

**California State University,
Channel Islands Foundation**

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

June 30, 2025 and 2024



California State University, Channel Islands Foundation

Index

	<u>Page</u>
Independent Auditor's Report	2
Management's Discussion and Analysis	5
Financial Statements	
Statement of Net Position	11
Statement of Revenues, Expenses and Changes in Net Position	13
Statement of Cash Flows	14
Notes to Financial Statements	15
Supplementary Information	
GASB Schedule of Net Position	29
GASB Schedule of Revenues, Expenses and Changes in Net Position	31
Expenses by Natural Classification	32
Other Information	33
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41

Independent Auditor's Report

The Board of Directors
California State University, Channel Islands Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of California State University, Channel Islands Foundation (the "Foundation"), a component unit of California State University, Channel Islands as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the index.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 on pages 5 to 9 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements. The accompanying supplementary information on pages 29 to 40 is presented for purposes of additional analysis as required by an Administrative Directive dated June 24, 2003, *Financial Reporting Requirements for Auxiliary Organizations*, from the California State University Office of the Chancellor, and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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.

Report on Summarized Comparative Information

We have previously audited the Foundation's June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.



Los Angeles, California
September 18, 2025

California State University, Channel Islands Foundation

Management's Discussion and Analysis For the Year Ended June 30, 2025 (Unaudited)

This section of California State University, Channel Islands Foundation (the "Foundation") annual financial report presents our discussion and analysis of the financial performance of the Foundation for the fiscal year ended June 30, 2025. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Introduction to the Financial Statements

This annual report consists of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and No. 38, *Certain Financial Statement Note Disclosures*. For reporting purposes, the Foundation is considered a special-purpose government engaged only in business-type activities, which best represent the activities of the Foundation.

The financial statements include the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows. These statements are supported by the notes to the financial statements and this section. All sections must be considered together to obtain a complete understanding of the financial picture of the Foundation.

Statement of Net Position - The statement of net position includes all assets and liabilities. Assets and liabilities are reported at their book value, on an accrual basis, as of the statement date. It also identifies major categories of restrictions on the net position of the Foundation.

Statement of Revenues, Expenses and Changes in Net Position - The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year on an accrual basis.

Statement of Cash Flows - The statement of cash flows presents the inflows and outflows of cash for the year and is summarized by operating, noncapital financing, capital and related financing, and investing activities. The statement is prepared using the direct method of cash flows and, therefore, presents gross rather than net amounts for the year's activities.

Analytical Overview

Summary

The following discussion highlights management's understanding of the key financial aspects of the Foundation's financial activities. Included is an analysis of current year activities and balances; a discussion of restrictions of Foundation net position; a discussion of capital assets and long-term debt; and factors impacting future reporting periods.

California State University, Channel Islands Foundation

Management's Discussion and Analysis For the Year Ended June 30, 2025 (Unaudited)

The Foundation's summary of net position as of June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
Assets:				
Current assets	\$ 11,109,475	\$ 11,162,030	\$ (52,555)	-0.47%
Other noncurrent assets	96,449,228	89,396,224	7,053,004	7.89%
Subscription asset, net	<u>10,500</u>	<u>28,500</u>	<u>(18,000)</u>	<u>-63.16%</u>
Total assets	<u>\$107,569,203</u>	<u>\$100,586,754</u>	<u>\$ 6,982,449</u>	<u>6.94%</u>
Liabilities:				
Current liabilities	<u>\$ 1,078,957</u>	<u>\$ 706,440</u>	<u>\$ 372,517</u>	<u>52.73%</u>
Total liabilities	<u>\$ 1,078,957</u>	<u>\$ 706,440</u>	<u>\$ 372,517</u>	<u>52.73%</u>
Net position:				
Net investment in capital assets	\$ 10,500	\$ 28,500	\$ (18,000)	-63.16%
Restricted	86,325,265	75,695,848	10,629,417	14.04%
Unrestricted	<u>20,154,481</u>	<u>24,155,966</u>	<u>(4,001,485)</u>	<u>-16.57%</u>
Total net position	<u>\$106,490,246</u>	<u>\$ 99,880,314</u>	<u>\$ 6,609,932</u>	<u>6.62%</u>

Assets

Total assets increased by \$7 million compared to prior year primarily due to positive market returns in investment earnings of \$2.5 million, increase in pledge receivable of \$5 million from Yardi Foundation to support the new Yardi Scholarship Program, offset by investment in recruitment and enrollment initiatives of \$511 thousand.

Liabilities

Total liabilities increased by \$373 thousand compared to the prior year. This is primarily due to related party payables to campus for the Martin V. Smith (MVS) Hall renovations.

Net Position

Total net position increased by \$6.6 million compared to the prior year primarily due to investment earnings of \$2.5 million, increase in pledge receivable of \$5 million from Yardi Foundation, offset by investment of recruitment and enrollment initiatives of \$511 thousand, and increase of related party payables to campus for spending related to the MVS Hall renovations of \$373 thousand.

The restricted net position increased by \$10.6 million primarily driven by Other restricted of \$8.8 million, scholarships of \$3 million, and endowment investment earnings of \$1.5 million, offset by capital expenditures related to the MVS Hall renovations of \$2.4 million.

California State University, Channel Islands Foundation

**Management's Discussion and Analysis
For the Year Ended June 30, 2025
(Unaudited)**

The \$4 million decrease in Unrestricted is primarily driven by a reclassification of \$2.7 million from Mackenzie Scott to Other restricted and \$1.6 million from Larraburu Unrestricted to Other restricted to support investment in recruiting and enrollment initiatives.

