



CALIFORNIA STATE UNIVERSITY

LONG BEACH

Research Foundation

Financial Statements
with Supplementary Financial Information

June 30, 2026 and 2025

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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, 2026 and 2025, 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, 2026 and 2025, 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 4-12 and the Required Supplementary Information (RSI) on page 46 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 which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and 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 an opinion on the financial statements as a whole. The accompanying supplementary information on pages 46-60 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have performed procedures related to the Research Foundation's internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts, and grant agreements. A separate report describing the scope of our testing of internal control over financial reporting and compliance on the results of that testing will be issued upon completion of those procedures. The purpose of that report is solely to describe the scope of our testing 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.



Long Beach, California
September 15, 2026

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2026 AND 2025

INTRODUCTION

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of California State University, Long Beach Research Foundation (the Research Foundation) as of and for the years ended June 30, 2026 and 2025. This discussion has been prepared by management and should be read in conjunction with the Research Foundation's financial statements and accompanying notes.

1. OVERVIEW OF THE FINANCIAL STATEMENTS

The Research Foundation's financial statements provide information regarding its financial position and activities using the accrual basis of accounting.

The 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.

Together, these financial statements provide a complete picture of the Research Foundation's net position and activity: the statements of net position reports what the Research Foundation owns at a single point in time; the statements of revenue, expenses, and changes in net position reports the results of the Research Foundation's operations over the fiscal year and the change in net position from the prior year; and the statements of cash flows reports the sources and uses of cash during the year. The Research Foundation is a component unit of the University and reports as a special-purpose government entity engaged only in business-type activities, using the economic resources measurement focus and accrual basis of accounting applicable to proprietary funds.

Resources are classified for accounting and reporting purposes into the following three net position categories: net investment in capital assets; restricted net position; and unrestricted net position.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2026 AND 2025

2. FINANCIAL SUMMARY

Condensed Statements of Net Position

	June 30,			2026 to 2025		2025 to 2024	
	2026	2025	2024	\$ change	% change	\$ change	% change
Current Assets	\$ 63,654,640	\$ 61,095,436	\$ 53,539,147	\$ 2,559,204	4.19%	\$ 7,556,289	14.11%
Noncurrent Assets	126,527,320	126,931,984	129,208,327	(404,664)	-0.32%	(2,276,343)	-1.76%
Total Assets	190,181,960	188,027,420	182,747,474	2,154,540	1.15%	5,279,946	2.89%
Deferred Outflows of Resources, Net	936,933	1,163,516	1,286,384				
Total Liabilities	37,355,595	42,117,441	42,325,809	(4,761,846)	-11.31%	(208,368)	-0.49%
Deferred Inflows of Resources, Net	79,457,371	81,290,030	83,768,141	(1,832,659)	-2.25%	(2,478,111)	-2.96%
Net Position							
Net investment in capital assets	18,551,090	17,268,216	16,445,139	1,282,874	7.43%	823,077	5.00%
Restricted - Research	8,411,352	8,417,294	7,347,309	(5,942)	-0.07%	1,069,985	14.56%
Restricted - Other	5,022,383	5,434,023	6,227,377	(411,640)	-7.58%	(793,354)	-12.74%
Unrestricted	42,321,102	34,663,932	27,920,083	7,657,170	22.09%	6,743,849	24.15%
Total Net Position	\$ 74,305,927	\$ 65,783,465	\$ 57,939,908	\$ 8,522,462	13.0%	\$ 7,843,557	13.5%

Condensed Statements of Revenue, Expenses, and Changes in Net Position

	Year ended June 30,			2026 to 2025*		2025* to 2024*	
	2026	2025	2024	\$ change	% change	\$ change	% change
Operating Revenue	\$ 52,328,062	\$ 59,901,874	\$ 63,192,137	\$ (7,573,812)	-12.64%	\$ (3,290,263)	-5.21%
Operating Expenses	(53,920,316)	(59,780,432)	(61,460,230)	5,860,116	-9.80%	1,679,798	-2.73%
Operating (Loss) Income	(1,592,254)	121,442	1,731,907	(1,713,696)	-1411.12%	(1,610,465)	-92.99%
Other Nonoperating Revenue	10,114,716	7,722,115	6,726,372	2,392,601	30.98%	995,743	14.80%
Unusual or Infrequent Items	<i>None Identified</i>	<i>None Identified</i>	<i>None Identified</i>				
Change In Net Position	\$ 8,522,462	\$ 7,843,557	\$ 8,458,279	\$ 678,905	8.66%	\$ (614,722)	-7.27%

**These amounts reflect the adoption of GASB 103: Financial Reporting Model Improvements, which resulted in certain reclassifications.*

