



CALIFORNIA STATE UNIVERSITY

LONG BEACH

Research Foundation

Financial Statements
with Supplementary Financial Information

June 30, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
California State University, Long Beach Research Foundation:

Opinion

We have audited the accompanying financial statements of California State University, Long Beach Research 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 California State University, Long Beach Research Foundation (the Research 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 Research 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 Research 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 Research 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 Research 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.

Other Matters

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 and the Required Supplemental Information (RSI) on page 50 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying supplementary information on pages 51-66 is presented for purposes of additional analysis and is 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 17, 2025 on our consideration of the Research 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 Research 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 Research Foundation's internal control over financial reporting and compliance.



Long Beach, California
September 17, 2025

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the California State University, Long Beach Research Foundation (the Research Foundation) for the years ended June 30, 2025 and 2024. The discussion has been prepared by management and should be read in conjunction with the financial statements and notes which follow this section.

The Research Foundation is a nonprofit organization formed to support and advance the mission of California State University, Long Beach (the University). To fulfill this mission, the Research Foundation pursues a wide range of opportunities in the areas of grants and contracts, campus programs, public-private partnerships, and other entrepreneurial activities to complement and strengthen the University's teaching, research, scholarly, creative, and public service goals.

Using the Financial Statements

The Research Foundation's financial report includes three statements: the Statements of Net Position, the Statements of Revenue, Expenses and Changes in Net Position, and the Statements of Cash Flows. These financial statements have been prepared in accordance with principles prescribed by the Governmental Accounting Standards Board (GASB). GASB establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a consolidated basis to focus on the reporting entity as a whole, with resources classified for accounting and reporting purposes into the following four net asset categories:

- Invested in capital assets, net of related debt
- Restricted, non-expendable
- Restricted, expendable
- Unrestricted

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

Statement of Net Position

The statements of net position present the financial position of the Research Foundation at the end of the fiscal year and include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Research Foundation. The difference between total assets, total liabilities, and net total of deferred outflow and inflow of resources – net position – is one indicator of the current financial condition of the Research Foundation, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets, deferred outflow of resources, liabilities, and deferred inflow of resources are generally measured using current values. One notable exception is capital assets, which are stated at historical costs, less an allowance for depreciation. For the purpose of distinguishing between current and noncurrent assets and liabilities, current assets and liabilities are those that can be reasonably expected to either generate or use cash, as part of normal business operations, within one year of the statements of net position date. A summary of the Research Foundation's assets, deferred outflow of resources, liabilities, deferred inflow of resources, and net position is as follows:

	June 30,		
	2025	2024	2023
Current assets	\$ 61,095,436	\$ 53,539,147	\$ 49,162,054
Noncurrent assets			
Accounts receivable, net	16,047,938	16,358,151	16,309,514
Leases receivable, net	72,670,902	73,549,365	74,315,232
Pledges receivable, net	132,607	404,026	449,391
Other investments	2,517,004	2,399,509	2,293,606
Capital assets	35,563,533	36,497,276	37,486,988
Total assets	<u>188,027,420</u>	<u>182,747,474</u>	<u>180,016,785</u>
Deferred outflows of resources	<u>1,163,516</u>	<u>1,286,384</u>	<u>1,922,934</u>
Current liabilities	17,881,739	15,732,142	16,752,425
Noncurrent liabilities	24,235,702	26,593,667	29,093,168
Total liabilities	<u>42,117,441</u>	<u>42,325,809</u>	<u>45,845,593</u>
Deferred inflows of resources	<u>81,290,030</u>	<u>83,768,141</u>	<u>86,612,497</u>
Net Position	<u>\$ 65,783,465</u>	<u>\$ 57,939,908</u>	<u>\$ 49,481,629</u>

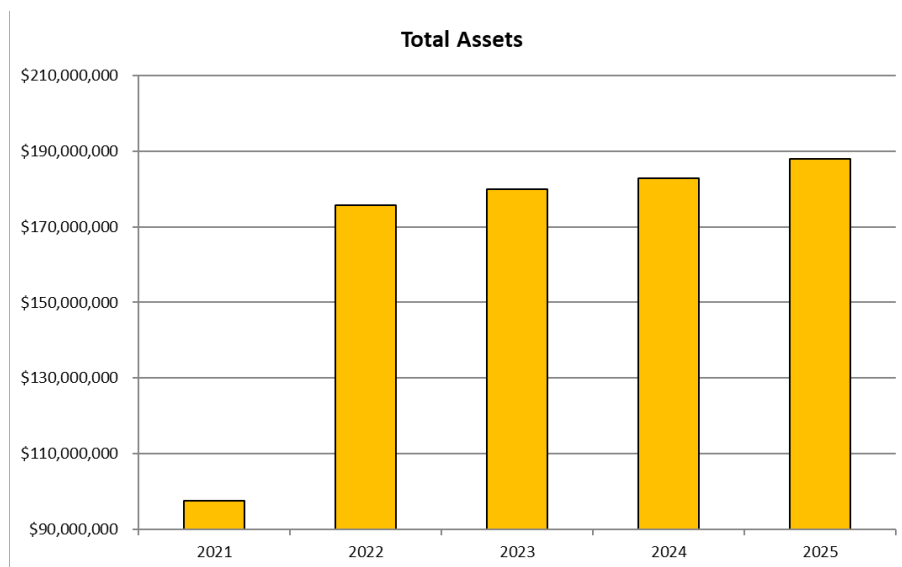
CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

Statement of Net Position (Continued)

Total assets increased \$5,279,946, or 2.9%, during fiscal year 2025, and \$2,730,689, or 1.5%, during fiscal year 2024 due to increases in cash and short-term investments. The investment market performed well, which gained an average of 7% for both years. Total assets increased \$4,437,947, or 2.5%, during fiscal year 2023 due to an increase in short-term investments and accounts receivable.

Current assets of \$61,095,436 in 2025 increased \$7,556,289, or 14.1%, and increased \$4,377,093, or 8.9%, during fiscal year 2024. The increases in current assets for both years were attributed to increase in cash and short-term investments. In 2023, current assets of \$49,162,054 were \$5,409,794, or 12.4%, during fiscal year 2022 due to an increase in short-term investments and accounts receivable from grants and contracts.



Total liabilities of \$42,117,441 remained about the same as during fiscal years 2025 and 2024. Total liabilities of \$42,325,809 decreased \$3,519,784, or 7.7%, during fiscal year 2024 from fiscal year 2023 due to reduced unearned revenues, long-term debt obligations, and other post-employment benefits liabilities. Total liabilities of \$45,845,593 decreased \$2,080,196, or 4.3%, during fiscal year 2023. The decrease is due to changes in assumptions underlying the valuation of post-employment benefit (OPEB) liability based on a full actuarial study completed in June 2023.

Current liabilities in fiscal year 2025 included accounts payable of \$1,327,304, accrued salaries and benefits payable, and compensated absences of \$4,177,158, unearned revenue of \$8,418,666, current portion of lease liabilities of \$27,561, current portion of long-term debt obligations of \$1,450,000, and other liabilities of \$2,481,050.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

Statement of Net Position (Continued)

Current liabilities in fiscal year 2024 included accounts payable of \$868,806, accrued salaries and benefits payable, and compensated absences of \$3,804,832, unearned revenue of \$6,337,213, current portion of lease liabilities of \$67,842, current portion of long-term debt obligations of \$1,385,000, and other liabilities of \$3,268,449.

Current liabilities in fiscal year 2023 included accounts payable of \$849,892, accrued salaries and benefits payable, and compensated absences of \$3,609,869, unearned revenue of \$7,416,219, current portion of lease liabilities of \$62,388, current portion of long-term debt obligations of \$1,315,000, and other liabilities of \$3,499,057.

Current unearned revenue represents unexpended cash advances received for sponsored programs.

Other Investments

The Research Foundation's other long-term investments were \$2,517,004 in 2025, and \$2,399,509 in 2024. These investments consist of funds that have been allocated by the Research Foundation for long-term investment purposes without donor restrictions.

Capital Assets and Long-Term Debt Activities

The Research Foundation's capital assets are as follows:

	<u>June 30,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Building and improvements	\$ 32,283,502	\$ 32,283,502	\$ 32,283,502
Furniture and fixtures	1,733,943	1,733,943	1,733,943
Right-of-use assets	<u>295,886</u>	<u>295,886</u>	<u>269,300</u>
	34,313,331	34,313,331	34,286,745
Less accumulated depreciation and amortization	<u>(23,814,161)</u>	<u>(22,636,520)</u>	<u>(21,430,972)</u>
	10,499,170	11,676,811	12,855,773
Collection items (works of art)	7,997,889	7,753,991	7,564,741
Land and land improvements	<u>17,066,474</u>	<u>17,066,474</u>	<u>17,066,474</u>
	<u>\$ 35,563,533</u>	<u>\$ 36,497,276</u>	<u>\$ 37,486,988</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

Capital Assets and Long-Term Debt Activities (Continued)

On June 30, 2025, the Research Foundation had \$35,563,533 invested in capital assets, net of accumulated depreciation and amortization of \$23,814,161. Capital assets decreased \$933,743, or 2.6%, primarily due to depreciation and amortization charges. There was an increase to donated works of art of \$349,900, and disposal of a record collection of \$106,000.

On June 30, 2024, the Research Foundation had \$36,497,276 invested in capital assets, net of accumulated depreciation and amortization of \$22,636,520. Capital assets decreased \$989,712, or 2.6% primarily due to depreciation and amortization charges. There was an increase to donated works of arts of \$189,250 and a lessee's right to use an asset over the life of a lease of \$26,586.

On June 30, 2023, the Research Foundation had \$37,486,988 invested in capital assets, net of accumulated depreciation and amortization of \$21,430,972. Capital assets decreased \$331,264, or 0.9%, due to depreciation and amortization charges of \$1,208,264, net of donated works of art of \$877,000.

Long-term debt obligations consisted of revenue bonds, net of unamortized bond premiums, of \$16,815,433 in 2025 and \$18,569,411 in 2024. Long-Term Debt in the Notes to the Financial Statements on page 34 shows the breakdown of the bonds payable for 2025 and 2024. (See Note 6 on page 34.)