Restricted Resources

Net position of the Foundation includes funds that are restricted by donor or law. The following table summarizes which funds are restricted, the type of restriction, and the amount:

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
Non-expendable endowments	\$ 21,184,450	\$ 19,726,893	\$ 1,457,557	7.39%
Expendable				
Scholarships and fellowships	11,526,465	8,488,599	3,037,866	35.79%
Research	191,297	577,621	(386,324)	-66.88%
Instruction	2,684,990	2,687,113	(2,123)	-0.08%
Capital projects	20,677,265	23,035,562	(2,358,297)	-10.24%
Other	<u>30,060,798</u>	<u>21,180,060</u>	<u>8,880,738</u>	<u>41.93%</u>
Total restricted net position	<u>\$ 86,325,265</u>	<u>\$ 75,695,848</u>	<u>\$ 10,629,417</u>	<u>14.04%</u>

California State University, Channel Islands Foundation

Management's Discussion and Analysis For the Year Ended June 30, 2025 (Unaudited)

Designated Resources

The Foundation's condensed summary of revenues, expenses and changes in net position for the years ended June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Revenues:				
Other operating revenues	<u>\$ 443,467</u>	<u>\$ 299,966</u>	<u>\$ 143,501</u>	<u>47.84%</u>
Total operating revenues	<u>443,467</u>	<u>299,966</u>	<u>143,501</u>	<u>47.84%</u>
Operating Expenses	<u>9,715,082</u>	<u>5,814,078</u>	<u>3,901,004</u>	<u>67.10%</u>
Operating loss	<u>(9,271,615)</u>	<u>(5,514,112)</u>	<u>(3,757,503)</u>	<u>68.14%</u>
Nonoperating Revenues:				
Gifts noncapital	8,442,735	2,776,880	5,665,855	204.04%
Gifts in-kind	24,295	132,202	(107,907)	-81.62%
Investment income	<u>7,133,794</u>	<u>8,003,234</u>	<u>(869,440)</u>	<u>-10.86%</u>
Total nonoperating revenues	<u>15,600,824</u>	<u>10,912,316</u>	<u>4,688,508</u>	<u>42.97%</u>
Income before other additions	<u>6,329,209</u>	<u>5,398,204</u>	<u>931,005</u>	<u>17.25%</u>
Additions to permanent endowment	<u>280,723</u>	<u>243,981</u>	<u>36,742</u>	<u>15.06%</u>
Increase in net position	<u>6,609,932</u>	<u>5,642,185</u>	<u>967,747</u>	<u>17.15%</u>
Beginning net position	<u>99,880,314</u>	<u>94,238,129</u>	<u>5,642,185</u>	<u>5.99%</u>
End net position	<u><u>\$ 106,490,246</u></u>	<u><u>\$ 99,880,314</u></u>	<u><u>\$ 6,609,932</u></u>	<u><u>6.62%</u></u>

Operating Revenues and Expenses

Operating revenues and expenses come from sources that are connected directly to the Foundation's business function. Revenues come from other operating revenues which include sales of goods and services associated with fundraising activities and other miscellaneous revenue. Expenses include categories such as gift to university, supplies and other services, scholarships, and fellowships. In this discussion and analysis, expenses are reported by functional program such as instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, and student grants and scholarships.

Operating Revenues

Total operating revenues reflect an increase from prior year of \$144 thousand primarily driven by other operating revenue related to gift fees due to increase of non-capital gifts/contributions.

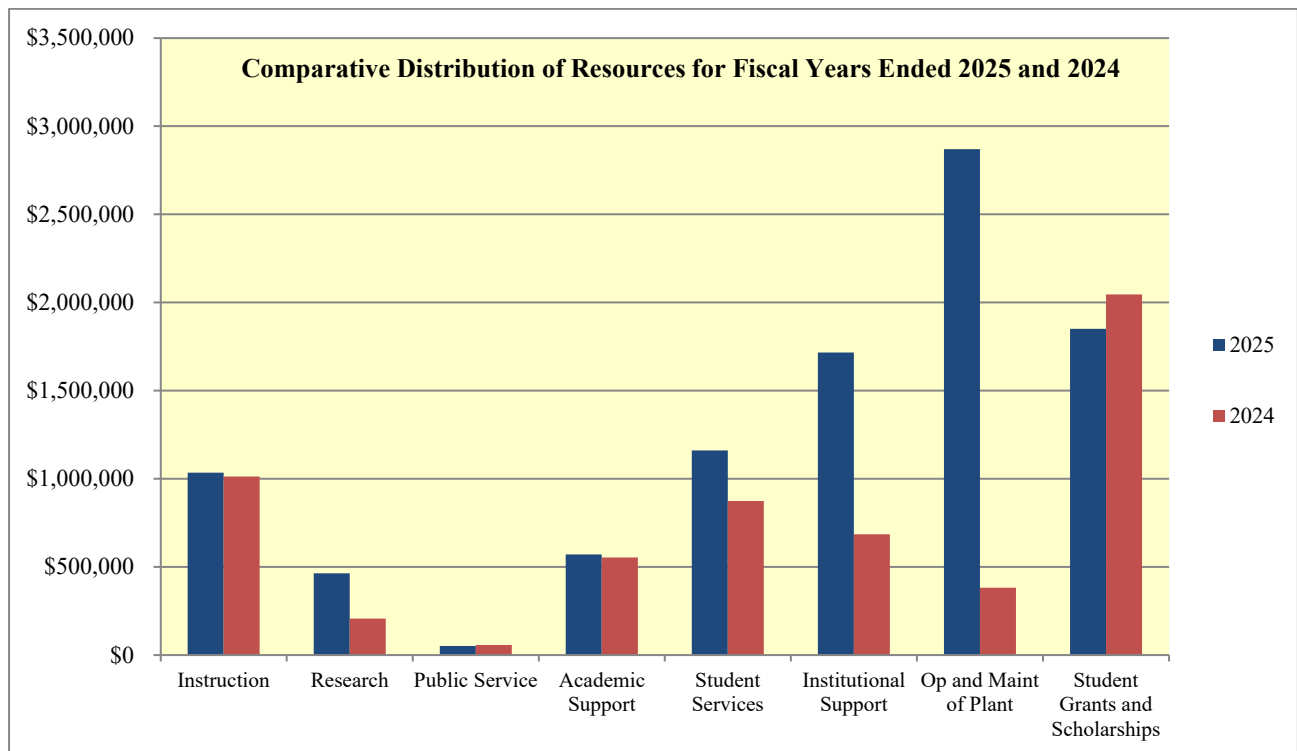
California State University, Channel Islands Foundation

Management's Discussion and Analysis For the Year Ended June 30, 2025 (Unaudited)

Operating Expenses

Total operating expenses increased by \$3.9 million versus prior year. This is primarily attributable to the increase in expenditures of \$2.5 million in contractual services related to MVS Hall renovations under Operations and Maintenance of Plant, \$695 thousand for campus rebranding and website redesign under Institutional Support, \$239 thousand investment in recruitment and enrollment initiative under Student Services, and \$246 thousand from ECMC Foundation grant to support transfer success program under Research.