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026 AND 2025**

3. DETAILED ANALYSIS

Assets

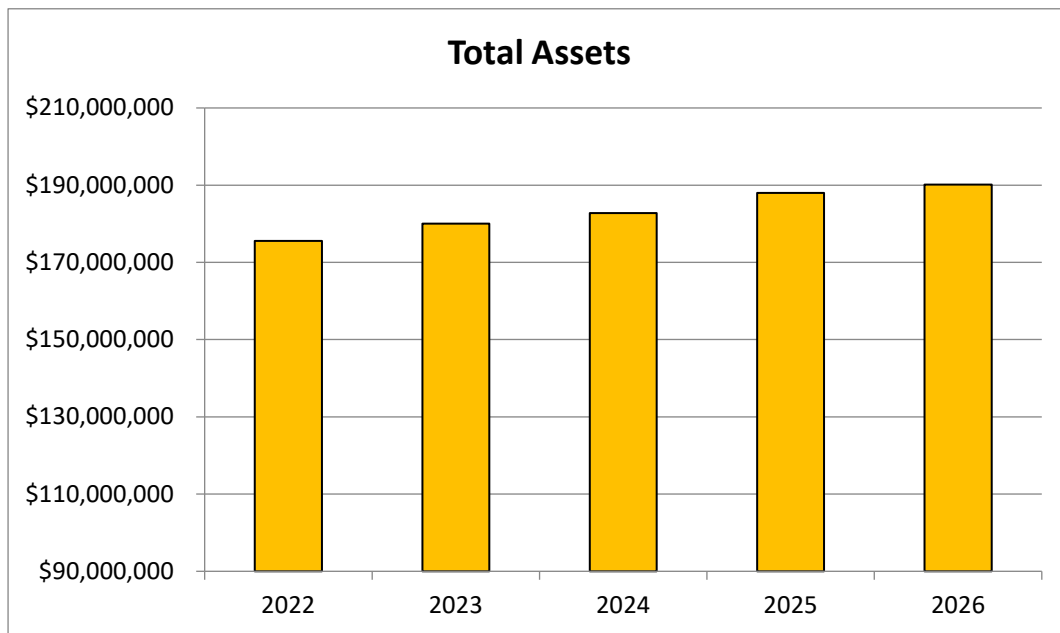
Total assets increased by \$2,154,540, or 1.15%, during fiscal year 2026, primarily due to the net effect of an increase in short-term investments and a decrease in accounts receivable. The investment market performed favorably during the year, contributing \$5.9 million in investment gains, as discussed further under nonoperating investment income below. The decrease in accounts receivable reflects the timing of invoice billings towards the later part of the fiscal year. Within current assets, cash is \$192,512 lower than fiscal year 2025. The Research Foundation as lessor recognizes leases receivable for expected future lease payments. Within noncurrent assets, leases receivable, net of current portion decreased by \$850,694, or 1.17%, due to the lower leases receivable balance under noncancelable operating leases. Other long-term investments increased by \$183,706, or 7.3%, due to favorable market conditions during the year. Capital assets increased by \$211,131, or 0.6%, due to a works of art donation of \$81,000 and building improvements of \$1,333,034, net of accumulated depreciation of \$1,202,903.

Total assets increased by \$5,279,946, or 2.89%, during fiscal year 2025, primarily due to increases in cash and cash equivalents and short-term investments. The investment market performed well, which gained an average of 7%. Within current assets, cash and cash equivalents increased by \$3.6 million, short-term investments increased by \$3.6 million, and accounts receivable increased by \$190,820. Within noncurrent assets, leases receivable, net of current portion decreased by \$878,463, or 1.2%, due to scheduled periodic payments on the remaining leases receivable balance under noncancelable operating leases. Pledges receivable decreased by \$271,419, or 67%, as payments were received to fulfill the pledge. Other long-term investments increased by \$117,495, or 4.9%. Capital assets decreased by \$933,743, which was attributed to accumulated depreciation.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2026 AND 2025

3. DETAILED ANALYSIS (Continued)



Liabilities

Total liabilities decreased by \$4,761,846, or 11.3%, during fiscal year 2026. The two significant items that decreased are the long-term debt obligations and unearned revenue. Unearned revenue decreased by \$1,250,027, or 14.8%, due to recognizing qualifying project expenditures that were incurred in the fiscal year. Long-term debt obligations decreased \$1,833,978, or 10.9%, primarily due to reducing the debt service owed. Within current liabilities, accounts payable and accrued salaries and benefits payable decreased by \$237,009, or 17.8%, and \$485,553, or 20.9%, respectively. Within noncurrent liabilities, lease liabilities, net of current portion increased by \$634,633. As lessee, one of the Research Foundation's agreements with an organization was renewed for 10 years, therefore, lease liabilities increased. The net other postemployment benefits liability decreased by \$841,464, or 45%, primarily due to the actuarial study estimate for fiscal year 2026.

Total liabilities decreased by \$208,368, or 0.49%, during fiscal year 2025. The reduction in long-term debt obligations of \$1.7 million is offset by the increase in unearned revenue of \$2 million. Within current liabilities, accounts payable and accrued salaries and benefits payable increased by \$742,046, or 25.57%, due to the timing of transactions. Within noncurrent liabilities, net other postemployment benefits liability decreased by \$447,616, or 19.33%, due to changes in assumptions underlying the valuation of post-employment benefit (OPEB) liabilities.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2026 AND 2025

