these financial statements.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30,

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Administrative fees	\$ 2,099,886	\$ 1,956,171
Total operating revenues	<u>2,099,886</u>	<u>1,956,171</u>
Operating expenses:		
Management and general	<u>2,193,739</u>	<u>1,695,132</u>
Total operating expenses	<u>2,193,739</u>	<u>1,695,132</u>
Operating income (loss), net	<u>(93,853)</u>	<u>261,039</u>
Non-operating revenues (expenses):		
Contributions	1,807,524	3,562,379
Endowment management fees	(2,099,886)	(1,956,171)
Investment return, net	<u>14,520,869</u>	<u>12,476,304</u>
Net non-operating revenues	<u>14,228,507</u>	<u>14,082,512</u>
Income before other additions and transfers	<u>14,134,654</u>	<u>14,343,551</u>
Other additions and transfers:		
Additions to permanent endowments	3,048,138	5,275,063
Transfers to the University Corporation, SF State	(6,557,055)	(6,905,919)
Transfers from temp restricted fund	855,966	-
Transfers from transitional funds	<u>-</u>	<u>1,114,204</u>
Total other additions and transfers	<u>(2,652,951)</u>	<u>(516,652)</u>
Change in net position	11,481,703	13,826,899
Net position, beginning of year	<u>179,565,170</u>	<u>165,738,271</u>
Net position, end of year	<u>\$ 191,046,873</u>	<u>\$ 179,565,170</u>

The accompanying notes are an integral part of these financial statements.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

STATEMENTS OF CASH FLOWS

For the Years Ended June 30,

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Payments to suppliers	\$ (2,571,955)	\$ (1,138,094)
Net cash used in operating activities	<u>(2,571,955)</u>	<u>(1,138,094)</u>
Cash flows from noncapital financing activities:		
Donations received	4,704,558	9,933,258
Transfers to the University Corporation, SF State	<u>(6,557,055)</u>	<u>(6,905,919)</u>
Net cash provided by (used in) noncapital financing activities	<u>(1,852,497)</u>	<u>3,027,339</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	67,635,771	126,252,106
Purchase of investments	(69,356,423)	(133,681,544)
Investment income	<u>6,156,930</u>	<u>5,950,114</u>
Net cash (used in) provided by investing activities	<u>4,436,278</u>	<u>(1,479,324)</u>
Net change in cash and cash equivalents	11,826	409,921
Cash and cash equivalents, beginning of year	<u>580,554</u>	<u>170,633</u>
Cash and cash equivalents, end of year	<u>\$ 592,380</u>	<u>\$ 580,554</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income (loss)	\$ (93,853)	\$ 261,039
Adjustments to reconcile operating income (expense) to net cash from operating activities:		
Administrative fees released from endowments	(2,099,886)	(1,956,171)
Changes in assets and liabilities:		
Prepays and other assets	(62,559)	(20,117)
Accounts payable to San Francisco State University	(3,802)	1,336
Accounts payable to the University Corporation, SF State	(228,487)	261,426
Other liabilities	<u>(83,368)</u>	<u>314,393</u>
Total adjustments	<u>(2,478,102)</u>	<u>(1,399,133)</u>
Net cash used in operating activities	<u>\$ (2,571,955)</u>	<u>\$ (1,138,094)</u>
Supplemental disclosures of cash flow activity:		
Noncash activity:		
Donations of stock received	\$ 331,312	\$ 127,114
Unrealized gain	\$ 8,351,760	\$ 6,455,371
Cash paid for income taxes	\$ 275	\$ 20,117

The accompanying notes are an integral part of these financial statements.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 1 - ORGANIZATION

The San Francisco State University Foundation (the “Foundation”) is a non-profit, tax-exempt California corporation that serves as an auxiliary organization of San Francisco State University (the “University”). The Foundation was established in 2007 for the purpose of philanthropy and to foster private financial support for the University. The Foundation provides support through the solicitation and acceptance of private gifts, trusts, and bequests.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The basic financial statements required by the Governmental Accounting Standards Board (“GASB”), Statement No. 34 and Statement No. 35, include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. As a component unit of a public institution, the Foundation has chosen to present its basic financial statements using the reporting model for special purpose governments engaged only in business-type activities. This model allows all financial information for the Foundation to be reported in a single column in each of the basic financial statements. In accordance with the business-type activities reporting model, the Foundation prepares its statements of cash flows using the direct method.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), as prescribed by GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Generally, grants, contributions, and similar items are recognized as revenue as soon as all eligibility requirements have been met.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Assets that can reasonably be expected, as part of the Foundation's normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the date of the statements of net position are current. Liabilities that reasonably can be expected, as part of the Foundation's normal business operations, to be liquidated within 12 months of the date of the statements of net position are current. All other assets and liabilities are considered noncurrent, except for those amounts that are required to be reported as deferred outflows or inflows of resources. The Foundation follows GASB Statement No. 63 and Statement No. 65, which provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statements of net position and related disclosures. The statements define deferred outflows or inflows of resources as transactions that result in the consumption or acquisition of net position in one period that are applicable to future periods.