Net Position

Net position represents the residual interest in the Research Foundation's assets after liabilities are deducted. The Research Foundation's net position is as follows:

	<u>June 30,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Invested in capital assets, net of related debt	\$ 17,268,216	\$ 16,445,139	\$ 15,768,918
Restricted – Expendable:			
Research	8,417,294	7,347,309	6,152,739
Other	5,434,023	6,227,377	6,298,267
Unrestricted	<u>34,663,932</u>	<u>27,920,083</u>	<u>21,261,705</u>
Net Position	<u>\$ 65,783,465</u>	<u>\$ 57,939,908</u>	<u>\$ 49,481,629</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

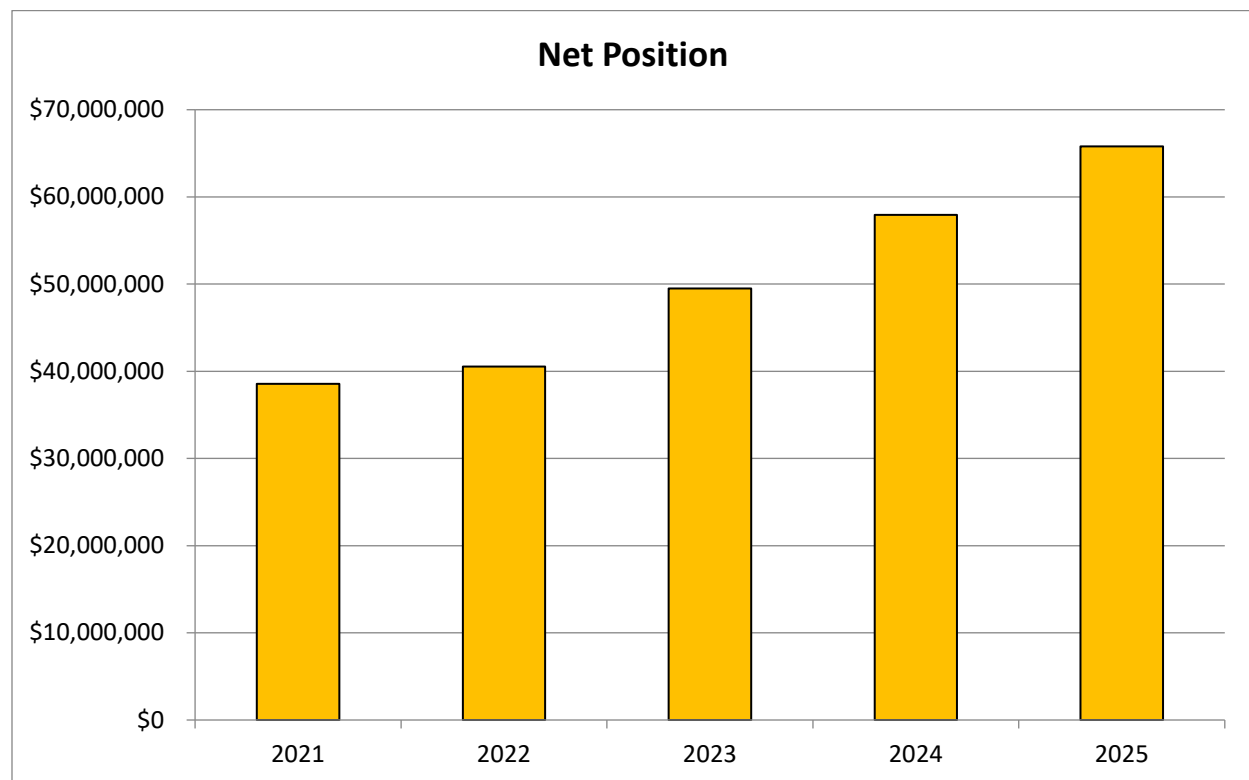
MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

Net Position (Continued)

The net position increased by \$7,843,557, or 13.5%, during fiscal year 2025 due to favorable market conditions and an increase in interest income on a lease as result of an adjustment to GASB Statement No. 87. Net position increased by \$8,458,279, or 17.1%, during fiscal year 2024 due to favorable market conditions and increase in net revenues of campus program funds. Net position increased by \$8,951,086, or 22.1%, during fiscal year 2023 due to favorable market conditions and an increase in gifts, including donations of works of art.

The amount invested in capital assets, net of related debt, represents the Research Foundation's capital assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of these assets.

Items included in the restricted expendable net position are program funds designated to support research, and other program activities.



CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

Statement of Revenue, Expenses, and Changes in Net Position

The statements of revenue, expenses, and changes in net position presents the Research Foundation's results of operations. A summary of the Research Foundation's revenue, expenses, and changes in net position is as follows:

	For the Year Ended		
	June 30,		
	2025	2024	2023
Operating revenue:			
Grants and contracts	\$ 51,731,226	\$ 54,878,315	\$ 40,022,072
Other	<u>10,633,358</u>	<u>10,820,980</u>	<u>11,068,056</u>
Total operating revenue	62,364,584	65,699,295	51,090,128
Operating expenses	<u>(59,780,432)</u>	<u>(61,460,230)</u>	<u>(48,384,109)</u>
Operating income	<u>2,584,152</u>	<u>4,239,065</u>	<u>2,706,019</u>
Nonoperating revenue (expenses):			
Gifts, noncapital	2,033,510	1,914,072	2,654,804
Investment income, net	3,840,073	2,987,627	2,313,494
Interest expense	<u>(614,178)</u>	<u>(682,485)</u>	<u>1,276,769</u>
Total nonoperating revenue (expenses), net	<u>5,259,405</u>	<u>4,219,214</u>	<u>6,245,067</u>
Change in net position	7,843,557	8,458,279	8,951,086
Net position at beginning of year	<u>57,939,908</u>	<u>49,481,629</u>	<u>40,530,543</u>
Net position at end of year	<u>\$ 65,783,465</u>	<u>\$ 57,939,908</u>	<u>\$ 49,481,629</u>

Operating Revenue

During fiscal year 2025, total operating revenue of \$62,364,584 decreased \$3,334,711, or 5.1%. Although grant revenues were lower, investment income increased \$852,446, or 28.5%, due to favorable market conditions.

During fiscal year 2024, total operating revenue of \$65,699,295 increased \$14,609,167, or 28.6%. One federal award attributed to the 37.1% increase in grant revenue for fiscal year 2024.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

Statement of Revenue, Expenses, and Changes in Net Position (Continued)

During fiscal year 2023, total operating revenue of \$51,090,128 increased \$5,185,835, or 11.3%. Grants and contracts revenue increased while campus program revenue decreased from the prior year. Total nonoperating revenue of \$6,245,067 was significantly higher due to a favorable market performance, and other OPEB adjustments from the changes in experience and assumptions based on the actuarial study.

Grants and Contracts Revenue

During fiscal year 2025, grants and contract revenue consisted of federal grants and contracts of \$31,231,992, state and local grants and contracts of \$17,195,223, and nongovernmental grants and contracts of \$3,304,011.

During fiscal year 2024, grants and contract revenue consisted of federal grants and contracts of \$38,520,695, state and local grants and contracts of \$13,039,175, and nongovernmental grants and contracts of \$3,318,445.

	For the Year Ended		
	June 30,		
	2025	2024	2023
Grants and contracts revenue			
Federal	\$ 31,231,992	\$ 38,520,695	\$ 26,447,887
State	15,016,668	12,549,437	10,224,643
Local	2,178,555	489,738	431,048
Nongovernmental	<u>3,304,011</u>	<u>3,318,445</u>	<u>2,918,494</u>
 Total grants and contracts revenue	 <u>\$ 51,731,226</u>	 <u>\$ 54,878,315</u>	 <u>\$ 40,022,072</u>

Investment Income

Investment income, net of fees, consists of a change in the fair market value of investments, including interest, dividends, and realized and unrealized gains (losses), and totaled \$3,840,073 in 2025, \$2,987,627 in 2024, and \$2,313,494 in 2023.

Operating Expenses

In 2025, operating expenses consist of salaries and fringe benefits of \$31,122,194, supplies and services of \$22,294,800, scholarships and fellowships of \$5,185,795, and depreciation and amortization of \$1,177,643. The breakdown of operating expenses is shown in Note 9 – Operating expenses by function on page 48.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

Statement of Revenue, Expenses, and Changes in Net Position (Continued)

In 2024, operating expenses consist of salaries and fringe benefits of \$30,417,752, supplies and services of \$25,882,158, scholarships and fellowships of \$3,954,772, and depreciation and amortization of \$1,205,548. The breakdown of operating expenses is shown in Note 9 – Operating expenses by function on page 47.

Expenses by Functional Classification

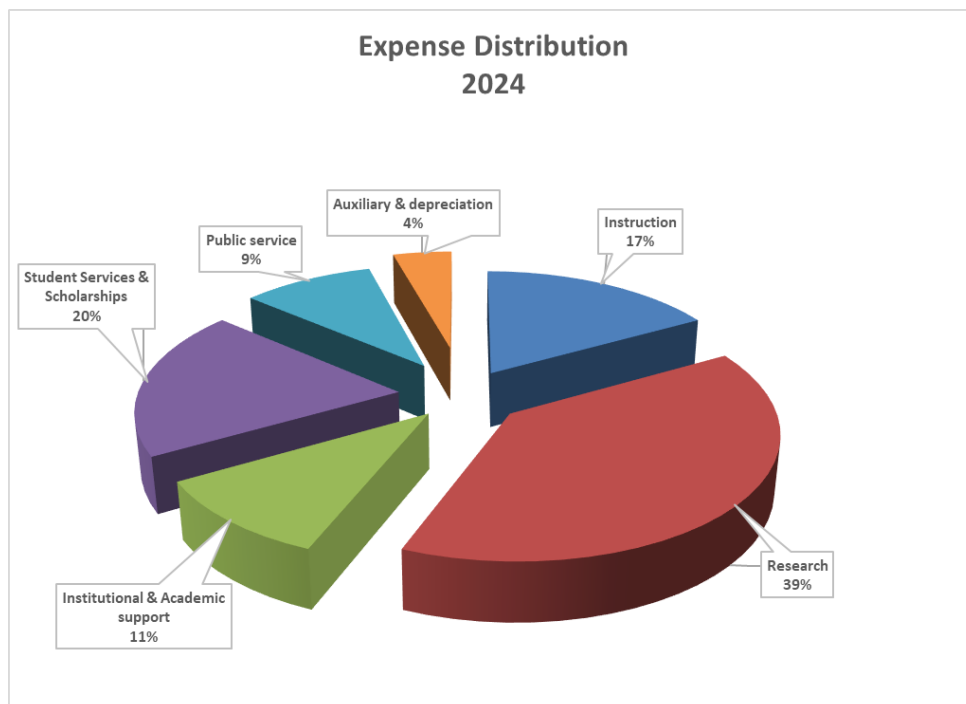
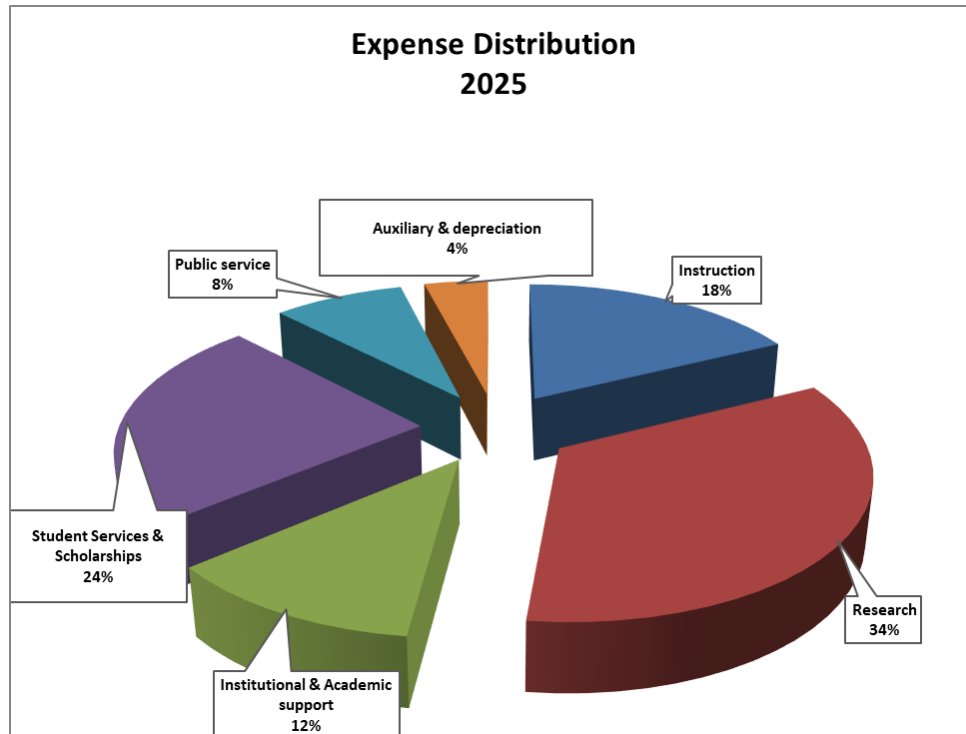
In addition to their natural classifications, it is also informative to review operating expenses by function. A summary of the Research Foundation's expenses by functional classification is as follows:

	For the Year Ended June 30,					
	2025	Percentage of Total	2024	Percentage of Total	2023	Percentage of Total
		%		%		%
Operating						
Instruction	\$ 10,573,318	18	\$ 10,375,815	17	\$ 8,720,043	18
Research	20,479,701	34	24,109,830	39	13,631,303	28
Public service	4,923,479	8	5,825,521	9	6,235,597	13
Academic support	3,870,807	6	3,971,275	6	3,525,083	7
Student services	9,113,199	16	8,065,026	13	7,330,703	15
Institutional support	3,225,632	6	2,520,897	5	3,739,252	8
Student grants and scholarships	5,185,795	8	3,954,772	7	2,935,562	6
Auxiliary enterprise expenses	1,230,858	2	1,431,546	2	1,058,302	2
Depreciation and amortization	1,177,643	2	1,205,548	2	1,208,264	3
Total Operating Expenses	<u>\$ 59,780,432</u>	<u>100</u>	<u>\$ 61,460,230</u>	<u>100</u>	<u>\$ 48,384,109</u>	<u>100</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

Statement of Revenue, Expenses, and Changes in Net Position (Continued)



CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

Statement of Cash Flows

The statements of cash flows provide additional information on the Research Foundation's financial results by reporting the major sources and uses of cash. A summary of the statements of cash flows is as follows:

	For the Year Ended June 30,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash received from operations	\$ 63,252,524	\$ 62,243,545	\$ 47,045,970
Cash expended for operations	<u>(59,532,142)</u>	<u>(61,117,154)</u>	<u>(46,024,045)</u>
Net cash provided by operating activities	3,720,382	1,126,391	1,021,925
Net cash provided by noncapital financing activities (gifts and grants)	2,061,029	1,743,601	1,763,068
Net cash used in capital and related financing activities	(2,200,342)	(2,198,250)	(2,186,854)
Net cash provided by (used in) investing activities	<u>78,533</u>	<u>857,668</u>	<u>(1,205,799)</u>
Net change in cash and cash equivalents	3,659,602	1,529,410	(607,660)
Cash and cash equivalents at beginning of year	<u>3,209,925</u>	<u>1,680,515</u>	<u>2,288,175</u>
Cash and cash equivalents at end of year	<u>\$ 6,869,527</u>	<u>\$ 3,209,925</u>	<u>\$ 1,680,515</u>

During fiscal year 2025, the cash position of \$6,869,527 increased \$3,659,602, or 114%.

During fiscal year 2024, the cash position of \$3,209,925 increased \$1,529,410, or 91%.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

Economic Factors Which May Affect the Future

The Research Foundation supports the endeavors of externally sponsored research and training programs as a means of enhancing the academic experience of its faculty, staff, and students. This externally sponsored research allows faculty, staff, and students the ability to engage in nationally recognized scholarly endeavors and is a cornerstone of the University's academic excellence. The Research Foundation, in collaboration with the Office of Research and Economic Development, offers a full range of pre-and-post award administrative services to support its externally sponsored programs.

Revenue generated for providing these administrative services makes up a significant portion of the Research Foundation's operating revenue. In fiscal year 2024/25, 267 proposals were submitted to a variety of funding agencies. These proposals had a total value of approximately \$11,571,000. During the same period, 156 new awards were received and valued at approximately \$49,456,000. Of these new awards, 100 came from federal agencies, 50 state agencies, 6 local agencies, and 111 corporations and foundations. Research expenditures totaled approximately \$45,388,000 with an F&A Effective Rate of 13.8%.

Federal research grants have changed substantially over the last two quarters of the fiscal year. As with many colleges and universities across the United States, the Research Foundation had several federal grants which were cancelled unexpectedly and is waiting to see how this trend will continue into the new fiscal year. Many of the tenants in the Research Foundation's building receive federal funding. As the federal grant landscape changes, it could affect grant revenue as well as tenant occupancy.

Through the efforts of its faculty, students, and administrators, the Research Foundation will continue to foster a research culture at the University.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

STATEMENT OF NET POSITION

ASSETS

	June 30,	
	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,869,527	\$ 3,209,925
Short-term investments	40,092,013	36,448,751
Accounts receivable, current portion	12,531,528	12,340,708
Leases receivable, current portion	1,261,502	1,241,708
Pledges receivable, current portion	200,000	200,000
Prepaid expenses and other assets	140,866	98,055
	<u>61,095,436</u>	<u>53,539,147</u>
NONCURRENT ASSETS		
Accounts receivable, net of current portion	16,047,938	16,358,151
Leases receivable, net of current portion	72,670,902	73,549,365
Pledges receivable, net of current portion	132,607	404,026
Other long-term investments	2,517,004	2,399,509
Capital assets, net	35,563,533	36,497,276
	<u>126,931,984</u>	<u>129,208,327</u>
TOTAL ASSETS	<u>188,027,420</u>	<u>182,747,474</u>
DEFERRED OUTFLOWS OF RESOURCES		
Net differences in OPEB liabilities	179,623	190,087
Unamortized loss on refunding	983,893	1,096,297
	<u>1,163,516</u>	<u>1,286,384</u>

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

STATEMENT OF NET POSITION (CONTINUED)

LIABILITIES

	June 30,	
	2025	2024
CURRENT LIABILITIES		
Accounts payable	\$ 1,327,304	\$ 868,806
Accrued salaries and benefits payable	2,317,325	2,033,777
Accrued compensated absences	1,859,833	1,771,055
Unearned revenue	8,418,666	6,337,213
Lease liabilities, current portion	27,561	67,842
Long-term debt obligations, current portion	1,450,000	1,385,000
Other liabilities	2,481,050	3,268,449
	<u>17,881,739</u>	<u>15,732,142</u>
NONCURRENT LIABILITIES		
Lease liabilities, net of current portion	2,324	29,885
Long-term debt obligations, net of current portion	16,815,433	18,569,411
Other postemployment benefit obligations	1,867,662	2,315,278
Other liabilities	5,550,283	5,679,093
	<u>24,235,702</u>	<u>26,593,667</u>
TOTAL LIABILITIES	<u>42,117,441</u>	<u>42,325,809</u>
DEFERRED INFLOW OF RESOURCES		
Net differences in OPEB liabilities	560,313	671,221
Non-exchange transactions	13,014,666	13,093,938
Leases	67,715,051	70,002,982
	<u>81,290,030</u>	<u>83,768,141</u>
NET POSITION		
NET POSITION		
Invested capital assets, net of related debt	17,268,216	16,445,139
Restricted for:		
Expendable:		
Research	8,417,294	7,347,309
Other	5,434,023	6,227,377
Unrestricted	<u>34,663,932</u>	<u>27,920,083</u>
TOTAL NET POSITION	<u>\$ 65,783,465</u>	<u>\$ 57,939,908</u>

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	For the Year Ended June 30,	
	2025	2024
REVENUE		
Operating Revenue:		
Grants and contracts, noncapital:		
Federal	\$ 31,231,992	\$ 38,520,695
State	15,016,668	12,549,437
Local	2,178,555	489,738
Nongovernmental	3,304,011	3,318,445
Sales and services of auxiliary enterprises	4,076,801	3,710,950
Other operating revenue	6,556,557	7,110,030
	<u>62,364,584</u>	<u>65,699,295</u>
EXPENSES		
Operating Expenses:		
Instruction	10,573,318	10,375,815
Research	20,479,701	24,109,830
Public service	4,923,479	5,825,521
Academic support	3,870,807	3,971,275
Student services	9,113,199	8,065,026
Institutional support	3,225,632	2,520,897
Student grants and scholarships	5,185,795	3,954,772
Auxiliary enterprise expenses	1,230,858	1,431,546
Depreciation and amortization	1,177,643	1,205,548
	<u>59,780,432</u>	<u>61,460,230</u>
OPERATING INCOME	<u>2,584,152</u>	<u>4,239,065</u>
NONOPERATING REVENUE (EXPENSES)		
Gifts, noncapital	2,033,510	1,914,072
Investment income , net	3,840,073	2,987,627
Interest expense	(614,178)	(682,485)
	<u>5,259,405</u>	<u>4,219,214</u>
CHANGE IN NET POSITION	7,843,557	8,458,279
NET POSITION AT BEGINNING OF YEAR	<u>57,939,908</u>	<u>49,481,629</u>
NET POSITION AT END OF YEAR	<u>\$ 65,783,465</u>	<u>\$ 57,939,908</u>