The following chart presents the distribution of resources in support of the Foundation's mission for fiscal years 2025 and 2024:



Nonoperating Revenues

Nonoperating revenues come from sources that are not part of the Foundation's primary business functions. Included in this classification are categories such as non-capital gifts, gifts in-kind, and investment income. Total nonoperating revenues increased by \$4.7 million primarily due to an increase of non-capital gifts of \$5.7 million, offset by decrease in investment earnings of \$869 thousand due to market volatility.

The \$5.7 million increase of non-capital gifts versus last year is primarily driven by Yardi Foundation pledge to support the Yardi Scholarship Program.

Basic Financial Statements

California State University, Channel Islands Foundation

Statement of Net Position
June 30, 2025
With Summarized Totals at June 30, 2024

	<u>Assets</u>	
	<u>2025</u>	<u>2024</u>
Current assets		
Cash and cash equivalents	\$ 764,750	\$ 1,326,188
Short-term investments	3,364,591	5,271,828
Accounts receivable, net	2,745	2,585
Related party receivables	15,252	74,816
Pledges receivable, net	6,950,708	4,465,308
Prepaid expenses and other assets	11,429	21,305
Total current assets	<u>11,109,475</u>	<u>11,162,030</u>
Noncurrent assets		
Restricted cash and cash equivalents	2,811,642	2,774,618
Subscription asset, net	10,500	28,500
Long-term investments	89,453,627	84,548,356
Pledges receivable, net	4,183,959	2,073,250
Total noncurrent assets	<u>96,459,728</u>	<u>89,424,724</u>
Total assets	<u>\$ 107,569,203</u>	<u>\$ 100,586,754</u>

California State University, Channel Islands Foundation

**Statement of Net Position
June 30, 2025
With Summarized Totals at June 30, 2024**

Liabilities and Net Position

	<u>2025</u>	<u>2024</u>
Current liabilities		
Accounts payable	\$ 133,488	\$ 47,482
Related party payables	<u>945,469</u>	<u>658,958</u>
Total liabilities	<u>1,078,957</u>	<u>706,440</u>
Net position		
Net investment in capital assets	10,500	28,500
Restricted for		
Nonexpendable - endowments	21,184,450	19,726,893
Expendable		
Scholarships and fellowships	11,526,465	8,488,599
Research	191,297	577,621
Instruction	2,684,990	2,687,113
Capital projects	20,677,265	23,035,562
Other	30,060,798	21,180,060
Unrestricted	<u>20,154,481</u>	<u>24,155,966</u>
Total net position	<u>\$ 106,490,246</u>	<u>\$ 99,880,314</u>

See Notes to Financial Statements.

California State University, Channel Islands Foundation

**Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2025
With Summarized Totals for the Year Ended June 30, 2024**

	<u>2025</u>	<u>2024</u>
Revenues		
Operating revenues		
Other operating revenues	\$ 443,467	\$ 299,966
Total operating revenues	<u>443,467</u>	<u>299,966</u>
Expenses		
Operating expenses		
Instruction	1,034,199	1,012,174
Research	463,790	206,331
Public service	51,423	56,953
Academic support	570,149	553,038
Student services	1,160,203	874,109
Institutional support	1,716,272	684,756
Operation and maintenance of plant	2,869,155	381,623
Student grants and scholarships	<u>1,849,891</u>	<u>2,045,094</u>
Total operating expenses	<u>9,715,082</u>	<u>5,814,078</u>
Operating loss	<u>(9,271,615)</u>	<u>(5,514,112)</u>
Nonoperating revenues		
Gifts, noncapital	8,442,735	2,776,880
In-kind contributions	24,295	132,202
Investment income	<u>7,133,794</u>	<u>8,003,234</u>
Net nonoperating revenues	<u>15,600,824</u>	<u>10,912,316</u>
Income before additions	6,329,209	5,398,204
Additions to endowments	<u>280,723</u>	<u>243,981</u>
Increase in net position	6,609,932	5,642,185
Net position, beginning of year	<u>99,880,314</u>	<u>94,238,129</u>
Net position, end of year	<u>\$ 106,490,246</u>	<u>\$ 99,880,314</u>

See Notes to Financial Statements.

California State University, Channel Islands Foundation

**Statement of Cash Flows
Year Ended June 30, 2025
With Summarized Totals for the Year Ended June 30, 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Payments to suppliers	\$ (1,106,613)	\$ (1,139,223)
Payments to university and its auxiliaries	(6,358,185)	(2,298,141)
Payments to students	(1,849,891)	(2,045,094)
Other receipts	<u>502,871</u>	<u>245,413</u>
Net cash used in operating activities	<u>(8,811,818)</u>	<u>(5,237,045)</u>
Cash flows from noncapital financing activities		
Gifts and grants received for other than capital purposes	<u>4,151,644</u>	<u>2,850,304</u>
Net cash provided by noncapital financing activities	<u>4,151,644</u>	<u>2,850,304</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	12,164,341	48,080,940
Purchases of investments	(12,189,294)	(53,415,754)
Investment income received	<u>4,160,713</u>	<u>1,173,735</u>
Net cash provided by (used in) investing activities	<u>4,135,760</u>	<u>(4,161,079)</u>
Net decrease in cash and cash equivalents	(524,414)	(6,547,820)
Cash and cash equivalents, beginning of year	<u>4,100,806</u>	<u>10,648,626</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,576,392</u></u>	<u><u>\$ 4,100,806</u></u>
Summary of cash and cash equivalents at end of year		
Cash and cash equivalents	\$ 764,750	\$ 1,326,188
Restricted cash and cash equivalents	<u>2,811,642</u>	<u>2,774,618</u>
Total cash and cash equivalents	<u><u>\$ 3,576,392</u></u>	<u><u>\$ 4,100,806</u></u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (9,271,615)	\$ (5,514,112)
Adjustments to reconcile operating loss to net cash used in operating activities		
Change in assets and liabilities		
Accounts receivable, net	(160)	(1,559)
Related party receivables	59,564	(52,994)
Prepaid expenses and other assets	27,876	29,806
Accounts payable	86,006	22,100
Deferred revenue	-	(3,000)
Related party payables	<u>286,511</u>	<u>282,714</u>
Net cash used in operating activities	<u><u>\$ (8,811,818)</u></u>	<u><u>\$ (5,237,045)</u></u>
Supplemental noncash information		
Noncash activities		
In-kind donations	<u><u>\$ 24,295</u></u>	<u><u>\$ 132,202</u></u>

See Notes to Financial Statements.