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

- Restricted, non-expendable: Net position subject to externally imposed conditions that the Foundation retain the corpus in perpetuity. Net position in this category are permanent endowments.
- Restricted, expendable: Net position subject to externally imposed conditions that can be fulfilled by the actions of the Foundation or by the passage of time. Net position in this category includes temporary endowments where there is not a requirement that the corpus to be held in perpetuity, capital projects which can be fulfilled by the actions of the University, and quasi – temp restricted funds with purpose restrictions.
- Unrestricted: This represents all unrestricted net position and quasi-unrestricted endowments of the Foundation. Quasi-unrestricted endowments are contributions received by the Foundation with no purpose or endowment designation and the Foundation's Board of Directors (the Board) determines the designation and use of funds. Unrestricted net position may be designated for use by management or the Board. As of both June 30, 2025 and 2024, the Foundation has operating reserves of \$602,683.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash, checking accounts, savings accounts, and money market funds held outside of investment brokerage accounts with an original maturity date of three months or less.

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. The Foundation does not have a formal policy addressing custodial credit risk for its bank deposits. Although the Foundation is not a government agency, the financial institutions in which the Foundation makes its deposits have collateralized the deposits in accordance with Section 53601 et. Seq. of the California Government Code. Wells Fargo is a financial institution whereby the Federal Deposit Insurance Corporation ("FDIC") insures deposits. Deposits of more than the \$250,000 insured amount would be collateralized by the bank by pledging identifiable collateral according to statute. Periodically, as of and throughout the years ended June 30, 2025 and 2024, the Foundation maintained balances in excess of federally insured limits.

Related-Party Receivables and Payables

Related-party receivables and payables include amounts due from and due to the University Corporation, San Francisco State (the "Corporation") and the University.

Accounts Receivable

Accounts receivable are presented net of an allowance for uncollectible accounts. There is no allowance for uncollectible accounts at June 30, 2025 and 2024. Included in accounts receivable at June 30, 2025 is \$1,647,923 related to distributions of two investments. These distributions were received in July 2025.

Other Liabilities

Other liabilities consist of accrued expenses and contributions received but pending required documents for proper recognition.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable, net

Pledges receivable are unconditional promises to give private gifts to the Foundation. Pledges meeting the requirements specified by GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions* (GASB 33) are included in the financial statements as pledges receivable and recognized as revenue in the period pledged. Pledges extending beyond one year are discounted to recognize the present value of future cash flows.

Pledges receivable are expected to be received within the next five years as follows as of June 30,

	<u>2025</u>	<u>2024</u>
1 year	\$ -	\$ -
2-5 years	<u>2,028,892</u>	<u>748,553</u>
Total	<u>\$ 2,028,892</u>	<u>\$ 748,553</u>

In subsequent years, this discount is accreted and recorded as additional contribution revenue in accordance with donor-imposed restrictions. The allowance for uncollectible pledges is determined by management. At June 30, 2025, management determined that there were no uncollectible pledges. Discounts are computed using risk-adjusted market rates. The discount rate used to calculate the present value of pledges is 4.75% for fiscal year 2025. The total discount was \$259,986 and \$53,747 at June 30, 2025 and June 30, 2024, respectively. Conditional promises and intentions to pledge are recognized as receivables and revenue when the specific condition and/or eligibility recognition requirement is met.

Investments

Investments are stated at fair value. The Foundation pools available resources into savings, checking, and investment accounts. Interest and dividends earned are allocated to the respective account based on the ratio of an account's invested resources to the total amount invested.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

Investments in alternative investments are based upon fair values of the underlying assets as reported by the entities in its financial statements or as determined by fund managers. In some cases, the underlying assets are marketable securities with quoted market prices. In other situations, the underlying assets are not marketable, and the fund managers determine valuations. Due to the inherent uncertainty of valuation of non-marketable and restricted investments, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed and the differences could be material. Additionally, these investments may have liquidity constraints, including lock up periods of a quarter or longer.

Endowment Investments

Investments made from donor-restricted endowments are pooled with the Foundation's other investments. Any appreciation of such investments is tracked separately and recorded in restricted net position. The Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which was passed in July 2006 and adopted by California in 2008, authorizes an institution to spend the amount it deems prudent considering the donor's intent, the purposes of the fund, and relevant economic factors. According to the Foundation's policy, up to 4% of earnings on investments may be distributed each year. Earnings available for distribution are identified as interest, dividends, and realized gains and losses, net of investment fees, and are calculated quarterly based on the average unitized balance of the portfolio.