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

STATEMENT OF CASH FLOWS

	For the Year Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Federal grants and contracts	\$ 32,560,721	\$ 37,175,064
State grants and contracts	15,655,535	12,111,052
Local grants and contracts	2,271,239	472,630
Nongovernmental grants and contracts	3,444,576	3,202,523
Payments to suppliers	(22,840,336)	(26,109,056)
Payments to employees	(31,513,211)	(31,053,325)
Payments to students	(5,178,595)	(3,954,773)
Sales and services of auxiliary enterprises	5,110,228	4,679,403
Other receipts	4,210,225	4,602,873
Net Cash Provided By Operating Activities	<u>3,720,382</u>	<u>1,126,391</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Gifts received for noncapital purposes	<u>2,061,029</u>	<u>1,743,601</u>
Net Cash Provided By Noncapital Financing Activities	<u>2,061,029</u>	<u>1,743,601</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments to retire bonds	(1,385,000)	(1,315,000)
Interest paid on capital-related debt	(815,342)	(883,250)
Net Cash Used In Capital and Related Financing Activities	<u>(2,200,342)</u>	<u>(2,198,250)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	36,817,861	11,860,294
Investment income, net	3,840,073	2,987,627
Purchase of investments	(40,579,401)	(13,990,253)
Net Cash Provided By Investing Activities	<u>78,533</u>	<u>857,668</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,659,602	1,529,410
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,209,925</u>	<u>1,680,515</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,869,527</u>	<u>\$ 3,209,925</u>

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

STATEMENT OF CASH FLOWS (CONTINUED)

	For the Year Ended June 30,	
	2025	2024
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
Operating income	\$ 2,584,152	\$ 4,239,065
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization	1,177,643	1,205,548
Change in assets and liabilities:		
Accounts receivable, net	119,393	(838,040)
Leases receivable, net	858,669	709,103
Prepaid expenses and other assets	(42,811)	22,540
Deferred outflows of resources	9,295	522,380
Accounts payable	470,040	29,872
Accrued salaries and benefits payable	283,548	115,480
Accrued compensated absences	88,778	79,483
Unearned revenue	2,081,453	(1,079,006)
Other liabilities	(1,431,667)	(1,035,678)
Deferred inflows of resources	(2,478,111)	(2,844,356)
 Net Cash Provided By Operating Activities	 <u>\$ 3,720,382</u>	 <u>\$ 1,126,391</u>

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 – Statement of Significant Accounting Policies

Organization

The California State University, Long Beach Research Foundation (the Research Foundation) is a nonprofit, tax-exempt corporation, incorporated in the state of California on October 3, 1956. The Research Foundation was organized to administer grants from governmental and private agencies for research and other activities related to the programs of California State University, Long Beach (the University). The Research Foundation has accepted donations, gifts, and bequests for any university-related use and is currently only administering gifts and bequests made to the Research Foundation prior to the start of Long Beach State Foundation (formerly known as CSULB 49er Foundation), which now accepts such donations for any university-related use. The Research Foundation is a direct-support organization and component of the University.

Basis of Presentation

The financial statements have been prepared 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).

The accompanying financial statements have been prepared on the accrual basis of accounting. The Research Foundation reports as a Business Type Activity and, accordingly, has reported its activities within a single column in the basic financial statements.

The Research Foundation's policy for defining operating activities as reported on the statements of revenue, expenses, and changes in net position are those that generally result from transactions such as payments received for providing services and payments made for services or goods received. Nearly all of the Research Foundation's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenue as defined by GASB, including gifts and investment income.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The Research Foundation has adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, GASB Statement No. 35, as amended by GASB Statements No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. GASB Statement No. 33 requires that unconditional promises to give be recorded as receivables and revenue when the Research Foundation has met all applicable eligibility requirements. This statement also requires that unspent cash advances received for sponsored programs be recorded as deferred revenue rather than as restricted expendable net assets. GASB Statement No. 35 established standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following four net position categories: Invested in capital assets, net of related debt; Restricted, non-expendable; Restricted, expendable; and Unrestricted.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Research Foundation reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources – represent outflow of resources (consumption of net position) that apply to future periods and that, therefore, are not be recognized as an expense until that time.

Deferred Inflows of Resources – (acquisition of net position) that apply to future periods and that, therefore, are not to be recognized as revenue until that time.

Classification of Current and Noncurrent Assets (Other than Investments) and Liabilities

The Research Foundation considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and cash equivalents and be available for liquidation of current liabilities within 12 months of the statements of net position date. Liabilities that reasonably can be expected, as part of the Research Foundation's normal business operations, to be liquidated within 12 months of the statements of net position date, are considered to be current. All other assets and liabilities are considered to be noncurrent. For clarification of current and noncurrent investments, see the Research Foundation's investment accounting policy.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Net Position

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

- *Invested in capital assets, net of related debt*

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

- *Restricted*

Nonexpendable – Net position subject to externally imposed stipulations that they be maintained permanently by the Research Foundation.

Expendable – Net position whose use by the Research Foundation is subject to externally imposed stipulations that can be fulfilled by actions of the Research Foundation pursuant to those stipulations or that expire with the passage of time.

- *Unrestricted*

Net position not subject to externally imposed stipulations. Unrestricted net positions may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net positions are designated for any university-related use, which includes academic and research programs and initiatives, and capital programs.

Reporting Entity

The Research Foundation is an affiliated organization component unit of the University. As such, the Research Foundation's financial data is included in the financial statements of the University.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. The most significant estimates relate to allowance for uncollectible accounts receivable, leases receivable, pledges receivable, estimated useful lives of capital assets, postemployment benefit obligations, lease-related discount rates, and charitable unitrust agreements. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Cash and Cash Equivalents

The Research Foundation considers all highly liquid, short-term investments purchased with an original maturity of three months or less to be cash equivalents. The Research Foundation maintains cash with financial institutions in excess of federally insured limits.

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that the Research 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 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 government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The Research Foundation mitigates the risk by maintaining deposits at financial institutions that are fully insured or collateralized as required by state law.

Investments

The Research Foundation has adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Under GASB Statement No. 31, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values using quoted market prices in the statements of net position. Realized and unrealized gains and losses are included in the accompanying statements of revenue, expenses, and changes in net position.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Investments (Continued)

The Research Foundation has adopted GASB Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value.

Accounts Receivable

Accounts receivable primarily consist of amounts due from the federal government, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants. Accounts receivable also include charges for auxiliary enterprises' sales and services. Management provides for probable uncollectible amounts through a charge to revenue and a credit to a valuation allowance based on its assessment of the current status of the receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. At June 30, 2025 and 2024, the valuation allowance was approximately \$100,000.

Pledges Receivable

The Research Foundation used to receive pledges and bequests of financial support on behalf of the University. In 2013, a new foundation was established to receive and administer pledges and bequests of financial support on behalf of the University. As part of establishing the new foundation all pledge receivables, except for one, were transferred to the new foundation for collection of the remaining pledge. Details of the one remaining pledge with the Research Foundation are disclosed in Note 3. There was no allowance on the pledge receivable at June 30, 2025 and 2024 as management deems the pledge fully collectible.

Capital Assets

Capital assets of the Research Foundation are stated at cost or, if acquired by gift, at estimated fair value at the date of donation. Major renewals and betterments are charged to capital assets, while replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are currently expensed. Depreciation and amortization are charged on a straight-line basis over the estimated useful lives of the assets, which range from five to forty years.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Collection Items and Works of Art

The Research Foundation's collection items consist of artifacts of historical significance and art objects that are held for educational research and curatorial purposes. Each of the items is cataloged, preserved and cared for, and activities verifying their existence and assessing their condition are performed continuously. Monies recovered from any collections that are sold must be used to acquire other collection items.

Collection items acquired on or after July 1, 1996 are capitalized at cost, if the items were purchased, or at their appraised or fair market value on the accession date, if the items were contributed. During the years ended June 30, 2025 and 2024, there were donated collection items of \$349,900 and \$189,250, respectively.

Accrued Compensated Absences

The Research Foundation's employees accrue annual leave at rates based on length of service and job classification.

Unearned Revenue

Unearned revenue consists primarily of amounts received from grant and contract sponsors which have not yet been earned under the terms of the agreement and lease payments received in advance from lessees on long-term leases.

Classification of Revenue and Expenses

The Research Foundation considers operating revenue and expenses in the statements of revenue, expenses, and changes in net position to be those revenue and expenses that result from exchange transactions or from other activities that are connected directly to the Research 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 revenue and expenses in accordance with GASB Statement No. 35. These nonoperating activities include net investment income, gifts (noncapital), endowments, and interest expense.

Income Taxes

The Research Foundation is tax-exempt under Internal Revenue Code Section 501(c)(3) for federal income taxes, as well as the related provisions for state income tax purposes.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – Statement of Significant Accounting Policies (Continued)

Recently Adopted GASB Pronouncements

During the fiscal year ended June 30, 2025, the Research Foundation adopted GASB Statement 101, *Compensated Absences*. The statement provides guidance on the recognition and measurement of compensated absences by amending and updating certain previously required disclosures under a unified model better to meet the information needs of financial statement users. The statement was effective for fiscal years beginning after December 15, 2023 and the Research Foundation adopted as of July 1, 2024.

Future Pending GASB Pronouncements

GASB Statement 103, *Financial Reporting Model Improvements* supersedes GASB 34 by either establishing new accounting and financial reporting requirements or modifying existing requirements to the following areas:

- Management's Discussion and Analysis (MD&A)
- Unusual or infrequent items
- Presentation of proprietary fund statement of revenues, expenses, and changes in fund net position
- Information about major component units in basic financial statements
- Budgetary comparison information
- Financial trends information in the statistical section.

GASB Statement 103 is effective for fiscal years beginning after June 15, 2025. The Research Foundation is currently evaluating the impact of the pronouncement for fiscal year ending June 30, 2026.

GASB Statement 104, *Disclosure of Certain Capital Assets* establishes requirements for leased assets, intangible right-to-use assets, and subscription assets to be disclosed separately in the capital asset note disclosure required by GASB Statement 34. It also establishes requirements for capital assets held for sale and the related disclosures for those capital assets held for sale. GASB Statement 104 is effective for fiscal years beginning after June 15, 2025. The Research Foundation is currently evaluating the impact of the pronouncement for fiscal year ending June 30, 2026.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 – Accounts Receivable

The composition of accounts receivable is summarized as follows:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Grants and contracts	\$ 12,631,528	\$ 12,440,708
Trusts and other	<u>16,047,938</u>	<u>16,358,151</u>
	28,679,466	28,798,859
Less allowance for uncollectible accounts	<u>(100,000)</u>	<u>(100,000)</u>
	28,579,466	28,698,859
Less current portion	<u>(12,531,528)</u>	<u>(12,340,708)</u>
Noncurrent portion	<u>\$ 16,047,938</u>	<u>\$ 16,358,151</u>

NOTE 3 – Pledges Receivable

Pledges receivable are recorded in the statements of net position at estimated net realizable value in accordance with GASB Statement No. 33. Pledges receivable were discounted as of June 30, 2025 using an interest rate of 3.39%, which approximated the Research Foundation's rate of return on treasury notes at the time the pledges were made. Pledges receivable as of June 30, 2025 are summarized as follows:

<u>Due in the Year</u> <u>Ending June 30,</u>		
	2026	\$ 200,000
	2027	<u>141,750</u>
		341,750
Less present value discounts		<u>(9,143)</u>
		332,607
Less current portion of pledges receivable		<u>(200,000)</u>
Long-term portion of pledges receivable		<u>\$ 132,607</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 4 – Investments

At June 30, 2025 and 2024, the Research Foundation's investment portfolio consists primarily of investments held in mutual funds, as well as interest-bearing accounts.