California State University, Channel Islands Foundation

Notes to Financial Statements June 30, 2025

Note 1 - Organization

California State University, Channel Islands Foundation (the "Foundation") was created on August 28, 1996, pursuant to the General Nonprofit Corporation Law of the State of California and was organized to promote and assist education, administration and related services of the California State University, Channel Islands. The Foundation operates as an auxiliary organization of the California State University, Channel Islands (the "University" or "Campus") under an operating agreement with the Trustees of the California State University (the "Trustees"), which goes through June 30, 2035.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, 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.

Election of applicable FASB statements

The Foundation has elected to follow standards of accounting and financial reporting issued by the Financial Accounting Standards Board ("FASB") prior to November 30, 1989, unless those standards conflict with or contradict guidance of the GASB. The Foundation also has the option of following subsequent private sector guidance subject to the same limitation. The Foundation has elected not to adopt the pronouncements issued by the FASB after November 30, 1989.

Financial reporting entity

The financial statements include the accounts of the Foundation. The Foundation is a government organization under accounting principles generally accepted in the United States of America and is also a component unit of the University, a public university under the California State University system. The Foundation has chosen to use the reporting model for special-purpose governments engaged only in business-type activities.

Net position

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

Net investment in capital assets - Capital assets, net of accumulated depreciation, amortization, and outstanding principal balances of debt and lease liabilities attributable to the acquisition, construction or improvement of those assets.

Restricted - nonexpendable endowments - Net position resulted from contributions restricted by the donor for investment in perpetuity. The investment income generated by the endowments are to be used for scholarships for University students and programs described by the respective donors.

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.

Unrestricted - All other categories of net position. In addition, unrestricted net position may be designated for use by management of the Foundation or have legislative or bond indenture requirements associated with their use. These requirements limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be designated to support future operations in these areas.

California State University, Channel Islands Foundation

Notes to Financial Statements June 30, 2025

The Foundation has adopted a policy of generally utilizing restricted-expendable funds prior to unrestricted funds when an expense is incurred for purposes for which both are related.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with a maturity of three months or less from date of purchase. The Foundation maintains its cash and cash equivalents in bank accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Prepaid expenses

Prepaid deposits and other costs are expensed ratably over their respective terms of agreement.

Pledges receivable, net

Unconditional promises of private gifts to the Foundation are recorded as pledges receivable and revenue in the year promised at the present value of expected cash flows including consideration of collectability. Conditional promises and intentions to give are recognized as receivables and revenue when the specific condition and/or eligibility and recognition requirements are met. There were no conditional promises to give at June 30, 2025.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of net position. Unrealized gains and losses are included in the change in net position in the accompanying statement of revenues, expenses and changes in net position.

Unearned revenue

Unearned revenue consists of advance payments received for special events.

In-kind contributions

The Foundation records various types of in-kind contributions. Contributions of tangible assets are recognized at acquisition value when received. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses. For the year ended June 30, 2025, the Foundation recorded in-kind contributions of \$24,295.

Contributions

Unconditional promises to give are recorded as pledges receivable when the promise is received. Unconditional promises to give with payments due in future periods are reported as restricted support.

Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promissory, shall be recognized when the conditions on which they depend are substantially met.

Income taxes

The Foundation is organized under the nonprofit public benefit laws of California and is recognized as an exempt organization for both federal and California purposes under Section 501(c)(3) and 23701(d), respectively.

California State University, Channel Islands Foundation

Notes to Financial Statements June 30, 2025

The Foundation has evaluated its tax positions and the certainty as to whether those tax positions will be sustained in the event of an audit by taxing authorities at the federal and state levels. The primary tax positions evaluated are related to the Foundation's continued qualification as a tax-exempt organization and whether there are unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

Use of estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Classification of revenues and expenses

The Foundation considers operating revenues and expenses in the statement of revenues, expenses and changes in net position to be those revenues and expenses that result from exchange transactions or from other activities that are connected with the Foundation's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Public Colleges and Universities-an amendment of GASB Statement No. 34*. These nonoperating activities include the Foundation's noncapital gifts, net investment income and interest expense.

Comparative totals

The financial statements include certain prior-year summarized comparative information in total but not by net position class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2024 from which the summarized information was derived.

Fair value measurements

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

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

California State University, Channel Islands Foundation

Notes to Financial Statements June 30, 2025

When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

New accounting pronouncements

GASB Statement No. 101, *Compensated Absences*, was adopted by the Foundation for the fiscal year ended June 30, 2025. Statement No. 101 provides guidance on the recognition and measurement guidance for compensated absences. The implementation did not result in a material change to the financial statements.

Note 3 - Liquidity and availability

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, receivables and investments.

At June 30, 2025, the Foundation had the following financial assets and liquidity resources available over the next 12 months:

Cash and cash equivalents	\$ 764,750
Short-term investments	3,364,591
Accounts receivable	2,745
Related party receivables	15,252
Pledges receivable due in one year or less, net	<u>6,950,708</u>
	<u>\$ 11,098,046</u>

Note 4 - Cash and cash equivalents

The Foundation's cash and cash equivalents as of June 30, 2025 are classified in the accompanying statement of net position as follows:

Cash and cash equivalents	\$ 764,750
Restricted cash and cash equivalents	<u>2,811,642</u>
Total cash and cash equivalents	<u>\$ 3,576,392</u>

Cash and cash equivalents

At June 30, 2025, cash and cash equivalents consisted of demand deposits maintained at the bank. Total cash and cash equivalents of \$3,576,392 had a corresponding carrying value balance with the bank of \$3,597,026 at June 30, 2025. The difference is related primarily to outstanding checks in the amount of \$20,884 and cash on hand of \$250.

Restricted cash and cash equivalents

Restricted cash of \$2,811,642 represents designated funds by the board and cash held for specific purposes.