The Foundation invests these funds to produce current income to meet spending needs and to preserve the real value of its endowment principal. The Foundation's payout policy objective is interlinked with the investment objectives for the total fund and has been formulated in the context of the overarching goal for prudent management of endowments to optimize the balance between preserving the real (after inflation) long-term purchasing power of the endowment principal with the need to make annual distributions to campus beneficiaries.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Expenses

The Foundation's operating revenue consists of administrative fees earned, related to costs associated with administering endowments. Administrative fees are the main component of operating revenue earned by the Foundation for management of the endowments. The administrative fee earned is based on the annual 1.25% fee and recoupment of investment fees charged for the external management of the endowment funds. The fees are charged quarterly based on the endowments' calculated quarterly average daily balance per the Foundation's Endowment Establishment & Administration policy, which can fluctuate based on earnings and endowment distributions.

Non-operating revenue and expenses include revenue from restricted and unrestricted contributions where the restrictions have been met, and transfers and expenses related to endowment expendable administrative fees have been charged per the investment policy. This category also includes investment returns (such as interest, dividends, and net realized and unrealized gains and losses).

Other additions and transfers include contributions related to capital projects and permanent endowments and transfers related to funds given to the Corporation and the University as a gift.

Use of Estimates

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

Income Taxes

The Foundation is a not-for-profit Foundation and is exempt from federal and state income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code and the California Revenue and Taxation Code. Continuance of such exemption is subject to compliance with laws and regulations of the taxing authorities. Certain activities considered unrelated to the tax-exempt purposes of the Foundation might generate income, which is taxable. The Foundation paid \$325 and \$1,818 for unrelated business income for the years ended June 30, 2025 and 2024, respectively, due to Foundation's alternative investments. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Foundation follows the provisions of GASB Statement No. 72 for fair value measurements of financial assets and financial liabilities and for fair value measurements that are recognized or disclosed at fair value in the financial statements on a recurring basis. GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2 - Inputs (other than quoted market prices included within level 1) that are observable for the asset/liability, either directly or indirectly.
- Level 3 - Unobservable inputs for the asset/liability; used to the extent that observable inputs are not available.

Net Asset Value ("NAV") - the fair value of underlying assets as reported by the entities in their financial statements or as determined by the fund manager. In some cases, the underlying assets are marketable securities with quoted market prices. In other situations, the underlying assets are not marketable, and valuations are determined by the fund managers. Due to the inherent uncertainty of valuation of non-marketable and restricted investments, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. Additionally, these investments may have liquidity constraints, including lock-up periods of a quarter or longer.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 3 - INVESTMENTS

Investments consist of the following as of June 30, 2025:

		Investment Maturities (Years)					
	<u>Fair Value</u>	<u><1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>10+</u>	<u>Other</u>	
Broker Money							
Market Funds	\$ 3,523,700	\$ 3,523,700	\$ -	\$ -	\$ -	\$ -	-
Local Agency							
Investment Fund	15,162,182	15,162,182	-	-	-	-	-
U.S. Treasury Securities	3,133,231	195,596	871,117	1,031,836	1,034,682	-	-
Municipal Securities	1,674,165	149,374	1,232,782	292,009	-	-	-
Corporate Debt							
Securities	3,364,855	130,291	1,134,686	1,178,523	921,355	-	-
Mutual Funds	9,306,362	9,306,362	-	-	-	-	-
Equity Securities	13,595,480	13,595,480	-	-	-	-	-
Alternative							
Investments	<u>136,942,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,942,338</u>	
	<u>\$ 186,702,313</u>	<u>\$ 42,062,985</u>	<u>\$ 3,238,585</u>	<u>\$ 2,502,368</u>	<u>\$ 1,956,037</u>	<u>\$ 136,942,338</u>	

Investments consist of the following as of June 30, 2024:

		Investment Maturities (Years)					
	<u>Fair Value</u>	<u><1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>10+</u>	<u>Other</u>	
Broker Money							
Market Funds	\$ 2,675,915	\$ 2,675,915	\$ -	\$ -	\$ -	\$ -	-
Local Agency							
Investment Fund	15,080,268	15,080,268	-	-	-	-	-
U.S. Treasury Securities	3,000,451	107,829	1,267,214	632,538	992,870	-	-
Municipal Securities	1,318,729	89,152	1,047,937	181,640	-	-	-
Corporate Debt							
Securities	2,867,813	-	1,082,558	1,134,342	650,913	-	-
Mutual Funds	13,726,834	13,726,834	-	-	-	-	-
Equity Securities	12,950,022	12,950,022	-	-	-	-	-
Alternative							
Investments	<u>126,908,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,908,893</u>	
	<u>\$ 178,528,925</u>	<u>\$ 44,630,020</u>	<u>\$ 3,397,709</u>	<u>\$ 1,948,520</u>	<u>\$ 1,643,783</u>	<u>\$ 126,908,893</u>	