Investment Policy

The primary objective of the Research Foundation's investment policy is to protect its investment amounts. The secondary objective is to meet the liquidity needs of the Research Foundation. The third objective is to return an acceptable yield on investments. In general, the Research Foundation's investment policy permits investments in obligations of the federal and state governments, equities, corporate bonds, and certain other investment instruments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The Research Foundation may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net position.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 4 – Investments (Continued)

Credit Risk (Continued)

The following is a summary of investments:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Investments at fair value as determined by quoted market price or estimated fair value:		
Common stock and exchange traded funds	\$ 27,967,035	\$ 27,779,967
Money market	24,399	-
Mutual funds	2,194,675	2,097,745
Bonds	7,978,966	4,520,329
LAIF	<u>4,443,942</u>	<u>4,450,219</u>
	<u>\$ 42,609,017</u>	<u>\$ 38,848,260</u>
	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Investments by classification:		
Current portion	\$ 40,092,013	\$ 36,448,751
Noncurrent portion	<u>2,517,004</u>	<u>2,399,509</u>
	<u>\$ 42,609,017</u>	<u>\$ 38,848,260</u>

Investments are valued at quoted market price if available; otherwise, they are recorded at estimated fair value. Other investments consist of a treasury note that is valued at fair value based on market prices.

Investment income is summarized as follows:

	<u>For the Year Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest and dividend income, net of fees	\$ 899,079	\$ 945,067
Net unrealized gain	2,995,325	2,148,665
Net realized loss	<u>(54,331)</u>	<u>(106,105)</u>
	<u>\$ 3,840,073</u>	<u>\$ 2,987,627</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 4 – Investments (Continued)

Credit Risk (Continued)

Investment fees totaled \$68,927 and \$63,628 for the years ended June 30, 2025 and 2024, respectively, and are included in investment income on the accompanying statements of revenue, expenses, and changes in net position.

The Research 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 inputs are quoted prices (unadjusted) in active markets for identical assets that the Research Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset.

The following tables set forth by level, within the fair value hierarchy, the Research Foundation's investments at fair value measurements:

	Fair Value Measurements at June 30, 2025				
	Level 1	Level 2	Level 3	Net Asset Value^(a)	Total
Common stock and					
exchange traded funds	\$ 27,967,035	\$ -	\$ -	\$ -	\$ 27,967,035
Money market	24,399	-	-	-	24,399
U.S. Treasury securities:					
Intermediate-term bond	7,978,966	-	-	-	7,978,966
Equity mutual funds:					
Large blend	2,194,675	-	-	-	2,194,675
State of California Local					
Agency Investment Fund	-	-	-	4,443,942	4,443,942
Total assets at fair value	<u>\$ 38,165,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,443,942</u>	<u>\$ 42,609,017</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 – Investments (Continued)

Credit Risk (Continued)

Fair Value Measurements at June 30, 2024					
	Level 1	Level 2	Level 3	Net Asset Value ^(a)	Total
Common stock and exchange traded funds	\$ 27,779,967	\$ -	\$ -	\$ -	\$ 27,779,967
U.S. Treasury securities:					
Intermediate-term bond	4,520,329	-	-	-	4,520,329
Equity mutual funds:					
Large blend	2,097,745	-	-	-	2,097,745
State of California Local Agency Investment Fund	-	-	-	4,450,219	4,450,219
Total assets at fair value	<u>\$ 34,398,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,450,219</u>	<u>\$ 38,848,260</u>

(a) In accordance with GASB Statement No. 72, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net position.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 5 – Capital Assets

Capital assets activity for the year ended June 30, 2025 is summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Land	\$ 17,066,474	\$ -	\$ -	\$ 17,066,474
Building and improvements	32,283,502	-	-	32,283,502
Furniture and fixtures	1,733,943	-	-	1,733,943
Right-of-use assets	295,886	-	-	295,886
Collection items	<u>7,753,991</u>	<u>349,900</u>	<u>(106,000)</u>	<u>7,997,891</u>
	59,133,796	349,900	(106,000)	59,377,696
Less accumulated depreciation and amortization	<u>(22,636,520)</u>	<u>(1,177,643)</u>	<u>-</u>	<u>(23,814,163)</u>
	<u>\$ 36,497,276</u>	<u>\$ (827,743)</u>	<u>\$ (106,000)</u>	<u>\$ 35,563,533</u>

Capital assets activity for the year ended June 30, 2024 is summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Land	\$ 17,066,474	\$ -	\$ -	\$ 17,066,474
Building and improvements	32,283,502	-	-	32,283,502
Furniture and fixtures	1,733,943	-	-	1,733,943
Right-of-use assets	269,300	26,586	-	295,886
Collection items	<u>7,564,741</u>	<u>189,250</u>	<u>-</u>	<u>7,753,991</u>
	58,917,960	215,836	-	59,133,796
Less accumulated depreciation and amortization	<u>(21,430,972)</u>	<u>(1,205,548)</u>	<u>-</u>	<u>(22,636,520)</u>
	<u>\$ 37,486,988</u>	<u>\$ (989,712)</u>	<u>\$ -</u>	<u>\$ 36,497,276</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 6 – Long-Term Debt

Long-term debt consists of:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Bonds payable with interest at rates ranging from 3.5% to 5.00%, due semi-annually, principal payments due annually, final installment due May 2033	\$ 4,760,000	\$ 5,235,000
Bonds payable with interest at rates ranging from 2.5% to 5.75%, due semi-annually, principal payments due annually, final installment due May 2035	7,700,000	8,280,000
Bonds payable with interest at rates ranging from 4.0% to 5.00%, due semi-annually, principal payments due annually, final installment due May 2033	<u>3,330,000</u>	<u>3,660,000</u>
	15,790,000	17,175,000
Unamortized bond premium	2,475,433	2,779,411
Less current portion	<u>(1,450,000)</u>	<u>(1,385,000)</u>
Noncurrent portion	<u>\$ 16,815,433</u>	<u>\$ 18,569,411</u>

Long-term debt activity for the year ended June 30, 2025 is summarized as follows:

	<u>Beginning Balance</u>	<u>Borrowings</u>	<u>Refunding</u>	<u>Principal Repayment</u>	<u>Ending Balance</u>
Bonds payable	<u>\$ 17,175,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,385,000)</u>	<u>\$ 15,790,000</u>

Long-term debt activity for the year ended June 30, 2024 is summarized as follows:

	<u>Beginning Balance</u>	<u>Borrowings</u>	<u>Refunding</u>	<u>Principal Repayment</u>	<u>Ending Balance</u>
Bonds payable	<u>\$ 18,490,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,315,000)</u>	<u>\$ 17,175,000</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 6 – Long-Term Debt (Continued)

Future maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,450,000	\$ 743,750
2027	1,530,000	669,250
2028	1,610,000	590,750
2029	1,690,000	508,250
2030	1,770,000	421,750
2031-2035	<u>7,740,000</u>	<u>781,000</u>
	<u>\$ 15,790,000</u>	<u>\$ 3,714,750</u>

The bonds contain certain covenants with respect to a minimum debt service coverage ratio and minimum unrestricted net assets for which the Research Foundation is in compliance at June 30, 2025.

NOTE 7 – Pension Plan and Postemployment Health Care Plan

Pension Plan

The Research Foundation has a defined contribution retirement plan (the Plan) which covers all regular full-time employees and part-time employees who have completed at least 1,000 hours of service during the year. There is a two-year waiting period to enter the Plan. The basic plan contribution rate is equal to 10% of gross earnings. Pension expense was approximately \$851,000 and \$861,000 for the years ended June 30, 2025 and 2024, respectively.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan

The Research Foundation maintains the same plans for its retirees as for its active employees, as well as Medicare Replacement Plans for retirees age 65 and over.

The Research Foundation contributes to the cost of insurance according to a policy statement which is summarized below:

Group 1 employees (Benefitted Research Foundation Central Office Employees and Benefitted Office of Research and Sponsored Programs) and Group 2 employees (Benefitted Grant, Contract, Research, and Special Project Employees) hired before January 1, 2012 are eligible to retire and receive Research Foundation-paid benefits after the later of age 50 and 5 years of continuous employment by the Research Foundation immediately prior to retirement. The Research Foundation contributes an amount up to 100% of the cap for active employees, which varies by tier.

Group 1 employees hired on or after January 1, 2012 are eligible to retire after the later of age 60 and 10 years of continuous employment by the Research Foundation immediately prior to retirement. The Research Foundation contributes an amount up to 50% of the cap for active employees. Group 2 employees hired on or after January 1, 2012 are not eligible for retiree health benefits.

The Research Foundation elected to utilize the roll-forward method to value their obligations under the Plan for the year ended June 30, 2025 as permitted by GASB Statement No. 75 as the prior year figures for June 30, 2024 utilized a full actuarial valuation. This roll-forward method is permitted as long as a full actuarial valuation is conducted at least every two years.

At June 30, 2025, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	53
Active plan members	41

The Research Foundation currently finances benefits on a pay-as-you-go basis.