Custodial credit risk for deposits

Custodial credit risk for deposits is the risk that the Foundation will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code and Education Code do not contain legal or policy requirements that

California State University, Channel Islands Foundation

Notes to Financial Statements June 30, 2025

would limit the exposure to custodial credit risk for deposits, other than the provision that a financial institution must secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. This risk is mitigated in that the Foundation's deposits are maintained at financial institutions that are fully insured or collateralized as required by state law.

Note 5 - Concentrations of credit risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk include cash and cash equivalents. The Foundation maintains its cash and cash equivalents and investments with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits which are currently \$250,000 per institution. As of June 30, 2025, Foundation's bank deposits exceeded the balance insured by the FDIC by \$3,097,026, which is uninsured and collateralized by securities held by the pledging financial institution.

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

For the year ended June 30, 2025, two donors accounted for approximately 83% of the Foundation's pledges receivable and noncapital gifts.

Note 6 - Related party transactions

The Foundation has entered into certain transactions with the Campus and recognized auxiliary organizations of the Campus relating primarily to payroll reimbursement and commercial food services. The accompanying financial statements include all such transactions for the year ended June 30, 2025.

Related party receivables are generated through performing various services for the Campus. Related party receivables consist of the following:

California State University, Channel Islands	<u>\$ 15,252</u>
	<u><u>\$ 15,252</u></u>

Related party payables to the University are generated through Foundation's usage of University personnel for Foundation services:

California State University, Channel Islands	<u>\$ 945,469</u>
	<u><u>\$ 945,469</u></u>

As discussed in Note 1, the Foundation operates under an agreement with the Trustees as an auxiliary organization of the University. Accordingly, essentially all revenues, and realization of certain assets, are dependent upon the continuation of this agreement.

California State University, Channel Islands Foundation

**Notes to Financial Statements
June 30, 2025**

For the year ended June 30, 2025, the related party transactions include:

Payments made to California State University, Channel Islands	\$ 8,784,460
Payments made to Channel Islands University Auxiliary Services, Inc.	47,884
Payments made to Channel Islands Site Authority	<u>6,286</u>
 Total related party payments	 <u><u>\$ 8,838,630</u></u>
 Payment received from California State University, Channel Islands	 \$ 268,110
Payments received from Channel Islands University Auxiliary Services, Inc.	<u>36</u>
 Total related party receipts	 <u><u>\$ 268,146</u></u>

Note 7 - Pledges receivable, net

Pledges receivable at June 30, 2025 are as follows:

Less than one year	<u>\$ 6,950,708</u>
Net, pledges receivable - current	<u>6,950,708</u>
 One to five years	 4,480,807
Less discount to present value	<u>(296,848)</u>
 Net, pledges receivable - noncurrent	 <u>4,183,959</u>
 Total net, pledges receivable	 <u><u>\$ 11,134,667</u></u>

The unamortized discount is based on a risk free rate and additional market risk factor that total 3%. In management's opinion, all pledges receivables were collectible at June 30, 2025 and, therefore, no allowance has been established.

Note 8 - Subscription asset

In February 2023, the Foundation entered into a Software as a Service ("SaaS") license agreement with a third-party vendor. The terms of the agreement are for 36 months with a one-year automatic renewal. Subscription asset at June 30, 2025 is as follows:

Subscription asset	\$ 54,000
Less accumulated amortization	<u>(43,500)</u>
 Subscription asset, net	 <u><u>\$ 10,500</u></u>

Amortization expense for the year ended June 30, 2025 was \$18,000.

California State University, Channel Islands Foundation

Notes to Financial Statements
June 30, 2025

Note 9 - Restricted cash and investments for endowment

Restricted cash and investments for endowment have a combined total of \$43,055,803 at June 30, 2025. Restricted cash and investments as of June 30, 2025 consist of the following:

		Level 1
		<u> </u>
Cash restricted for endowments		\$ 600,162
		<u> </u>
Endowment investments		
Fixed income securities		
Corporate bonds	\$ 1,629,044	
Mortgage/Asset-backed securities	1,606,465	
US treasury bonds and notes	<u>594,187</u>	
	3,829,696	
Equity securities	17,945,834	
Mutual funds	18,944,614	
Limited partnerships	1,386,365	
Private equity	<u>349,132</u>	
Total endowment investments		<u>42,455,641</u>
Total restricted investments		<u>\$ 42,455,641</u>

Investment policy

The Foundation's investment policy (the "Policy") sets forth the guidelines for the investment of all endowments funds of the Foundation. As a general rule, the Policy conforms to the Prudent Investor guidelines widely used in the investment management industry, the guidelines of Uniform Management of Association for CFA Institute (formerly AIMR), the professional standards established by the Uniform Prudent Management of Institutional Funds Act and the general fiduciary standards described in the Uniform Investment Act.

The long-term investment objective of the policy is to preserve the endowment funds' capital, protect the purchasing power of the endowment funds and provide cash flows to assist in the funding of the Foundation's spending goals. With this in mind, the portfolio shall be invested to provide safety through diversification in a portfolio of common stocks, bonds, cash equivalents and other investments, all of which may reflect varying rates of returns. The return objective will be to outperform the Higher Education Price Index ("HEPI") plus 5%.

Interest rate risk

Interest rate risk is the risk that the changes in market interest rates will adversely affect the fair value of an investment. In accordance with the Policy, the Foundation manages the risk of market value fluctuations due to overall changes in general levels of interest rates by limiting its average maturity of investments within the portfolios.

Credit risk

Fixed income securities are subject to credit risk, which is the risk that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline.

California State University, Channel Islands Foundation

**Notes to Financial Statements
June 30, 2025**

The circumstances may arise due to a variety of factors, such as financial weakness, bankruptcy, litigation and/or adverse political developments. A bond's credit quality is an assessment of the issuer's ability to pay interest on a bond and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond rating agencies such as Moody's Investors Service or Standard & Poor's. The lower the rating, the greater the chance that the bond issuer will default or fail to meet its payment obligations. Generally, the lower the bond's credit rating, the higher the yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have risk.