San Francisco State University Foundation
(Component Unit of San Francisco State University)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 3 - INVESTMENTS (CONTINUED)

Investment return for the years ended June 30, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Interest and Dividends	\$ 2,171,415	\$ 1,761,709
Realized and Unrealized Gains on Investments	13,826,015	12,224,937
Management Fees	<u>(1,476,561)</u>	<u>(1,510,342)</u>
	<u>\$ 14,520,869</u>	<u>\$ 12,476,304</u>

The Foundation mitigates its interest rate risk with professional money managers that use their judgment when selecting debt securities. The Foundation does not currently have a formal policy on future maturity limitations.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to repay the debt security when due. The Foundation's investment policy provides that the fund will be diversified both by financial asset class (e.g., stocks and bonds) and within financial asset classes (e.g., within stocks by economic sector, quality, and market capitalization). The purpose of diversification is to enhance prospective returns, lower the volatility of the overall assets, and provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the Foundation's total portfolio. Federal agency issues, bond funds (bond index funds and intermediate term funds), and money market funds do not have a rating provided by a nationally recognized statistical rating organization.

Concentration of credit risk of loss is attributed to the magnitude of the investment with a single issuer. The Foundation's investment policy contains no limitations as to how much can be invested with any one issuer. As of June 30, 2025, the Foundation's fixed income investments did not have exposure to any single issuer exceeding 5% of the total endowment portfolio, except for the U.S. Treasury.

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 3 - INVESTMENTS (CONTINUED)

Custodial credit risk represents the risk that, in the event of failure of counterparty, the Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. U.S. Bank is insured by the Securities Investor Protection Corporation (SIPC) for securities and cash in the event of broker-dealer failure. SIPC provides up to \$500,000 of a customer's portfolio, with a \$250,000 limit for cash. Excess coverage covers some additional assets after SIPC coverage is exhausted. The Foundation does not have a formal policy covering custodial credit risk for its investments.

Local Agency Investment Fund

Under federal law, the State of California cannot declare bankruptcy, thereby allowing California Government Code Section 16429.3 to stand. This section states that "moneys placed with the Treasurer for deposit in the Local Agency Investment Fund ("LAIF") by cities, counties, special districts, nonprofit foundations, or qualified quasi-governmental agencies shall not be subject to either of the following: (a) transfer or loan pursuant to Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency."

During a legislative session, California Government Code Section 16429.4 was added to LAIF's enabling legislation. The section states that "the right of a city, county, city and county, special district, nonprofit foundations, or qualified quasi-governmental agency to withdraw its deposited moneys from LAIF, upon demand, may not be altered, impaired, or denied in any way, by any state official or state agency based upon the state's failure to adopt a State Budget by July 1 of each new fiscal year."

Participating agencies' portions of the fund are held at fair value using NAV information provided by LAIF.

San Francisco State University Foundation
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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 4 - FAIR VALUE MEASUREMENT

At June 30, 2025 and 2024, the Foundation's investments consist of the following assets, which are classified by level within the valuation hierarchy on a recurring basis at June 30:

	2025				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Broker Money					
Market Funds	\$ 3,523,700	\$ -	\$ -	\$ -	\$ 3,523,700
Local Agency					
Investment Fund	-	-	-	15,162,182	15,162,182
U.S. Treasury Securities	3,133,231	-	-	-	3,133,231
Municipal Securities	-	1,674,165	-	-	1,674,165
Corporate Debt					
Securities	-	3,364,855	-	-	3,364,855
Mutual Funds	9,306,362	-	-	-	9,306,362
Equity Securities	13,595,480	-	-	-	13,595,480
Alternative					
Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,942,338</u>	<u>136,942,338</u>
	<u>\$29,558,773</u>	<u>\$ 5,039,020</u>	<u>\$ -</u>	<u>\$ 152,104,520</u>	<u>\$ 186,702,313</u>

San Francisco State University Foundation
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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 4 - FAIR VALUE MEASUREMENT (CONTINUED)

	2024				
	Level 1	Level 2	Level 3	NAV	Total
Broker Money					
Market Funds	\$ 2,675,915	\$ -	\$ -	\$ -	\$ 2,675,915
Local Agency					
Investment Fund	-	-	-	15,080,268	15,080,268
U.S. Treasury Securities	3,000,451	-	-	-	3,000,451
Municipal Securities	-	1,318,729	-	-	1,318,729
Corporate Debt					
Securities	-	2,867,813	-	-	2,867,813
Mutual Funds	13,726,834	-	-	-	13,726,834
Equity Securities	12,950,022	-	-	-	12,950,022
Alternative					
Investments	-	-	-	126,908,893	126,908,893
	<u>\$32,353,222</u>	<u>\$ 4,186,542</u>	<u>\$ -</u>	<u>\$ 141,989,161</u>	<u>\$ 178,528,925</u>