Benefits continue for the lifetime of the retiree and their spouse or domestic partner. Spouses and domestic partners will be covered only if married or partnered at the time of retirement.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Reconciliation of Benefit Obligations

The following table provides a reconciliation of the changes in the Plan's benefit obligations and a statement of the funded status as of June 30, 2025 and 2024:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 8,770,473	\$ 8,599,211
Service cost	149,680	145,674
Interest cost	515,746	505,913
Experience adjustment	152,704	-
Benefits paid	<u>(499,095)</u>	<u>(480,325)</u>
Obligation at end of year	<u>9,089,508</u>	<u>8,770,473</u>
Change in plan assets		
Fair value of plan assets at beginning of year	6,455,195	5,729,106
Employer contributions	499,095	480,325
Net investment income	795,994	752,546
Administrative expenses	(29,343)	(26,457)
Benefit payments	<u>(499,095)</u>	<u>(480,325)</u>
Fair value of plan assets at end of year	<u>7,221,846</u>	<u>6,455,195</u>
Net amount recognized in the statements of financial position	<u>\$ 1,867,662</u>	<u>\$ 2,315,278</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Reconciliation of Benefit Obligations (Continued)

The following table provides the components of the net periodic benefit income for the Plan for the years ended June 30, 2025 and 2024:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Service cost	\$ 149,680	\$ 145,674
Interest cost	515,746	505,913
Expected return on assets	(386,431)	(302,731)
Administrative fee	29,343	-
Experience gain	(350,339)	(683,657)
Change in assumption	<u>(6,964)</u>	<u>(139,302)</u>
Net periodic post-retirement benefit income	<u>\$ (48,965)</u>	<u>\$ (474,103)</u>

Assumptions

Assumptions used to determine benefit obligations and net periodic benefit cost at June 30, 2025 and 2024 are as follows:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Benefit obligations:		
Discount rate	6.00%	6.00%
Healthcare cost trend rate	4.00%	4.00%
Long-term rate of return on plan assets	6.00%	6.00%
Net periodic benefit cost:		
Discount rate	6.00%	6.00%
General inflation	2.50%	2.50%
Long-term rate of return on plan assets	6.00%	6.00%

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Assumptions (Continued)

The assumed health care cost trend at June 30, 2025 and 2024 are as follows:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Health care cost trend rate assumed for next year	4.00%	4.00%

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or more than the target rate of return of 5.50 percent. The discount rate reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Assumptions (Continued)

Assumed health care cost trend rates and discount rates have a significant effect on the amounts reported for the health care plan. A 1% change in assumed health care cost trend rates would have the following effects for the year ended June 30, 2025:

	<u>1% Increase</u>	<u>1% Decrease</u>
Assumed health care cost trend rates:		
Effect on the accumulated post-retirement benefit obligation	\$ 2,994,682	\$ 918,317
Assumed discount rates:		
Effect on the accumulated post-retirement benefit obligation	\$ 1,035,930	\$ 2,850,371

Contributions

The Research Foundation contributed \$499,095 and \$480,325 to its post-retirement health care plan for the year ended June 30, 2025 and 2024, respectively.

Participant contributions are determined for both active employees and retirees on an annual basis.

Investment Policy

Beginning in the fiscal year ended June 2016, the Research Foundation participated in the Auxiliaries Multiple Employer VEBA (Voluntary Employees' Beneficiary Association). The Auxiliaries Multiple Employer VEBA is a separate 501(c)(9) organization established in August 2010 to assist in funding post-retirement healthcare benefits for recognized auxiliaries of the California State University (CSU) System. No withdrawals to cover retiree health benefits have been made yet as the Research Foundation plans to build up the fund for a few years before making withdrawals.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Investment Policy (Continued)

The purpose of the investment policy is to invest the contributions designated for funding the Research Foundation's retiree welfare benefits. The policy establishes appropriate risk and return objectives considering the Board of Director's risk tolerance.

The return objectives of the investment portfolio are viewed from two perspectives: Absolute - Real (net of inflation) rate-of-return; and Relative - Time-weighted rate-of-return versus capital market indices as follows:

1. The Absolute Objective is to seek an average total annual return, net of fees and expenses of 4.0% plus the percentage change in the Consumer Price Index for All Urban Consumers: U.S. City Average – All Items.
2. The Relative Objective of the Auxiliaries VEBA's investment portfolio is to seek competitive investment performance versus appropriate capital market benchmarks or indices.

To achieve its return objectives, the investment portfolio shall be allocated among several asset classes, which may include domestic equity, domestic fixed income, international equity, international fixed income, real estate, and cash. The purpose of allocating among asset classes is to ensure the proper level of diversification within the portfolio. It is understood that assets may temporarily be placed in a cash equivalent account prior to investing in longer term instruments.

The general policy is to diversify investments among equities, fixed income, and possibly other securities, such as real estate, to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category.

The portfolio shall be rebalanced at least annually in accordance with market fluctuations, keeping in mind that rebalancing is a function of expected returns, volatility, and return correlations of the portfolio. Rebalancing should also be weighed against the additional costs of frequent trading and internal resources.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Asset Category

The percentages of the fair value of total plan assets held in trust were as follows:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Mutual funds	100%	100%

The fair values of the Research Foundation's plan assets as of June 30, 2025 and 2024 were as follows:

<u>June 30, 2025</u>	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds:				
Fixed income	\$ 2,805,456	\$ 2,805,456	-	-
Domestic equity	3,276,760	3,276,760	-	-
International equity	707,768	707,768	-	-
Real estate	<u>431,862</u>	<u>431,862</u>	<u>-</u>	<u>-</u>
Total assets at fair value	<u>\$ 7,221,846</u>	<u>\$ 7,221,846</u>	<u>None</u>	<u>None</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Asset Category (Continued)

<u>June 30, 2024</u>	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds:				
Fixed income	\$ 2,498,343	\$ 2,498,343	-	-
Domestic equity	2,938,663	2,938,663	-	-
International equity	623,609	623,609	-	-
Real estate	<u>394,580</u>	<u>394,580</u>	<u>-</u>	<u>-</u>
Total assets at fair value	<u>\$ 6,455,195</u>	<u>\$ 6,455,195</u>	<u>None</u>	<u>None</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025 and 2024, the Research Foundation's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
June 30, 2025		
Differences between projected and actual return on investments	\$ -	\$ 307,067
Differences between projected and actual experience	109,074	253,246
Change in assumption	<u>70,549</u>	<u>-</u>
	<u>\$ 179,623</u>	<u>\$ 560,313</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 7 – Pension Plan and Postemployment Health Care Plan (Continued)

Postemployment Health Care Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

June 30, 2024

Differences between projected and actual return on investments	\$ 18,751	\$ -
Differences between projected and actual experience	-	647,215
Change in assumption	<u>171,336</u>	<u>24,006</u>
	<u>\$ 190,087</u>	<u>\$ 671,221</u>

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 114,179	\$ 119,037
2027	\$ 43,630	\$ 195,535
2028	\$ 21,814	\$ 163,830
2029	\$ -	\$ 81,911

NOTE 8 – Commitments and Contingencies

Charitable Unitrust Agreements

The Research Foundation is obligated under various charitable unitrust agreements. The trusts provide a fixed percentage of the fair market value to be paid periodically to the trustor. Certain trusts limit the payment to the net income earned on the assets, while the remaining trusts allow for authorized access of the principal to make the required payments. Upon termination, the remaining trust assets are to be distributed to designated beneficiaries and the Research Foundation in a manner designated by the grantor. The amounts due to the designated beneficiaries are reported as other liabilities on the statements of net position.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 – Commitments and Contingencies (Continued)

Contingencies

The Research Foundation receives a significant portion of its support and revenue from government grants, which are subject to government audit. The ultimate determination of amounts received under these programs is generally based upon allowable costs reported to and audited by the government. Until any such audits have been completed and final settlement reached, there exists a contingent liability to refund any amount received in excess of allowable costs. Based on prior history, management believes that no material liability will result from such audits.

As Lessor

The Research Foundation is the lessor in three property lease arrangements, two of which are with related parties. The total investment in land and building is approximately \$49,000,000, with \$45,000,000 allocated to the space available for lease, and approximately \$22,800,000 and \$20,700,000 of accumulated depreciation at June 30, 2025 and 2024, respectively.

Space lease terms range from one to eight years and require tenants to pay a pro-rata share of common area maintenance. The Research Foundation also has a ground lease through October 2083.

In estimating the present value of these lease receivable balances, the Research Foundation estimated the discount rate based on their estimates for risk free rates of returns over comparable periods. The interest rates used in its calculations ranged from 1.52% to 4.93%.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 8 – Commitments and Contingencies (Continued)

As Lessor (Continued)

The following is a schedule by years of future minimum rents receivable under noncancellable operating leases that have initial or remaining lease terms in excess of one year as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 3,239,098	\$ 2,426,491
2027	3,217,740	2,381,220
2028	3,134,432	2,334,495
2029	3,227,688	2,284,935
2030	3,274,816	2,229,515
2031-2035	15,196,780	10,262,916
2036-2040	9,010,017	9,708,748
2041-2045	9,911,028	9,753,287
2046-2050	10,902,131	9,653,104
2051-2055	11,992,339	9,369,705
Thereafter	<u>94,248,476</u>	<u>33,017,722</u>
	<u>\$ 167,354,545</u>	<u>\$ 93,422,138</u>

Rental income was approximately \$6,276,000 and \$6,012,000 for the years ended June 30, 2025 and 2024, respectively. Included in leases receivable, current portion on the statements of net position as of June 30, 2025 is approximately \$51,000 of interest earned and not yet received.

The Research Foundation has deferred inflows of resources related to these lease arrangements that are recognized on a straight line-basis over the life of the arrangements. The Research Foundation will recognize into revenue approximately \$2,300,000 per year through June 30, 2027, \$2,100,000 per year through June 30, 2035, and \$1,000,000 per year through June 30, 2084.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 – Commitments and Contingencies (Continued)

As Lessee

The Research Foundation has entered into a lease under an agreement that expires in November 2025, not including any renewal options. Generally, these agreements provide for periodic adjustments to base rents based upon changes in the Consumer Price Index.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year at June 30, 2025:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 27,561	\$ 366
2027	<u>2,324</u>	<u>26</u>
	<u>\$ 29,885</u>	<u>\$ 392</u>

Rental expense was approximately \$832,000 and \$724,000 for the years ended June 30, 2025 and 2024, respectively.