3. DETAILED ANALYSIS (Continued)

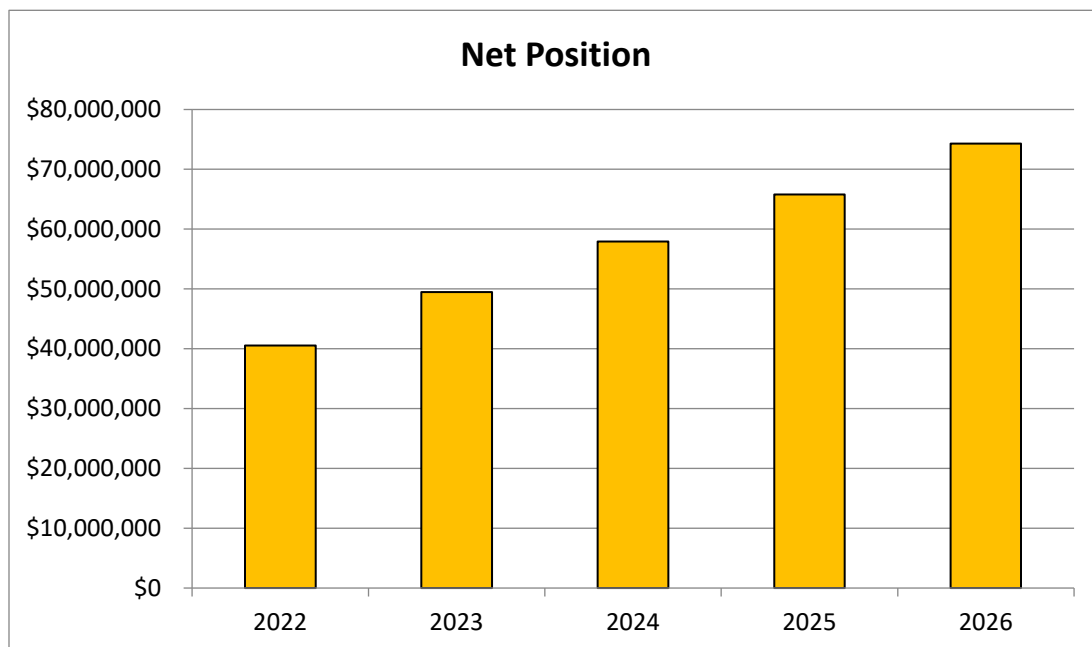
Deferred Inflows of Resources

Deferred inflows of resources decreased by \$1,832,659, or 2.25%, and \$2,478,111, or 2.96%, during fiscal years 2026 and 2025, respectively. The decrease represents lease payments that have been recognized as actual revenues.

Net Position

Total net position increased by \$8,522,462, or 12.96%, during fiscal year 2026, consistent with the operating and nonoperating results discussed in the following subsections. Net investment in capital assets increased \$1,282,874, or 7.43%, due to works of art donations and purchases of capital assets related to building improvements. Unrestricted net position increased by \$7,657,170, or 22.09%, primarily reflecting the current year's operating results. This amount includes a net increase in investment income of \$5.9 million due to favorable market conditions and interest income on leases of \$2.4 million.

Total net position increased by \$7,843,557, or 13.54%, during fiscal year 2025, consistent with the operating and nonoperating results discussed in the following subsections. Net investments in capital assets increased by \$823,077, or 5%, due to works of art donations. Unrestricted net position increased by \$6,743,849, or 24.15%, primarily reflecting the 2025 operating results. This amount includes a net increase in investment income of \$852,446 due to favorable market conditions and interest income on leases of \$2.4 million.



CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026 AND 2025**

3. DETAILED ANALYSIS (Continued)

Operating Revenue

Total operating revenue decreased by \$7,573,812, or 12.64%, in fiscal year 2026. This decline was driven by a reduction in federal grants and awards: federal grants and awards revenue decreased from \$31,231,992 in fiscal year 2025 to \$23,617,734 in fiscal year 2026, a decline of \$7,614,258, or 24.38%, reflecting the unexpected reduction in spending and cancellations of several federal awards. This is consistent with broader disruptions in federal research funding affecting colleges and universities nationally during this period. The decline in federal grant and contract revenue during the fiscal year was primarily attributable to factors external to the Research Foundation and the University. Beginning in January 2025, federal agencies implemented changes in funding priorities, resulting in project delays, reduced spending activity, modifications to approved scopes of work, and, in some cases, award terminations or temporary interruptions. At the same time, several large multi-year federal awards that had generated substantial expenditures in prior years reached the end of their performance periods. Collectively, these factors reduced federal expenditures and related revenue recognition despite continued research activity, strong proposal development efforts, and ongoing award management across the University.

Total operating revenue decreased by \$3,290,263, or 5.21%, in fiscal year 2025. This decline was driven by a reduction in federal grants and awards of \$7,288,703, or 18.92%, which comprises the majority of operating revenue, decreasing from \$38,520,695 in fiscal year 2024 to \$31,231,992 in fiscal year 2025. As mentioned above, federal agencies implemented changes in funding priorities.

Nonoperating Investment Income

Investment income, reported separately as nonoperating activity under the revised financial statement presentation, increased by \$2,074,016, or 54%, in fiscal year 2026, primarily due to favorable market conditions – a result of market performance rather than program operations. (See Note 4 pages 26-29.)