The credit risk profile for fixed income securities is as follows:

<u>Fixed Income Securities</u>	<u>June 30, 2025</u>	<u>Credit Rating</u>
Long-term fixed income securities		
Corporate bonds	\$ 152,467	A
Corporate bonds	352,200	A-
Corporate bonds	18,062	A+
Corporate bonds	31,729	AA-
Corporate bonds	13,031	AA+
Corporate bonds	13,781	AAA
Corporate bonds	11,097	BB+
Corporate bonds	433,323	BBB
Corporate bonds	148,103	BBB-
Corporate bonds	429,926	BBB+
Corporate bonds	25,325	Unrated
Mortgage / Asset-backed securities	24,741	AAA
Mortgage / Asset-backed securities	25,224	AA
Mortgage / Asset-backed securities	1,556,500	Unrated
US treasury bonds and notes	594,187	Unrated
Total fixed income securities	<u>\$ 3,829,696</u>	

At June 30, 2025, the Foundation's fixed income securities have the following maturities:

	<u>1 year</u>	<u>1 - 5 years</u>	<u>5-10 years</u>	<u>Over 10 years</u>	<u>Total</u>
Corporate bonds	\$ 120,312	\$ 781,787	\$ 446,257	\$ 280,688	\$ 1,629,044
Mortgage/Asset-backed securities	-	50,134	16,193	1,540,138	1,606,465
US treasury bonds and notes	-	190,386	131,052	272,749	594,187
	<u>\$ 120,312</u>	<u>\$ 1,022,307</u>	<u>\$ 593,502</u>	<u>\$ 2,093,575</u>	<u>\$ 3,829,696</u>

The Foundation measures fair value in accordance with GASB 72, Fair Value Measurement and Application. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs, other than the quoted prices in active markets, are observable either directly or

California State University, Channel Islands Foundation

Notes to Financial Statements June 30, 2025

indirectly; and Level 3 unobservable inputs in which there is little or no market data, which requires the Foundation to develop its own assumptions. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Assets reported at fair value at June 30, 2025, are Level 1 inputs.

Note 10 - Investments

Investments consist of the following at June 30, 2025:

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Equity securities				
ADR & US held foreign stock	\$ 5,833,067	\$ 5,833,067	\$ -	\$ -
Consumer discretionary	2,852,584	2,852,584	-	-
Energy	802,802	802,802	-	-
Financials	1,531,327	1,531,327	-	-
Healthcare	284,034	284,034	-	-
Industrials	583,969	583,969	-	-
Information technology	4,087,267	4,087,267	-	-
Miscellaneous	286,033	286,033	-	-
Telecommunication services	353,300	353,300	-	-
Transportation	741,815	741,815	-	-
Utilities	589,636	589,636	-	-
Total equity securities	17,945,834	17,945,834	-	-
Corporate bonds	11,564,864	11,564,864	-	-
Mortgage/Asset-backed securities	9,500,540	9,500,540	-	-
Mutual funds				
Closed end funds - equity	15,446,051	15,446,051	-	-
Closed end funds - taxable	7,895,817	7,895,817	-	-
Mutual funds - equity	9,932,207	9,932,207	-	-
Other mutual funds balances	2,183,719	2,183,719	-	-
Total mutual funds	35,457,794	35,457,794	-	-
US treasury bonds and notes	15,273,536	15,273,536	-	-
Total investments by fair value level	89,742,568	\$ 89,742,568	\$ -	\$ -
Investments measured at net asset values (NAV)				
Limited partnerships	3,075,650			
Total investments	\$ 92,818,218			

At June 30, 2025, the Foundation did not have any investments measured using Level 2 or Level 3 inputs.

Financial assets valued using Level 1 inputs are based on quoted market prices within active markets and are valued on a recurring basis. Financial assets valued using Level 2 inputs are valued based on investment yields.

California State University, Channel Islands Foundation

Notes to Financial Statements June 30, 2025

The fair value of limited partnerships is determined using the net asset value ("NAV") of shares held by the Foundation at the value reported by the general partner, which can lag for 45 days. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards.

The following table lists investments in investment companies that are valued at NAV at June 30, 2025:

Asset category	NAV in funds	No. of funds	Redemption terms	Redemption instructions	Redemption restrictions in place at year end	Unfunded commitments at year end
			Closed end funds not eligible for redemption	Not redeemable	Not redeemable	
Real estate limited partnerships	\$ 3,075,650	2				\$ -

The Foundation reviews valuations and assumptions provided by investment fund managers for reasonableness and believes that the carrying amounts of these financial instruments are reasonable estimates of fair value. For the year ended June 30, 2025, there have been no changes in the valuation methodologies.

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

The Foundation's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstance that caused the transfer. There were no transfers during the year ended June 30, 2025.

The composition of the investment return reported in the statement of revenues, expenses and changes in net position are as follows:

	2025
Interest and dividend income	\$ 2,149,473
Realized and unrealized gain on investments	4,984,321
Total investment return	<u>\$ 7,133,794</u>

California State University, Channel Islands Foundation

Notes to Financial Statements June 30, 2025

Custodial credit risk

Custodial credit risk for investment deposits is the risk that the Foundation will not be able to recover its deposits in the event of a failure of a depository institution. In the ordinary course of the Foundation's operations, deposit balances in checking accounts can exceed the Federal Deposit Insurance Corporation insured limits. In accordance with the Foundation's investment policy, all certificates of deposit are FDIC-insured and limited to \$250,000 at any one institution.

Custodial credit risk for investments is the risk that if the counterparty to an investment transaction were to fail, the Foundation would not be able to recover its investment. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to indirect investment in securities through the use of mutual funds and government investment pools. U.S. Treasury issues and Federally Sponsored Enterprise issues are held by Securities Investor Protection Corporation insured brokers and are not registered with the issuer in the Foundation's name.

The following Foundation investments are subject to custodial risk as follows:

	Total	Less insured amounts	Amount subject to custodial credit risk
Equity securities	\$ 17,945,834	\$ -	\$ 17,945,834
Corporate bonds	11,564,864	500,000	11,064,864
Mortgage/Asset-backed securities	9,500,540	-	9,500,540
US treasury bonds and notes	15,273,536	-	15,273,536
Total investments	<u>\$ 54,284,774</u>	<u>\$ 500,000</u>	<u>\$ 53,784,774</u>

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as equity securities, corporate bonds, and mortgage/asset-backed securities.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have risk.