In estimating the present value of these lease liabilities, the Research Foundation estimated the discount rate based on its estimates for the implicit interest rate based on the terms of the lease agreements. The interest rates used in its calculations ranged from 1.14% to 1.35%.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 9 – Operating Expenses by Function

	For the Year Ended June 30, 2025				
	Compensation and Benefits	Supplies and Services	Scholarship and Fellowship	Depreciation and Amortization	Total
Instruction	\$ 7,011,581	\$ 3,561,737	\$ -	\$ -	\$ 10,573,318
Research	10,230,706	10,248,995	-	-	20,479,701
Public service	2,600,619	2,322,860	-	-	4,923,479
Academic support	2,483,948	1,386,859	-	-	3,870,807
Student services	6,955,090	2,158,109	-	-	9,113,199
Institutional support	1,601,800	1,623,832	-	-	3,225,632
Student grants and scholarships	-	-	5,185,795	-	5,185,795
Auxiliary enterprise expenses	238,450	992,408	-	-	1,230,858
Depreciation and amortization	-	-	-	1,177,643	1,177,643
Total Operating Expenses	<u>\$ 31,122,194</u>	<u>\$ 22,294,800</u>	<u>\$ 5,185,795</u>	<u>\$ 1,177,643</u>	<u>\$ 59,780,432</u>

	For the Year Ended June 30, 2024				
	Compensation and Benefits	Supplies and Services	Scholarship and Fellowship	Depreciation and Amortization	Total
Instruction	\$ 6,947,113	\$ 3,428,702	\$ -	\$ -	\$ 10,375,815
Research	9,917,850	14,191,980	-	-	24,109,830
Public service	3,412,990	2,412,531	-	-	5,825,521
Academic support	2,482,167	1,489,108	-	-	3,971,275
Student services	6,271,286	1,793,740	-	-	8,065,026
Institutional support	1,077,594	1,443,303	-	-	2,520,897
Student grants and scholarships	-	-	3,954,772	-	3,954,772
Auxiliary enterprise expenses	308,752	1,122,794	-	-	1,431,546
Depreciation and amortization	-	-	-	1,205,548	1,205,548
Total Operating Expenses	<u>\$ 30,417,752</u>	<u>\$ 25,882,158</u>	<u>\$ 3,954,772</u>	<u>\$ 1,205,548</u>	<u>\$ 61,460,230</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 10 – Transactions with Related Entities

As described in Note 1, the Research Foundation is an auxiliary organization affiliated with the University and the CSU System statewide. The Research Foundation is also affiliated with Long Beach State Foundation, an auxiliary organization 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>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Payments to the University for salaries of University personnel working on contracts, grants, and other programs	\$ 5,986,058	\$ 5,654,095
Payments to the University for other than salaries of University personnel	\$11,663,846	\$10,628,157
Payments received from the University for services, space, and programs	\$ 4,184,412	\$ 3,727,215
Gifts-in-kind to the University from discretely presented component units	\$ 31,705	\$ 113,865
Gifts (cash or assets) to the University from discretely presented component units	\$ 6,135,723	\$ 5,587,495
Amounts payable to the University	\$ 2,479,996	\$ 3,208,150
Amounts due to other CSU business units	\$ 2,629	\$ 6,581
Amounts due from other CSU business units	\$ 72,513	\$ 110,211
Accounts receivable from the University	\$ 550,364	\$ 514,222

SUPPLEMENTARY FINANCIAL INFORMATION

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CHANGES IN PLAN'S NET OPEB LIABILITY RELATED RATIOS

	<u>FYE 6/30/25</u>	<u>FYE 6/30/24</u>	<u>FYE 6/30/23</u>	<u>FYE 6/30/22</u>	<u>FYE 6/30/21</u>	<u>FYE 6/30/20</u>	<u>FYE 6/30/19</u>	<u>FYE 6/30/18</u>	<u>FYE 6/30/17</u>
Total OPEB Liability									
Service costs	\$ 149,680	\$ 145,674	\$ 173,973	\$ 169,317	\$ 128,401	\$ 124,661	\$ 373,421	\$ 362,545	\$ 351,985
Interest	515,746	505,913	553,099	543,290	663,221	911,768	793,247	760,021	728,897
Change in experience and assumptions	152,704	-	(965,685)	-	(2,304,044)	(4,630,620)	-	-	-
Benefit payments	(499,095)	(480,325)	(587,016)	(515,882)	(497,888)	(497,888)	(510,852)	(525,863)	(504,370)
Net change in total OPEB liability	319,035	171,262	(825,629)	196,725	(2,010,310)	(4,092,079)	655,816	596,703	576,512
Total OPEB liability – beginning of year	8,770,473	8,599,211	9,424,840	9,228,115	11,238,425	15,330,504	14,674,688	14,077,985	13,501,473
Total OPEB liability – end of year (a)	9,089,508	8,770,473	8,599,211	9,424,840	9,228,115	11,238,425	15,330,504	14,674,688	14,077,985
Plan Fiduciary Net Position									
Contributions – employer	499,095	480,325	587,016	515,882	497,888	1,697,650	2,215,487	525,863	504,370
Net investment income (loss)	795,994	752,546	474,531	(1,255,781)	1,400,338	254,190	88,614	134,072	184,836
Benefit payments	(499,095)	(480,325)	(587,016)	(515,882)	(497,888)	(497,888)	(510,852)	(525,863)	(504,370)
Administrative expenses	(29,343)	(26,457)	(24,580)	(28,256)	(26,555)	(21,829)	-	(13,599)	(12,188)
Net change in plan fiduciary net position	766,651	726,089	449,951	(1,284,037)	1,373,783	1,432,123	1,793,249	120,473	172,648
Plan fiduciary net position – beginning of year	6,455,195	5,729,106	5,279,155	6,563,192	5,189,409	3,757,286	1,964,037	1,843,564	1,670,916
Plan fiduciary net position – end of year (b)	7,221,846	6,455,195	5,729,106	5,279,155	6,563,192	5,189,409	3,757,286	1,964,037	1,843,564
Net OPEB liability (a) – (b)	\$ 1,867,662	\$ 2,315,278	\$ 2,870,105	\$ 4,145,685	\$ 2,664,923	\$ 6,049,016	\$ 11,573,218	\$ 12,710,651	\$ 12,234,421
Plan fiduciary net position as a percentage of total OPEB liability	79.45%	73.60%	66.62%	56.01%	71.12%	46.18%	24.51%	13.38%	13.10%
Covered payroll	\$ 3,612,206	\$ 3,517,555	\$ 3,499,057	\$ 4,090,582	\$ 4,090,582	\$ 4,090,582	\$ 4,003,775	\$ 4,018,056	\$ 4,355,086
Net OPEB liability as a percentage of covered payroll	51.70%	65.82%	82.03%	101.35%	65.15%	147.88%	289.06%	316.34%	280.92%
Measurement date	30-Jun-25	30-Jun-24	30-Jun-23	1-Jul-21	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17

Note: GASB 75 was implemented during fiscal year ended June 30, 2018; therefore, only nine years of information was available.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

SCHEDULE OF NET POSITION

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

Assets:

Current assets:

Cash and cash equivalents	\$	6,869,527
Short-term investments		40,092,013
Accounts receivable, net		12,531,528
Lease receivables, current portion		1,261,502
P3 receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		200,000
Prepaid expenses and other current assets		140,866
Total current assets		<u>61,095,436</u>

Noncurrent assets:

Restricted cash and cash equivalents		-
Accounts receivable, net		16,047,938
Lease receivables, net of current portion		72,670,902
P3 receivable, net of current portion		-
Notes receivable, net of current portion		-
Student loans receivable, net		-
Pledges receivable, net		132,607
Endowment investments		-
Other long-term investments		2,517,004
Capital assets, net		35,529,328
Capital assets, net - lease ROU		34,205
Capital assets, net - P3 ROU		-
Other assets		-
Total noncurrent assets		<u>126,931,984</u>
Total assets		<u>188,027,420</u>

Deferred outflows of resources:

Unamortized loss on debt refunding		983,893
Net pension liability		-
Net OPEB liability		179,623
Leases		-
P3		-
Others		-
Total deferred outflows of resources		<u>1,163,516</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

SCHEDULE OF NET POSITION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

Liabilities:

Current liabilities:

Accounts payable	1,327,304
Accrued salaries and benefits	2,317,325
Accrued compensated absences, current portion	1,859,833
Unearned revenue	8,418,666
Lease liabilities, current portion	27,561
SBITA liabilities, current portion	-
P3 liabilities, current portion	-
Long-term debt obligations, current portion	1,450,000
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	2,481,050
Total current liabilities	<u>17,881,739</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
Unearned revenue	-
Grants refundable	-
Lease liabilities, net of current portion	2,324
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	16,815,433
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	1,867,662
Net pension liability	-
Other liabilities	5,550,283
Total noncurrent liabilities	<u>24,235,702</u>
Total liabilities	<u>42,117,441</u>

Deferred inflows of resources:

Service concession arrangements	-
Net pension liability	-
Net OPEB liability	560,313
Unamortized gain on debt refunding	-
Nonexchange transactions	13,014,666
Leases	67,715,051
P3	-
Others	-
Total deferred inflows of resources	<u>81,290,030</u>

Net position:

Net investment in capital assets	17,268,216
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	8,417,294
Loans	-
Capital projects	-
Debt service	-
Others	5,434,023
Unrestricted	34,663,932
Total net position	<u>\$ 65,783,465</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)**

Revenue:

Operating revenue:

Student tuition and fees, gross	\$ -
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	31,231,992
State	15,016,668
Local	2,178,555
Nongovernmental	3,304,011
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	4,076,801
Scholarship allowances (enter as negative)	-
Lease other operating revenues	-
P3 other operating revenues	-
Other operating revenue	6,556,557
Total operating revenue	<u>62,364,584</u>

Expenses:

Operating expenses:

Instruction	10,573,318
Research	20,479,701
Public service	4,923,479
Academic support	3,870,807
Student services	9,113,199
Institutional support	3,225,632
Operation and maintenance of plant	-
Student grants and scholarships	5,185,795
Auxiliary enterprise expenses	1,230,858
Depreciation and amortization	1,111,065
Depreciation Expense - Leases	66,578
Total operating expenses	<u>59,780,432</u>
Operating income (loss)	<u>2,584,152</u>

Nonoperating revenue (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	2,033,510
Investment income (loss), net	3,840,073
Endowment income (loss), net	-
Interest expense	(613,030)
Interest expense - leases	(1,148)
Interest expense - SBITAs	-
Interest expense - P3	-
Other nonoperating revenue (expenses) - excl. interagency transfers	-
Net nonoperating revenue (expenses)	<u>5,259,405</u>

Income (loss) before other revenue (expenses)	<u>7,843,557</u>
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CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	<u>7,843,557</u>
Net position:	
Net position at beginning of year, as previously reported	57,939,908
Restatements	-
Net position at beginning of year, as restated	<u>57,939,908</u>
Net position at end of year	<u>\$ 65,783,465</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

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	6,869,527
Total	\$ 6,869,527

2.1. COMPOSITION OF INVESTMENTS:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	\$ 24,399	\$ 24,399
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	7,817,222	161,744	7,978,966
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset-backed securities	-	-	-
Mortgage-backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	-	2,194,675	2,194,675
Exchange traded funds	27,830,849	-	27,830,849
Equity securities	-	136,186	136,186
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment types	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	4,443,942	-	4,443,942
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments	-	-	-
Total investments	40,092,013	2,517,004	42,609,017
Less endowment investments	-	-	-
Total investments, net of endowments	\$ 40,092,013	\$ 2,517,004	\$ 42,609,017