Alternative Investments Measured at NAV

	Fair Value	Unfunded Commitments	Lock-up	Redemption Frequency (If Currently Eligible)
(1) Equity Long/Short Hedge Funds	\$ 231,541	\$ -	N/A	25% Quarterly
(2) Hedge Funds	36,276,116	355,716	Yes, 12 months	Daily - Quarterly
(3) Private Equities	26,689,765	10,387,280	N/A	Not Redeemable and Monthly
(4) Private Equity/Real Estate Funds	1,084,811	1,422,691	Yes, 12 months	Not Redeemable and Quarterly
(5) Commingled Fund	70,888,660	-	Yes, Every 3 years and 12 months	Daily - Quarterly
(6) Open-Ended Mutual Fund	<u>1,771,445</u>	<u>-</u>	N/A	Daily
Total Alternative Investments Measured at NAV	<u>\$ 136,942,338</u>	<u>\$ 12,165,687</u>		

San Francisco State University Foundation
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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 4 - FAIR VALUE MEASUREMENT (CONTINUED)

Alternative Investments Measured at NAV (Continued)

1. Equity long/short hedge funds. This type includes 1 fund in small-cap public companies as a long-term and value-added shareholder.
2. Hedge funds. This type of investment vehicle includes 10 funds investing primarily in securities emerging markets, international equity, global equity, and fixed income. One fund have been fully redeemed as of fiscal year end.
3. Private equities. This type includes 30 funds that invests in technology, education, healthcare and financial services; private equity funds; start-ups addressing disparities in historically marginalized communities; and renewable energy and closely related companies and assets, which represent the largest exposure. For this type of investment, distributions are received through the liquidation of the underlying assets of the fund.
4. Private equity/real estate funds. This type includes 3 funds that invest in real estate projects in Northern California, with a primary focus on the SF Bay Area. Distributions from the funds will be received as the underlying investments of the funds are liquidated.
5. Commingled funds. This type includes 11 funds consisting of assets from blended accounts, which invest in long/short equity. The underlining investments are invested in U.S. stocks, global stocks, international stocks, and emerging market stocks. Most of the funds can be redeemed monthly. One fund have been fully redeemed as of fiscal year end.
6. Open-ended mutual fund. This type includes 1 fund consisting of diversified portfolio mutual funds investing in companies that are expected to benefit from global climate change efforts. The fund invests in clean energy holdings, energy efficiency, agriculture, copper, electric grid, and water. The fair value for this investment type has been determined by the portfolio's daily NAV.

San Francisco State University Foundation
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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 5 - ENDOWMENTS

Changes in the endowment net position for the year ended June 30, 2025 were as follows:

	Restricted Net Position		
	Nonexpendable	Expendable	Total
Account balances as of July 1, 2024	\$ 116,690,956	\$ 53,816,945	\$ 170,507,901
Contributions and Donations	3,048,138	2,303,330	5,351,468
Investment Income, net	-	14,111,655	14,111,655
Transfer to Corporation	-	(6,473,848)	(6,473,848)
Transfers - Transitional	-	(37,368)	(37,368)
Transfers - Temporary Restricted	855,966	(855,966)	-
Transfers - Quasi Endowment	-	37,368	37,368
Endowment Management Fee	-	(2,045,418)	(2,045,418)
Account balances as of June 30, 2025	<u>\$ 120,595,060</u>	<u>\$ 60,856,698</u>	<u>\$ 181,451,758</u>

Changes in the endowment net position for year ended June 30, 2024 were as follows:

	Restricted Net Position		
	Nonexpendable	Expendable	Total
Account balances as of July 1, 2023	\$ 110,276,380	\$ 47,196,959	\$ 157,473,339
Contributions and Donations	5,275,063	3,542,428	8,817,491
Investment Income, net	-	12,061,635	12,061,635
Transfer to Corporation	-	(5,966,667)	(5,966,667)
Transfer from Corporation	25,309	-	25,309
Transfers - Transitional	1,114,204	(1,155,947)	(41,743)
Transfers - Temporary Restricted	-	1,000	1,000
Transfers - Quasi Endowment	-	40,743	40,743
Endowment Management Fee	-	(1,903,206)	(1,903,206)
Account balances as of June 30, 2024	<u>\$ 116,690,956</u>	<u>\$ 53,816,945</u>	<u>\$ 170,507,901</u>

San Francisco State University Foundation
(Component Unit of San Francisco State University)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 5 - ENDOWMENTS (CONTINUED)

The Foundation's endowment policy during fiscal years 2025 and 2024 allowed up to a 4% annual payout based on the rolling 12-quarter average unitized balance of the endowment fund. The 4% annual payout was not changed during fiscal year 2025 and disbursements were allowed. The Foundation had endowment funds underwater in the amount of \$16,360 and \$33,136 at June 30, 2025 and 2024, respectively. Underwater is defined as the current endowment value of an endowment gift being less than the value of the original endowment gift.