Investment income increased by \$852,446, or 28.53%, during fiscal year 2025, reflecting a steady increase in favorable market conditions.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

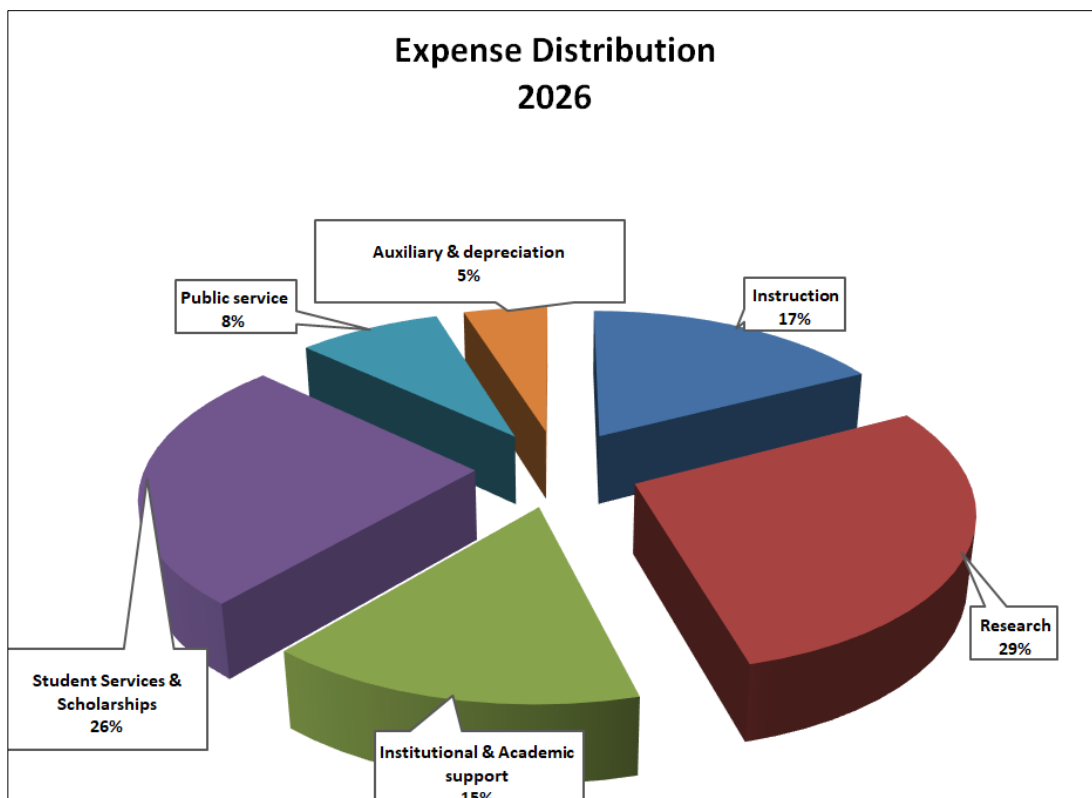
MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2026 AND 2025

3. DETAILED ANALYSIS (Continued)

Operating Expenses

Operating expenses decreased by \$5,860,116, or 9.80%, during fiscal year 2026. Instruction and research expenses were the substantial share of total operating expenses at \$9,350,932 and \$15,378,475, respectively, representing 45.8% of total operating expenses. The decrease is consistent with the federal award reductions described above as directly tied to federal sponsored program activity.

Operating expenses decreased by \$1,679,798, or 2.73%, during fiscal year 2025. Research expenses decreased by \$3,630,129, or 15%. The decrease is consistent with the federal award reductions described above.

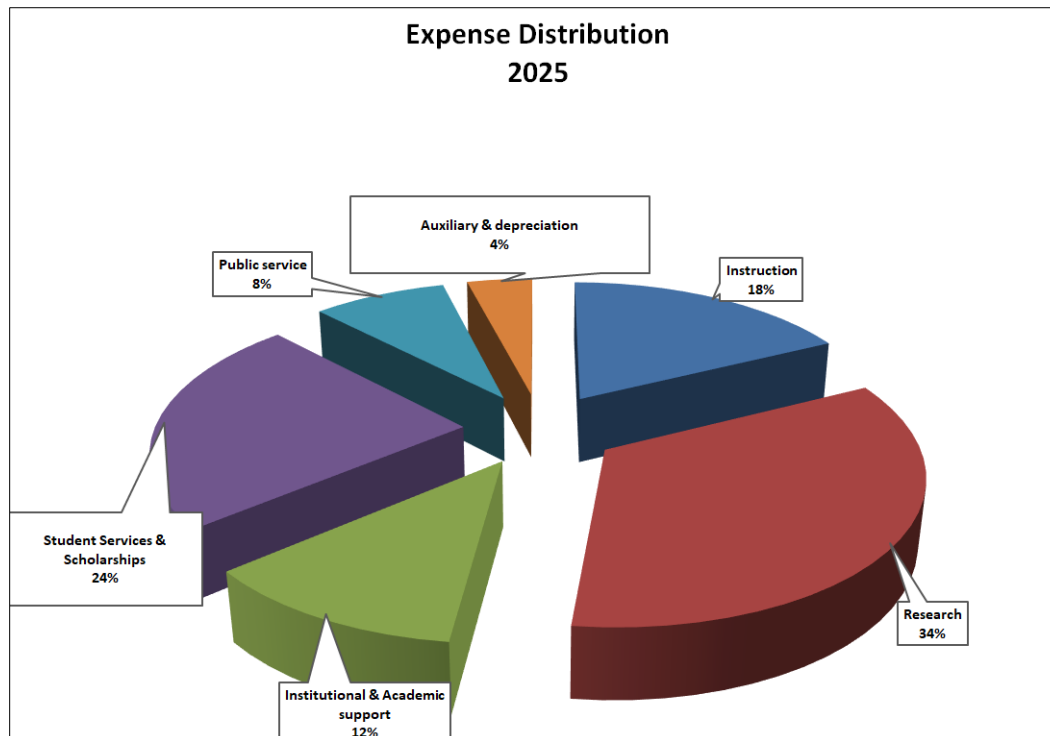


CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2026 AND 2025

3. DETAILED ANALYSIS (Continued)

Operating Expenses (Continued)



4. SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY

At June 30, 2026, the Research Foundation had \$35,774,664 invested in capital assets, net of accumulated depreciation and amortization of \$25,017,066. Capital assets increased by \$211,131, or 0.59%, primarily due to construction work in progress. Long-term debt obligations consisted of revenue bonds, net of unamortized bond premiums, of \$14,981,455 in 2026, a decrease of \$1,833,978 from \$16,815,433 in 2025, reflecting scheduled principal repayments during the year. The Research Foundation did not have subscription-based information technology arrangements (SBITAs) as of June 30, 2026.

At June 30, 2025, the Research Foundation had \$35,563,533 invested in capital assets, net of accumulated depreciation and amortization of \$23,814,163. Capital assets decreased by \$933,743, or 2.56%, during fiscal year 2025, primarily due to depreciation and amortization. Long-term obligations consisted of revenue bonds, net of unamortized bond premiums, of \$16,815,433 in 2025, a decrease of \$1,753,978 from \$18,569,411 in 2024, reflecting scheduled principal repayments during the year. The Research Foundation had no subscription-based information technology arrangements (SBITAs) as of June 30, 2025.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026 AND 2025**

5. CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

Revenue generated for providing administrative services makes up a significant portion of the Research Foundation's operating revenue. In fiscal year 2026, 257 proposals were submitted to a variety of funding agencies totaling \$115,848,417. During the same period, 115 awards were received and totaled \$35,863,027. Of these awards, 41 came from federal agencies, 38 came from state agencies, 12 came from local agencies, and 24 came from non-governmental sources. Research expenditures totaled approximately \$38,720,000 with an F&A Effective Rate of 14.3%.

As of the date of this report, the Research Foundation is aware of continuing changes in the federal research funding environment that affected certain sponsored projects during fiscal year 2026. These changes included shifts in agency funding priorities, project delays, modifications to approved scopes of work, temporary funding interruptions, and the conclusion of several large federally funded projects. Collectively, these conditions contributed to lower federal expenditures and related revenue recognition during the fiscal year. Management is not aware of any additional agency decisions requiring disclosure that are expected to materially affect fiscal year 2027 activities.

The CSU Chancellor's Office refinanced the two Beachside property bonds effective July 1, 2026. The new combined bond principal balance is \$10,565,000 from \$11,355,000, a decrease of \$790,000, or 6.96%. The total debt service net savings is \$1,017,889 over the remaining life of the loans. The maturity dates remain the same.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

STATEMENTS OF NET POSITION

ASSETS

	June 30,	
	2026	2025
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,677,015	\$ 6,869,527
Short-term investments	45,730,967	40,092,013
Accounts receivable, current portion	9,722,524	12,531,528
Leases receivable, current portion	1,209,761	1,261,502
Pledges receivable, current portion	200,000	200,000
Prepaid expenses and other assets	114,373	140,866
Total Current Assets	<u>63,654,640</u>	<u>61,095,436</u>
NONCURRENT ASSETS		
Accounts receivable, net of current portion	16,099,131	16,047,938
Leases receivable, net of current portion	71,820,208	72,670,902
Pledges receivable, net of current portion	132,607	132,607
Other long-term investments	2,700,710	2,517,004
Capital assets, net	35,774,664	35,563,533
Total Noncurrent Assets	<u>126,527,320</u>	<u>126,931,984</u>
TOTAL ASSETS	<u>190,181,960</u>	<u>188,027,420</u>
DEFERRED OUTFLOWS OF RESOURCES		
Net differences in OPEB liabilities	65,444	179,623
Unamortized loss on refunding	871,489	983,893
	<u>\$ 936,933</u>	<u>\$ 1,163,516</u>

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**STATEMENTS OF NET POSITION
(Continued)**