California State University, Channel Islands Foundation

**Notes to Financial Statements
June 30, 2025**

The credit risk profile for fixed income securities is as follows:

<u>Fixed Income Securities</u>	<u>June 30, 2025</u>	<u>Credit Rating</u>
Long-term fixed income securities		
Corporate bonds	\$ 973,830	A
Corporate bonds	2,438,196	A-
Corporate bonds	92,108	A+
Corporate bonds	188,541	AA-
Corporate bonds	73,531	AA+
Corporate bonds	76,892	AAA
Corporate bonds	202,773	BB+
Corporate bonds	2,977,434	BBB
Corporate bonds	1,354,766	BBB-
Corporate bonds	2,961,905	BBB+
Corporate bonds	224,888	Unrated
Mortgage / Asset-backed securities	262,767	AAA
Mortgage / Asset-backed securities	35,313	AA
Mortgage / Asset-backed securities	9,202,460	Unrated
US treasury bonds and notes	15,273,536	Unrated
Total fixed income securities	<u>\$ 36,338,940</u>	

At June 30, 2025, the Foundation's fixed income securities have the following maturities:

	<u>1 year</u>	<u>1 - 5 years</u>	<u>5-10 years</u>	<u>Over 10 years</u>	<u>Total</u>
Corporate bonds	\$ 1,379,487	\$ 6,000,189	\$ 2,535,932	\$ 1,649,256	\$ 11,564,864
Mortgage/Asset-Backed Securities	-	305,213	55,022	9,140,305	9,500,540
US treasury bonds and notes	10,774,209	2,003,136	956,323	1,539,868	15,273,536
	<u>\$ 12,153,696</u>	<u>\$ 8,308,538</u>	<u>\$ 3,547,277</u>	<u>\$ 12,329,429</u>	<u>\$ 36,338,940</u>

California State University, Channel Islands Foundation

**Notes to Financial Statements
June 30, 2025**

Note 11 - Classification of operating expenses

The Foundation has elected to report operating expenses by functional classification in the statement of revenues, expenses and changes in net position, but to provide the natural classification of those expenses as an additional disclosure. For the year ended June 30, 2025, operating expenses by natural classification consisted of the following:

	Salaries	Benefits	Fellowships	Other services	Depreciation and amortization	Total
Instruction	\$ -	\$ -	\$ -	\$ 1,034,199	\$ -	\$ 1,034,199
Research	-	-	-	463,790	-	463,790
Public service	-	-	-	51,423	-	51,423
Academic support	-	-	-	570,149	-	570,149
Student services	-	-	-	1,160,203	-	1,160,203
Institutional support	-	-	-	1,716,272	-	1,716,272
Operation and maintenance of plant	-	-	-	2,869,155	-	2,869,155
Student grants and scholarships	-	-	1,849,891	-	-	1,849,891
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,849,891</u>	<u>\$ 7,865,191</u>	<u>\$ -</u>	<u>\$ 9,715,082</u>

Note 12 - Contingency

From time to time, the Foundation may have claims against it arising from its normal operations. Currently, there are no claims or litigation against the Foundation.

Supplementary Information

California State University, Channel Islands Foundation

**GASB Schedule of Net Position
June 30, 2025
(for Inclusion in the California State University)**

Assets:

Current assets:

Cash and cash equivalents	\$	764,750
Short-term investments		3,364,591
Accounts receivable, net		17,997
Lease receivable, current portion		—
P3 receivable, current portion		—
Notes receivable, current portion		—
Pledges receivable, net		6,950,708
Prepaid expenses and other current assets		11,429
Total current assets		11,109,475

Noncurrent assets:

Restricted cash and cash equivalents		2,811,642
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		4,183,959
Endowment investments		42,455,641
Other long-term investments		46,997,986
Capital assets, net		10,500
Other assets		—
Total noncurrent assets		96,459,728
Total assets		107,569,203

Deferred outflows of resources:

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

Liabilities:

Current liabilities:

Accounts payable		1,078,957
Accrued salaries and benefits		—
Accrued compensated absences, current portion		—
Unearned revenues		—
Lease liabilities, current portion		—
SBITA liabilities - current portion		—
P3 liabilities - current portion		—
Long-term debt obligations, current portion		—
Claims liability for losses and loss adjustment expenses, current portion		—
Depository accounts		—
Other liabilities		—
Total current liabilities		1,078,957

California State University, Channel Islands Foundation

**GASB Schedule of Net Position
June 30, 2025
(for Inclusion in the California State University)**

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	—
Total liabilities	1,078,957
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	—
Net position:	
Net investment in capital assets	10,500
Restricted for:	
Nonexpendable – endowments	21,184,450
Expendable:	
Scholarships and fellowships	11,526,465
Research	191,297
Loans	—
Capital projects	20,677,265
Debt service	—
Others	32,745,788
Unrestricted	20,154,481
Total net position	\$ 106,490,246

California State University, Channel Islands Foundation

**GASB Schedule of Revenues, Expenses and Changes in Net Position
June 30, 2025
(for Inclusion in the California State University)**

Revenues:

Operating revenues:

Student tuition and fees, gross	\$	—
Scholarship allowances (enter as negative)		—
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises, gross		—
Scholarship allowances (enter as negative)		—
Other operating revenues		443,467
Total operating revenues		<u>443,467</u>

Expenses:

Operating expenses:

Instruction	1,034,199
Research	463,790
Public service	51,423
Academic support	570,149
Student services	1,160,203
Institutional support	1,716,272
Operation and maintenance of plant	2,869,155
Student grants and scholarships	1,849,891
Auxiliary enterprise expenses	—
Depreciation and amortization	—
Total operating expenses	<u>9,715,082</u>
Operating income (loss)	<u>(9,271,615)</u>

Nonoperating revenues (expenses):

State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	8,467,030
Investment income (loss), net	3,471,721
Endowment income (loss), net	3,662,073

Interest expense	—
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>15,600,824</u>
Income (loss) before other revenues (expenses)	<u>6,329,209</u>

State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	280,723
Increase (decrease) in net position	<u>6,609,932</u>

Net position:

Net position at beginning of year, as previously reported	99,880,314
Restatements	—
Net position at beginning of year, as restated	<u>99,880,314</u>
Net position at end of year	<u>\$ 106,490,246</u>