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

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	\$ 24,399	\$ 24,399	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	7,978,966	7,978,966	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset-backed securities	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	2,194,675	2,194,675	-	-	-
Exchange traded funds	27,830,849	27,830,849	-	-	-
Equity securities	136,186	136,186	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU consolidated investment pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	4,443,942	-	-	-	4,443,942
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments	-	-	-	-	-
Total investments	\$ 42,609,017	\$ 38,165,075	\$ -	\$ -	\$ 4,443,942

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)	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

3.1. COMPOSITION OF CAPITAL ASSETS, excluding ROU assets:

Composition of capital assets, excluding ROU assets:	Balance June 30, 2024	Reclassifications	Prior-Period Adjustments	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfers of Completed CWIP/PWIP	Balance June 30, 2025
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ 17,066,474	\$ -	\$ -	\$ 17,066,474	\$ -	\$ -	\$ -	\$ 17,066,474
Works of art and historical treasures	7,753,991	-	-	7,753,991	349,900	(106,000)	-	7,997,891
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	24,820,465	-	-	24,820,465	349,900	(106,000)	-	25,064,365
Depreciable/amortizable capital assets:								
Buildings and building improvements	32,283,502	-	-	32,283,502	-	-	-	32,283,502
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	1,733,943	-	-	1,733,943	-	-	-	1,733,943
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	34,017,445	-	-	34,017,445	-	-	-	34,017,445
Total capital assets	58,837,910	-	-	58,837,910	349,900	(106,000)	-	59,081,810
Less accumulated depreciation/amortization:								
Buildings and building improvements	(20,707,889)	-	-	(20,707,889)	(1,110,651)	-	-	(21,818,540)
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(1,733,528)	-	-	(1,733,528)	(414)	-	-	(1,733,942)
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	(22,441,417)	-	-	(22,441,417)	(1,111,065)	-	-	(23,552,482)
Total capital assets, net excluding ROU assets	\$ 36,396,493	\$ -	\$ -	\$ 36,396,493	\$ (761,165)	\$ (106,000)	\$ -	\$ 35,529,328

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

3.1. COMPOSITION OF CAPITAL ASSETS, continued

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net

Capital Assets, Right of Use	Balance								
Composition of capital assets – Lease ROU, net	Balance June 30, 2024	Prior Period Reclassifications	Prior-Period Additions	Prior-Period Reductions	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	252,660	-	-	-	252,660	-	-	-	252,660
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	43,226	-	-	-	43,226	-	-	-	43,226
Total depreciable/amortizable lease assets	295,886	-	-	-	295,886	-	-	-	295,886
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	(174,918)	-	-	-	(174,918)	(58,306)	-	-	(233,224)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	(20,185)	-	-	-	(20,185)	(8,272)	-	-	(28,457)
Total accumulated depreciation/amortization	(195,103)	-	-	-	(195,103)	(66,578)	-	-	(261,681)
Total capital assets – lease ROU, net	\$ 100,783	\$ -	\$ -	\$ -	\$ 100,783	\$ (66,578)	\$ -	\$ -	\$ 34,205

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

3.1. COMPOSITION OF CAPITAL ASSETS, continued

Composition of capital assets - SBITA 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
Depreciable/amortizable SBITA assets:									
Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBIA ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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 \$ 35,563,533

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

3.2 DETAIL OF DEPRECIATION AND AMORTIZATION EXPENSE:

	<u>Amount</u>
Depreciation and amortization expense related to capital assets, excluding ROU assets	\$ 1,111,065
Amortization expense - leases ROU	66,578
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and amortization expense - others	-
Total depreciation and amortization	<u>\$ 1,177,643</u>

4. LONG-TERM LIABILITIES:

			Prior-Period			Balance				
	Balance	Adjustments	June 30, 2024				Balance	Current	Noncurrent	
	June 30, 2024	Reclassifications	(Restated)		Additions	Reductions	June 30, 2025	Portion	Portion	
1. Accrued compensated absences	\$ 1,771,055	\$ -	\$ 1,771,055	\$ 88,778	\$ -	\$ 1,859,833	\$ 1,859,833	\$ -		
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-	-	
3. Capitalized lease obligations (pre-ASC 842):										
Gross balance	-	-	-	-	-	-	-	-	-	
Unamortized premium/(discount)	-	-	-	-	-	-	-	-	-	
Total capitalized lease obligations (pre-ASC 842)	-	-	-	-	-	-	-	-	-	
4. Long-term debt obligations:										
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-	-	
4.2 Commercial Paper	-	-	-	-	-	-	-	-	-	
4.3 Note payable (SRB related)	17,175,000	-	17,175,000	-	(1,385,000)	15,790,000	1,450,000	14,340,000		
4.4 Finance purchase of capital assets										
4.5 Others:	-	-	-	-	-	-	-	-	-	
Subtotal long-term debt obligations	17,175,000	-	17,175,000	-	(1,385,000)	15,790,000	1,450,000	14,340,000		
4.6 Unamortized net bond premium/(discount)	2,779,411	-	2,779,411	-	(303,978)	2,475,433	-	2,475,433		
Total long-term debt obligations	\$ 19,954,411	\$ -	\$ 19,954,411	\$ -	\$ (1,688,978)	18,265,433	1,450,000	16,815,433		

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

	Balance	Prior-Period Adjustments				Balance	Current	Noncurrent
	June 30, 2024	Reclassifications	Additions	Remeasurements	Reductions	June 30, 2025	Portion	Portion
5. Lease, SBITA, P3 Liabilities								
Lease liabilities	\$ 97,727	\$ -	\$ -	\$ -	\$ (67,842)	\$ 29,885	\$ 27,561	\$ 2,324
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Subtotal P3 liabilities	<u>\$ 97,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (67,842)</u>	<u>\$ 29,885</u>	<u>\$ 27,561</u>	<u>\$ 2,324</u>
TOTAL LONG-TERM LIABILITIES						<u>\$ 20,155,151</u>	<u>\$ 3,337,394</u>	<u>\$ 16,817,757</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

5 FUTURE MINIMUM PAYMENT SCHEDULE - LEASES, SBITA, P3:

Year Ending June 30,	Lease Liabilities			SBITA Liabilities			Public-Private or Public-Private Partnerships (P3)			Total Leases, SBITA, P3 Liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
2026	\$ 27,561	\$ 366	\$ 27,927	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,561	\$ 366	\$ 27,927
2027	2,324	26	2,350	-	-	-	-	-	-	2,324	26	2,350
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-	-	-	-
2051 - 2055	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total Minimum Lease Payment	\$ 29,885	\$ 392	\$ 30,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,885	\$ 392	30,277
Less amounts representing interest												(392)
Present value of future minimum payments												29,885
Total leases, SBITA, P3 liabilities												29,885
Less current portion												(27,561)
Leases, SBITA, P3 liabilities, net of current portion												\$ 2,324

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

6. FUTURE MINIMUM PAYMENT SCHEDULE - LONG-TERM DEBT

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	\$ -	\$ -	\$ -	\$ 1,450,000	\$ 743,750	\$ 2,193,750	\$ 1,450,000	\$ 743,750	\$ 2,193,750
2027	-	-	-	1,530,000	669,250	2,199,250	1,530,000	669,250	2,199,250
2028	-	-	-	1,610,000	590,750	2,200,750	1,610,000	590,750	2,200,750
2029	-	-	-	1,690,000	508,250	2,198,250	1,690,000	508,250	2,198,250
2030	-	-	-	1,770,000	421,750	2,191,750	1,770,000	421,750	2,191,750
2031 - 2035	-	-	-	7,740,000	781,000	8,521,000	7,740,000	781,000	8,521,000
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
2051 - 2055	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total Minimum Payment	\$ -	\$ -	\$ -	\$ 15,790,000	\$ 3,714,750	\$ 19,504,750	\$ 15,790,000	\$ 3,714,750	19,504,750
Less amounts representing interest									(3,714,750)
Present value of future minimum payments									15,790,000
Unamortized net premium (discount)									2,475,433
Total long-term debt obligations									18,265,433
Less current portion									(1,450,000)
Long-term debt obligations, net of current portion									\$ 16,815,433

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

7. TRANSACTIONS WITH RELATED ENTITIES

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 5,986,058
Payments to University for other than salaries of University personnel	\$ 11,663,846
Payments received from University for services, space, and programs	\$ 4,184,412
Gifts-in-kind to the University from discretely presented component units	\$ 31,705
Gifts (cash or assets) to the University from discretely presented component units	\$ 6,135,723
Accounts (payable to) University	\$ (2,479,996)
Other amounts (payable to) University	\$ -
Accounts receivable from University	\$ 550,364
Other amounts receivable from University	\$ -

8. RESTATEMENTS/PRIOR PERIOD ADJUSTMENTS

Intentionally left blank - no restatements/prior period adjustments

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

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	\$ 5,420,872	\$ 1,394,698	\$ 196,011	\$ -	\$ -	\$ 3,561,737	\$ -	\$ 10,573,318
Research	8,400,778	1,710,212	119,716	-	-	10,248,995	-	20,479,701
Public service	2,034,252	510,125	56,242	-	-	2,322,860	-	4,923,479
Academic support	1,931,317	480,250	72,381	-	-	1,386,859	-	3,870,807
Student services	5,129,319	1,594,105	231,666	-	-	2,158,109	-	9,113,199
Institutional support	1,643,509	344,375	161,976	(548,060)	-	1,623,832	-	3,225,632
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	5,185,795	-	-	5,185,795
Auxiliary enterprise expenses	146,187	79,243	13,020	-	-	992,408	-	1,230,858
Depreciation and amortization	-	-	-	-	-	-	1,177,643	1,177,643
Total Operating Expenses	\$ 24,706,234	\$ 6,113,008	\$ 851,012	\$ (548,060)	\$ 5,185,795	\$ 22,294,800	\$ 1,177,643	\$ 59,780,432

Select type of pension plan >>

Defined Contribution Plan

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION (CONTINUED)

JUNE 30, 2025

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

10. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

1. Deferred outflows of resources

Deferred outflows - unamortized loss on refunding(s)	\$ 983,893
Deferred outflows - net pension liability	-
Deferred outflows - net OPEB liability	179,623
Deferred outflows - leases	-
Deferred outflows - P3	-
Deferred outflows - others	-
	<hr/>

Total deferred outflows of resources	\$ 1,163,516
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2. Deferred inflows of resources

Deferred inflows - service concession arrangements	\$ -
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	560,313
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	13,014,666
Deferred inflows - leases	67,715,051
Deferred inflows - P3	-
Deferred inflows - other	-
	<hr/>

Total deferred inflows of resources	\$ 81,290,030
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11. OTHER NONOPERATING REVENUE (EXPENSE)

Other nonoperating revenue	\$ -
Other nonoperating (expenses)	-
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Total other nonoperating revenue (expenses)	\$ -
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