LIABILITIES

	June 30,	
	2026	2025
CURRENT LIABILITIES		
Accounts payable	\$ 1,090,295	\$ 1,327,304
Accrued salaries and benefits payable	1,831,772	2,317,325
Accrued compensated absences	2,238,882	1,859,833
Unearned revenue	7,168,639	8,418,666
Lease liabilities, current portion	75,162	27,561
Long-term debt obligations, current portion	1,530,000	1,450,000
Other liabilities	1,095,824	2,481,050
Total Current Liabilities	<u>15,030,574</u>	<u>17,881,739</u>
NONCURRENT LIABILITIES		
Lease liabilities, net of current portion	636,957	2,324
Long-term debt obligations, net of current portion	14,981,455	16,815,433
Other postemployment benefit obligations	1,026,198	1,867,662
Other liabilities	5,680,411	5,550,283
Total Noncurrent Liabilities	<u>22,325,021</u>	<u>24,235,702</u>
TOTAL LIABILITIES	<u>37,355,595</u>	<u>42,117,441</u>
DEFERRED INFLOWS OF RESOURCES		
Net differences in OPEB liabilities	973,076	560,313
Non-exchange transactions	13,119,439	13,014,666
Leases	65,364,856	67,715,051
Total Deferred Inflows of Resources	<u>79,457,371</u>	<u>81,290,030</u>
NET POSITION		
NET POSITION		
Net investments in capital assets	18,551,090	17,268,216
Restricted for:		
Expendable:		
Research	8,411,352	8,417,294
Other	5,022,383	5,434,023
Unrestricted	<u>42,321,102</u>	<u>34,663,932</u>
TOTAL NET POSITION	<u>\$ 74,305,927</u>	<u>\$ 65,783,465</u>

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	For the Year Ended June 30,	
	2026	2025
REVENUE		
Operating Revenue:		
Grants and contracts, noncapital:		
Federal	\$ 23,617,734	\$ 31,231,992
State	14,580,759	15,016,668
Local	2,395,235	2,178,555
Nongovernmental	3,738,410	3,304,011
Sales and services of auxiliary enterprises	4,242,738	4,076,801
Other operating revenue	3,753,186	4,093,847
Total Operating Revenue	<u>52,328,062</u>	<u>59,901,874</u>
EXPENSES		
Operating Expenses:		
Instruction	9,350,932	10,573,318
Research	15,378,475	20,479,701
Public service	4,458,530	4,923,479
Academic support	4,307,364	3,870,807
Student services	8,289,646	9,113,199
Institutional support	3,956,132	3,225,632
Student grants and scholarships	5,566,812	5,185,795
Auxiliary enterprise expenses	1,409,522	1,230,858
Depreciation and amortization	1,202,903	1,177,643
Total Operating Expenses	<u>53,920,316</u>	<u>59,780,432</u>
OPERATING (LOSS) INCOME	<u>(1,592,254)</u>	<u>121,442</u>
NONOPERATING REVENUE		
Gifts, noncapital	2,322,780	2,033,510
Investment income, net	5,914,089	3,840,073
Interest income	2,421,727	2,462,710
Interest expense	(548,063)	(614,178)
Other nonoperating income	4,183	-
Total Nonoperating Revenue	<u>10,114,716</u>	<u>7,722,115</u>
CHANGE IN NET POSITION	8,522,462	7,843,557
NET POSITION AT BEGINNING OF YEAR	<u>65,783,465</u>	<u>57,939,908</u>
NET POSITION AT END OF YEAR	<u>\$ 74,305,927</u>	<u>\$ 65,783,465</u>

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

STATEMENTS OF CASH FLOWS

	For the Year Ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Federal grants and contracts	\$ 24,420,999	\$ 32,560,721
State grants and contracts	15,076,666	15,655,535
Local grants and contracts	2,476,700	2,271,239
Nongovernmental grants and contracts	3,865,557	3,444,576
Payments to suppliers	(18,375,438)	(22,840,336)
Payments to employees	(29,853,051)	(31,513,211)
Payments to students	(5,566,812)	(5,178,595)
Sales and services of auxiliary enterprises	2,794,957	2,647,518
Other receipts	3,742,386	4,210,225
Net Cash (Used In) Provided By Operating Activities	<u>(1,418,036)</u>	<u>1,257,672</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Gifts received for noncapital purposes	908,746	2,061,029
Net Cash Provided By Noncapital Financing Activities	<u>908,746</u>	<u>2,061,029</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments to retire bonds	(1,450,000)	(1,385,000)
Interest paid on capital-related debt	(746,378)	(815,342)
Net Cash Used In Capital and Related Financing Activities	<u>(2,196,378)</u>	<u>(2,200,342)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(25,373,748)	(40,579,401)
Proceeds from sales and maturities of investments	19,551,088	36,817,861
Investment income, net	5,914,089	3,840,073
Interest received on leases receivable	2,421,727	2,462,710
Net Cash Provided By Investing Activities	<u>2,513,156</u>	<u>2,541,243</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(192,512)	3,659,602
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>6,869,527</u>	<u>3,209,925</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,677,015</u>	<u>\$ 6,869,527</u>

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**STATEMENTS OF CASH FLOWS
(Continued)**

	For the Year Ended June 30,	
	2026	2025
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:		
Operating (loss) income	\$ (1,592,254)	\$ 121,442
Adjustments to reconcile operating (loss) income to net cash from operating activities:		
Depreciation and amortization	1,202,903	1,177,643
Change in operating assets and liabilities:		
Accounts receivable	2,757,811	119,393
Leases receivable	902,435	858,669
Prepaid expenses and other assets	26,493	(42,811)
Deferred outflows of resources	114,179	9,295
Accounts payable	(224,926)	470,040
Accrued salaries and benefits payable	(485,553)	283,548
Accrued compensated absences	379,049	88,778
Unearned revenue	(1,250,027)	2,081,453
Other liabilities	(1,415,487)	(1,431,667)
Deferred inflows of resources	<u>(1,832,659)</u>	<u>(2,478,111)</u>
 Net Cash (Used In) Provided By Operating Activities	 <u>\$ (1,418,036)</u>	 <u>\$ 1,257,672</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, 2026 AND 2025**

NOTE 1 – Summary 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 currently administers only those gifts and bequests made to the Research Foundation prior to the establishment 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.