California State University, Channel Islands Foundation

**Expenses by Natural Classification
June 30, 2025**

Expenses	
Administrative expense	\$ 242,913
Advertising and promotional	11,794
Awards and gifts	2,128,907
Bank fees	2,778
Business meals and hospitality	217,872
Conferences	3,527
Dues and fees	39,094
Equipment	21,422
Insurance	8,245
Other expense	113,071
Outside services	6,219,576
Postage	5,082
Printing	9,991
Promotional items	24,315
Rental	14,772
Repairs and maintenance	25
Software	179,112
Subscription	1,063
Supplies	367,084
Travel	104,439
Total expenses	<u><u>\$ 9,715,082</u></u>

California State University, Channel Islands Foundation

Other Information

June 30, 2025

(for Inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$ 600,162
All other restricted cash and cash equivalents	<u>2,211,480</u>
Noncurrent restricted cash and cash equivalents	<u>2,811,642</u>
Current cash and cash equivalents	<u>764,750</u>
Total	<u>\$ 3,576,392</u>

California State University, Channel Islands Foundation

Other Information June 30, 2025 (for Inclusion in the California State University)

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	\$ -	\$ -
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities	1,062,001	14,211,535	15,273,536
Municipal bonds			-
Corporate bonds	2,082,604	9,482,260	11,564,864
Asset backed securities			-
Mortgage backed securities	219,986	9,280,554	9,500,540
Commercial paper			-
Supranational			-
Mutual funds		35,457,794	35,457,794
Exchange traded funds			-
Equity securities		17,945,834	17,945,834
Alternative investments:			
Private equity (including limited partnerships)		3,075,650	3,075,650
Hedge funds			-
Managed futures			-
Real estate investments (including REITs)			-
Commodities			-
Derivatives			-
Other alternative investment types			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)			-
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			
Total Other investments	-	-	-
Total investments	3,364,591	89,453,627	92,818,218
Less endowment investments (enter as negative number)	-	(42,455,641)	(42,455,641)
Total investments, net of endowments	\$ 3,364,591	46,997,986	50,362,577

California State University, Channel Islands Foundation

Other Information June 30, 2025 (for Inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -	\$ -	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	15,273,536	15,273,536	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	11,564,864	11,564,864	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	9,500,540	9,500,540	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	35,457,794	35,457,794	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	17,945,834	17,945,834	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	3,075,650	-	-	-	3,075,650
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
Total other investments:	-	-	-	-	-
Total investments	\$ 92,818,218	\$ 89,742,568	\$ -	\$ -	\$ 3,075,650

California State University, Channel Islands Foundation

Other Information June 30, 2025 (for Inclusion in the California State University)

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
Non-depreciable/Non-amortizable 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 Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable 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 Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	-	-	-	-	-	-	-	-	-
Total capital assets	-	-	-	-	-	-	-	-	-

California State University, Channel Islands Foundation

Other Information June 30, 2025 (for Inclusion in the California State University)

Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)

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 Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets, net excluding ROU assets	\$ -	-	-	-	-	-	-	-	-

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2024	Additions	Remeasurements	Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
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: (enter as negative number, except for reductions enter as positive number)									
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	-	-	-	-	-	-	-	-	-

California State University, Channel Islands Foundation

Other Information June 30, 2025 (for Inclusion in the California State University)

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Composition of capital assets - SBITA ROU, net									
Depreciable/Amortizable SBITA assets:									
Software	54,000				54,000				54,000
Total depreciable/amortizable SBITA assets	54,000	-	-	-	54,000	-	-	-	54,000
Less accumulated depreciation/amortization:									
Software	(25,500)				(25,500)	(18,000)			(43,500)
Total accumulated depreciation/amortization	(25,500)	-	-	-	(25,500)	(18,000)	-	-	(43,500)
Total capital assets - SBITA ROU, net	28,500	-	-	-	28,500	(18,000)	-	-	10,500

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Composition of capital assets - P3 ROU, net:									
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

10,500

California State University, Channel Islands Foundation

Other Information June 30, 2025 (for Inclusion in the California State University)

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ -
Amortization expense - Leases ROU	-
Amortization expense - SBITA ROU	18,000
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	(18,000)
Total depreciation and amortization	\$ -

4 Long-term liabilities: Not applicable

5. Lease, SBITA, P3 liabilities: Not applicable

6 Future minimum payments schedule - Long-term debt obligations: Not applicable

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 1,791,909
Payments to University for other than salaries of University personnel	\$ 6,980,560
Payments received from University for services, space, and programs	\$ 268,110
Gifts-in-kind to the University from discretely presented component units	\$ 10,366
Gifts (cash or assets) to the University from discretely presented component units	\$ 1,625
Accounts (payable to) University (enter as negative number)	\$ (945,469)
Other amounts (payable to) University (enter as negative number)	\$ -
Accounts receivable from University (enter as positive number)	\$ 15,252
Other amounts receivable from University (enter as positive number)	\$ -

8 Restatements: Not applicable

California State University, Channel Islands Foundation

Other Information June 30, 2025 (for Inclusion in the California State University)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	1,034,199	\$ -	\$ 1,034,199
Research	—	—	—	—	—	463,790	—	463,790
Public service	—	—	—	—	—	51,423	—	51,423
Academic support	—	—	—	—	—	570,149	—	570,149
Student services	—	—	—	—	—	1,160,203	—	1,160,203
Institutional support	—	—	—	—	—	1,716,272	—	1,716,272
Operation and maintenance of plant	—	—	—	—	—	2,869,155	—	2,869,155
Student grants and scholarships	—	—	—	—	1,849,891	—	—	1,849,891
Auxiliary enterprise expenses	—	—	—	—	—	—	—	—
Depreciation and amortization	—	—	—	—	—	—	—	—
Total operating expenses	\$ -	\$ -	\$ -	\$ -	\$ 1,849,891	\$ 7,865,191	\$ -	\$ 9,715,082

10 Deferred outflows/inflows of resources: Not applicable

11 Other nonoperating revenues (expenses): Not applicable

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

The Board of Directors
California State University, Channel Islands Foundation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities of California State University, Channel Islands Foundation (the "Foundation"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated September 18, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

CohnReznick LLP

Los Angeles, California
September 18, 2025



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