NOTE 6 - TRANSACTIONS WITH RELATED ENTITIES

The Foundation is an auxiliary organization affiliated with the University and the California State University (CSU) System statewide. The Foundation is also affiliated with the Corporation and Associated Students of San Francisco State University (Associated Students), auxiliary organizations of the University and CSU. The accompanying financial statements include transactions with related parties as of and for the years ended June 30, 2025 and 2024, as follows:

	<u>2025</u>	<u>2024</u>
Payments to the University for salaries of University personnel working on contracts, grants, and other programs	\$ 380,043	\$ 342,292
Payments to the University for other than salaries of University personnel	\$ 846,126	\$ 539,752
Payments to the Corporation for scholarships, other endowment spendable accounts, donations received by the Foundation that belong to the Corporation, fees for accounting services provided by the Corporation, and other various reimbursements	\$ 7,623,951	\$ 7,627,558
Payments to Associated Students	\$ -	\$ 10,079
Payments received from the University for services, spaces, and programs	\$ 15,000	\$ 1,245
Payments received from the Corporation	\$ 744,988	\$ 666,136
Payments received from Associated Students	\$ 77	\$ -
Amounts payable to the University	\$ 2	\$ 3,804
Amounts due to the Corporation	\$ 45,034	\$ 273,521
Amounts due from the Corporation	\$ 283,399	\$ 20,119

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 7 - RISK FINANCING ACTIVITIES

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

NOTE 8 - COMMITMENTS AND CONTINGENCIES

From time to time, the Foundation may be subject to various claims and legal proceedings covering a range of matters that arise in the ordinary course of its business activities. In the opinion of management, although the outcome of any legal proceedings cannot be predicted with certainty, the ultimate liability of the Foundation in connection with its legal proceedings is not expected to have a material adverse effect on the Foundation's financial position and activities.

NOTE 9 - ADMINISTRATIVE FEE

The Foundation charges an administrative fee of 1.25% annually plus recoupment of investment fees paid to manage the endowment funds. This is calculated quarterly on the average unitized balance of all endowments managed by the Foundation per the endowment policy. Administrative fees of \$2,099,886 and \$1,956,171 were earned by the Foundation during the years ended June 30, 2025 and 2024, respectively

NOTE 10 - SUBSEQUENT EVENTS

Management has reviewed its financial statements for all subsequent events from the statements of net position date through September 18, 2025, the date the financial statements were available to be issued.

After a one-year pilot program, the Foundation will move to revise its bylaws to make the Alumni Relations Committee an official board committee.

The Foundation's new Campaign Steering Committee will convene to officially launch the campaign.

**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**

To the Board of Directors of
San Francisco State University Foundation

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 San Francisco State University Foundation (Component Unit of San Francisco State University) (the Foundation), which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing the 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 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 audits, we did not identify any deficiencies in the Foundation's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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.

A handwritten signature in cursive script that reads "Windes, Inc.".

Long Beach, California
September 18, 2025

**San Francisco State University Foundation
(Component Unit of San Francisco State University)**

**Schedule of Findings
For the Year Ended June 30, 2025**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

The independent auditors’ report expressed an unmodified opinion on whether the financial statements of San Francisco State University Foundation were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting

1. Material weakness(es) identified? – None reported
2. Significant deficiencies identified? – None reported
3. Noncompliance material to financial statements noted? – No

SECTION II – FINDINGS – FINANCIAL STATEMENTS AUDIT

None reported

SECTION III – STATUS OF CORRECTIVE ACTION ON PRIOR-YEAR FINDINGS

None reported

San Francisco State University Foundation

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE OF NET POSITION

JUNE 30, 2025

(for inclusion in the California State University Financial Statements)

Assets:

Current assets:

Cash and cash equivalents	\$ 592,380
Short-term investments	6,898,478
Accounts receivable, net	1,961,735
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	135,256
Total current assets	9,587,849

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	2,028,892
Endowment investments	179,803,835
Other long-term investments	-
Capital assets, net	-
Other assets	-
Total noncurrent assets	181,832,727
Total assets	191,420,576

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-
Total deferred outflows of resources	-