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.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

The Research Foundation reports as a business type activity and, accordingly, presents its activities in a single column in the financial statements.

The Research Foundation defines operating activities as reported on the statements of revenue, expenses, and changes in net position as those that generally result from transactions 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, 2026 AND 2025

NOTE 1 – Summary 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 Statement 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 unearned revenue rather than 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 three net position categories: Net investments in capital assets; 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, as follows:

Deferred Outflows of Resources – Consumption of net position that applies to future periods and, therefore, are not recognized as an expense until that time.

Deferred Inflows of Resources – Acquisition of net position that applies to future periods and, therefore, are not recognized as revenue until that time.

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

Assets that can reasonably be expected, as part of the Research Foundation’s normal business operations, to be converted to cash and cash equivalents and available for liquidation of current liabilities within 12 months of the statements of net position date, are considered to be current. Liabilities that can reasonably 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 investments accounting policy.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Net Position

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

- **Net investments in capital assets**

Capital assets, net of accumulated depreciation and outstanding 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 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 and may be designated for specific purposes by management or the Board of Directors or otherwise limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for any university-related use, which includes academic and research programs and initiatives and capital programs.

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. Significant items subject to such estimates include the allowance for uncollectible accounts, leases, and pledges receivable, useful lives of capital assets, postemployment benefit obligations, lease-related discount rates, and charitable unitrust agreements. Actual results could vary from those estimates.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Research Foundation considers cash on hand and all highly liquid, short-term investments purchased with an original maturity of three months or less to be cash and cash equivalents.

Concentration of Credit Risk

The Research Foundation maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Research Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Custodial Credit Risk

Custodial credit risk is the risk that the Research Foundation will not be able to recover deposits or 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 recorded at fair value 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.

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable primarily consist of amounts due from the federal government, state and local governments, and private sources for reimbursement of allowable expenditures incurred pursuant to contracts and grants. Accounts receivable also include amounts due for sales and services to auxiliary enterprises. 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 accounts receivable. At June 30, 2026 and 2025, the valuation allowance was approximately \$100,000.

Pledges Receivable

The Research Foundation previously received pledges and bequests on behalf of the University. In 2013, Long Beach State Foundation was established to receive and administer such pledges and bequests. As part of the establishment of Long Beach State Foundation, all pledges receivable, except for one, were transferred to Long Beach State Foundation for collection of the remaining pledge. Details of the remaining pledge are disclosed in Note 3. No allowance for uncollectible pledges receivable was recorded at June 30, 2026 and 2025 as management deems the pledge to be fully collectible.

Capital Assets

Capital assets 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 expensed as incurred. Depreciation and amortization are computed 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, 2026 AND 2025**

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Collection Items and Works of Art

The Research Foundation's collection items consist of artifacts of historical significance and works of art that are held for educational, research, and curatorial purposes. Each item is cataloged, preserved, and cared for, and procedures to verify their existence and assess their condition are performed continuously. Proceeds from the sale of collection items are required to be used to acquire other collection items.

Collection items acquired on or after July 1, 1996 are capitalized at cost if purchased or at their appraised or fair market value on the accession date if contributed. For the years ended June 30, 2026 and 2025, donated collection items acquired totaled \$81,000 and \$349,900, respectively.

Accrued Compensated Absences

The Research Foundation's employees accrue annual leave at rates based on length of service and job classification. As of June 30, 2026 and 2025, accrued compensated absences totaled \$2,238,882 and \$1,859,833, respectively.

Unearned Revenue

Unearned revenue consists primarily of amounts received from grant and contract sponsors that 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 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 and as amended with GASB statement 103. These nonoperating activities include net investment income, gifts (noncapital), and interest income and interest expense.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

NOTE 1 – Summary of Significant Accounting Policies (Continued)

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.

Lease Revenues and Expenses

The Research Foundation recognizes lease revenue and expense on a straight-line basis over the term of the respective lease on the statements of revenues, expenses, and changes in net position. For leases in which it is a lessor, the Research Foundation recognizes a lease receivable and deferred inflows of resources in the statements of net position. For leases in which it is a lessee, the Research Foundation recognizes a lease liability and an intangible right-to-use lease asset in the statements of net position.

Recently Adopted Accounting Pronouncement

During the year ended June 30, 2026, the Research Foundation adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The standard refines the structure and content of management's discussion and analysis (MD&A) and modifies the presentation and classification of certain revenues and expenses. Management evaluated the impact of the standard on the accompanying financial statements and related disclosures. The Research Foundation's MD&A has been prepared in accordance with GASB Statement No. 103.

Reclassifications

Certain amounts in the 2025 financial statements have been reclassified to conform to the 2026 financial statement presentation.

Subsequent Events

On July 1, 2026, the CSU Chancellor's Office refinanced two of the Research Foundation's Series 2016A bonds totaling \$11,355,000, and which are included with long-term debt obligations on the statement of net position at June 30, 2026. The new bonds have a combined principal balance of \$10,565,000 and mature in May 2033 and May 2035.