See Independent Auditors' Report

San Francisco State University Foundation

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE OF NET POSITION

JUNE 30, 2025

(for inclusion in the California State University Financial Statements)

(Continued)

Liabilities:	
Current liabilities:	
Accounts payable	45,036
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, current portion	-
Long-term debt obligations, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	328,667
Total current liabilities	<u>373,703</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	<u>-</u>
Total liabilities	<u>373,703</u>
Deferred inflows of resources:	
P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-
Total deferred inflows of resources	<u>-</u>
Net position:	
Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	120,595,060
Expendable:	
Scholarships and fellowships	43,481,968
Research	-
Loans	-
Capital projects	3,464,467
P3	-
Debt service	-
Others	13,910,263
Unrestricted	<u>9,595,115</u>
Total net position	<u>\$ 191,046,873</u>

See Independent Auditors' Report

San Francisco State University Foundation

SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2025
(for inclusion in the California State University Financial Statements)

Revenues:

Operating revenues:

Student tuition and fees, gross	\$ -
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	<u>2,099,886</u>
Total operating revenues	<u>2,099,886</u>

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	2,193,739
Depreciation and amortization	<u>-</u>
Total operating expenses	<u>2,193,739</u>
Operating income (loss)	<u>(93,853)</u>

See Independent Auditors' Report

San Francisco State University Foundation

**SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025
(for inclusion in the California State University Financial Statements)
(Continued)**

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	1,807,524
Investment income (loss), net	354,746
Endowment income (loss), net	12,066,237
Interest expense	-
Other nonoperating revenues (expenses)	(5,701,089)
Net nonoperating revenues (expenses)	<u>8,527,418</u>
 Income (loss) before other revenues (expenses)	 <u>8,433,565</u>
 State appropriations, capital	 -
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	<u>3,048,138</u>
Increase (decrease) in net position	<u>11,481,703</u>
Net position:	
Net position at beginning of year, as previously reported	179,565,170
Restatements	-
Net position at beginning of year, as restated	<u>179,565,170</u>
 Net position at end of year	 <u>\$ 191,046,873</u>

See Independent Auditors' Report

San Francisco State University Foundation

SUPPLEMENTARY FINANCIAL INFORMATION

OTHER INFORMATION

JUNE 30, 2025

(for inclusion in the California State University Financial Statements)

1. CASH AND CASH EQUIVALENTS:

Portion of restricted cash and cash equivalents related to endowments	\$ -
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	592,380
Total	\$ 592,380

2.1. COMPOSITION OF INVESTMENTS:

Investment Type	Current	Noncurrent	Total
Money Market funds	\$ 3,523,700	\$ -	\$ 3,523,700
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	3,133,231	3,133,231
Municipal bonds	-	1,674,165	1,674,165
Corporate bonds	-	3,364,855	3,364,855
Asset-backed securities	-	-	-
Mortgage-backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	-	9,306,362	9,306,362
Exchange-traded funds	-	-	-
Equity securities	-	13,595,480	13,595,480
Alternative investments:			
Private equity (including limited partnerships)	-	26,689,765	26,689,765
Hedge funds	-	36,276,116	36,276,116
Managed futures	-	-	-
Real estate investments (including REITs)	-	1,084,811	1,084,811
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment types	-	72,891,646	72,891,646
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	3,374,778	11,787,404	15,162,182
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments			
Foreign issues	-	-	-
REIT	-	-	-
Total other investments	-	-	-
Total investments	6,898,478	179,803,835	186,702,313
Less endowment investments	-	(179,803,835)	(179,803,835)
Total investments, net of endowments	\$ 6,898,478	\$ -	\$ 6,898,478

See Independent Auditors' Report

San Francisco State University Foundation

SUPPLEMENTARY FINANCIAL INFORMATION

OTHER INFORMATION

JUNE 30, 2025

(for inclusion in the California State University Financial Statements)

(Continued)

2.2 FAIR VALUE HIERARCHY IN INVESTMENTS:

Investment Type	Total	FAIR VALUE MEASUREMENTS USING			Net Asset Value (NAV)
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Money Market funds	\$ 3,523,700	\$ 3,523,700	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	3,133,231	3,133,231	-	-	-
Municipal bonds	1,674,165	-	1,674,165	-	-
Corporate bonds	3,364,855	-	3,364,855	-	-
Asset-backed securities	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	9,306,362	9,306,362	-	-	-
Exchange-traded funds	-	-	-	-	-
Equity securities	13,595,480	13,595,480	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	26,689,765	-	-	-	26,689,765
Hedge funds	36,276,116	-	-	-	36,276,116
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	1,084,811	-	-	-	1,084,811
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	72,891,646	-	-	-	72,891,646
Other external investment pools	-	-	-	-	-
CSU consolidated investment pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	15,162,182	-	-	-	15,162,182
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments	-	-	-	-	-
Foreign issues	-	-	-	-	-
REIT	-	-	-	-	-
Total investments	\$ 186,702,313	\$ 29,558,773	\$ 5,039,020	\$ -	\$ 152,104,520

2.3 INVESTMENTS HELD BY THE UNIVERSITY UNDER CONTRACTUAL AGREEMENTS:

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

See Independent Auditors' Report

San Francisco State University Foundation

SUPPLEMENTARY FINANCIAL INFORMATION OTHER INFORMATION

JUNE 30, 2025

(for inclusion in the California State University Financial Statements)
(Continued)

3.1. CAPITAL ASSETS, EXCLUDING ROU ASSETS:

Composition of capital assets, excluding ROU assets:	Balance June 30, 2024	Reclassifications	Prior-Period Adjustments	Prior-Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfers of Completed CWIP/PWIP	Balance June 30, 2025
Nondepreciable/nonamortizable capital assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	-	-	-	-	-	-	-	-	-
Total capital assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets, net excluding ROU assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report

San Francisco State University Foundation

SUPPLEMENTARY FINANCIAL INFORMATION
OTHER INFORMATION

JUNE 30, 2025

(for inclusion in the California State University Financial Statements)

(Continued)

CAPITAL ASSETS, RIGHT OF USE

Composition of capital assets - Lease ROU, net:	Balance								Balance
	June 30, 2024	Reclassifications	Prior-Period Additions	Prior-Period Reductions	June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	June 30, 2025
Nondepreciable/nonamortizable lease assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total intangible assets	-	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable lease	-	-	-	-	-	-	-	-	-
Depreciable/amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable lease assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - lease ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Composition of capital assets - SBITA ROU, net	Balance								Balance
	June 30, 2024	Reclassifications	Prior-Period Additions	Prior-Period Reductions	June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	June 30, 2025
Depreciable/Amortizable SBITA assets:									
Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report

San Francisco State University Foundation

SUPPLEMENTARY FINANCIAL INFORMATION
OTHER INFORMATION

JUNE 30, 2025

(for inclusion in the California State University Financial Statements)
(Continued)

CAPITAL ASSETS, RIGHT OF USE (CONTINUED)

Composition of capital assets - P3 ROU, net:	Balance June 30, 2024	Reclassifications	Prior-Period Additions	Prior-Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets, net including ROU assets									\$ -

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3.2 DETAIL OF DEPRECIATION AND AMORTIZATION EXPENSE:

	Amount
Depreciation and amortization expense related to capital assets	\$ -
Amortization expense - Leases ROU	-
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
Total depreciation and amortization	\$ -

4. LONG-TERM LIABILITIES:

	Balance June 30, 2024	Prior-Period Adjustments Reclassifications	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capitalized lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized premium/(discount)	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial Paper	-	-	-	-	-	-	-	-
4.3 Note payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt obligations	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Lease, SBITA, P3 liabilities:								
	Balance June 30, 2024	Prior Period Adjustments/ Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
Lease liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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5. FUTURE MINIMUM PAYMENTS SCHEDULE - LEASES, SBITA, P3:

Year Ending June 30,	Lease Liabilities			SBITA liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-
2051-2055	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
Total minimum lease payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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[illegible]

\$ - \$ - \$ - \$ -

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	\$	-
---	----	---

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6. FUTURE MINIMUM PAYMENTS SCHEDULE - LONG-TERM DEBT OBLIGATIONS:

Year Ending June 30,	Auxiliary Revenue Bonds (non-SRB related)			All Other Long-Term Debt Obligations			Total Long-Term Debt Obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
2051-2055	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total Minimum Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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									\$ -

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7. TRANSACTIONS WITH RELATED ENTITIES

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 380,043
Payments to University for other than salaries of University personnel	\$ 846,126
Payments received from University for services, space, and programs	\$ 15,000
Gifts-in-kind to the University from discretely presented component units	\$ -
Gifts (cash or assets) to the University from discretely presented component units	\$ -
Accounts (payable to) University	\$ (2)
Other amounts (payable to) University	\$ -
Accounts receivable from University	\$ -
Other amounts receivable from University	\$ -

8. RESTATEMENTS/PRIOR-PERIOD ADJUSTMENTS

Intentionally left blank - no restatements/prior-period adjustments

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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	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	2,193,739	-	2,193,739
Depreciation and amortization	-	-	-	-	-	-	-	-
Total Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,193,739	\$ -	\$ 2,193,739

No pension plan reported.

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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 - 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 - other		-
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 (EXPENSE)

Other nonoperating revenues	\$	855,966
Other nonoperating (expenses)		(6,557,055)

Total other nonoperating revenues (expenses) **\$ (5,701,089)**

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