Management has evaluated the impact of subsequent events from the statements of net position date through September 15, 2026, the date the financial statements were available to be issued.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

NOTE 2 – Accounts Receivable

The composition of accounts receivable is summarized as follows:

	<u>June 30,</u>	
	<u>2026</u>	<u>2025</u>
Grants and contracts	\$ 9,822,524	\$ 12,631,528
Trusts and other	<u>16,099,131</u>	<u>16,047,938</u>
	25,921,655	28,679,466
Less allowance for uncollectible accounts	<u>(100,000)</u>	<u>(100,000)</u>
	25,821,655	28,579,466
Less current portion	<u>(9,722,524)</u>	<u>(12,531,528)</u>
Noncurrent portion	<u>\$ 16,099,131</u>	<u>\$ 16,047,938</u>

NOTE 3 – Pledges Receivable

Pledges receivable are recorded in the statements of net position at estimated net realizable value. Pledges receivable were discounted as of June 30, 2026 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, 2026 are summarized as follows:

<u>Year Ending</u> <u>June 30,</u>		
	2027	\$ 200,000
	2028	<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, 2026 AND 2025**

NOTE 4 – Investments

At June 30, 2026 and 2025, the Research Foundation's investment portfolio consists primarily of investments held in a diversified investment pool, as well as interest-bearing accounts.

The following is a summary of investments:

	<u>June 30,</u>	
	<u>2026</u>	<u>2025</u>
Investments at fair value as determined by quoted market price or estimated fair value:		
Common stock and exchange-traded funds	\$ 33,169,523	\$ 27,967,035
Money market	117,843	24,399
Mutual funds	2,372,589	2,194,675
Bonds	8,142,491	7,978,966
LAIF	<u>4,629,231</u>	<u>4,443,942</u>
	<u>\$ 48,431,677</u>	<u>\$ 42,609,017</u>
	<u>June 30,</u>	
	<u>2026</u>	<u>2025</u>
Investments by classification:		
Short-term investments	\$ 45,730,967	\$ 40,092,013
Other long-term investments	<u>2,700,710</u>	<u>2,517,004</u>
	<u>\$ 48,431,677</u>	<u>\$ 42,609,017</u>

Net investment income is summarized as follows:

	<u>For the Year Ended June 30,</u>	
	<u>2026</u>	<u>2025</u>
Interest and dividend income, net of fees	\$ 1,109,532	\$ 899,079
Net unrealized gain	4,431,349	2,995,325
Net realized gain (loss)	<u>373,208</u>	<u>(54,331)</u>
	<u>\$ 5,914,089</u>	<u>\$ 3,840,073</u>

Investment fees totaled \$77,453 and \$68,927 for the years ended June 30, 2026 and 2025, respectively, and are included in investment income on 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, 2026 AND 2025**

NOTE 4 – Investments (Continued)

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, and 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, equity securities, 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 its sensitivity to changes in market interest rates.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured based on the credit ratings assigned by nationally recognized statistical rating organizations.

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, 2026 AND 2025**

NOTE 4 – Investments (Continued)

Investment Valuation

The Research Foundation follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes fair value measurements of financial assets and 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 also 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 and net asset value (NAV):

Fair Value Measurements at June 30, 2026					
	Level 1	Level 2	Level 3	NAV^(a)	Total
Common stock and					
Exchange-traded funds	\$ 33,169,523	\$ -	\$ -	\$ -	\$ 33,169,523
Money market	117,843	-	-	-	117,843
U.S. Treasury securities:					
Intermediate-term bond	8,142,491	-	-	-	8,142,491
Equity mutual funds:					
Large blend	2,372,589	-	-	-	2,372,589
State of California Local					
Agency Investment Fund	-	-	-	4,629,231	4,629,231
Total assets at fair value	<u>\$ 43,802,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,629,231</u>	<u>\$ 48,431,677</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

NOTE 4 – Investments (Continued)

Investment Valuation (Continued)

	Fair Value Measurements at June 30, 2025				
	Level 1	Level 2	Level 3	NAV^(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>

(a) In accordance with GASB Statement No. 72, certain investments that were measured at NAV 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, 2026 AND 2025**

NOTE 5 – Capital Assets

Capital assets activity for the year ended June 30, 2026 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	160,580	-	32,444,082
Furniture and fixtures	1,733,943	-	-	1,733,943
Right-of-use assets	295,886	758,589	-	1,054,475
Collection items	7,997,891	81,000	-	8,078,891
Construction in progress	<u>-</u>	<u>413,865</u>	<u>-</u>	<u>413,865</u>
	59,377,696	1,414,034	-	60,791,730
Less accumulated depreciation and amortization	<u>(23,814,163)</u>	<u>(1,202,903)</u>	<u>-</u>	<u>(25,017,066)</u>
	<u>\$ 35,563,533</u>	<u>\$ 211,131</u>	<u>\$ -</u>	<u>\$ 35,774,664</u>

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>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

NOTE 6 – Long-Term Debt

Long-term debt consists of:

	<u>June 30,</u>	
	<u>2026</u>	<u>2025</u>
Bonds payable with interest at rates ranging from 3.50% to 5.00%, due semi-annually, principal payments due annually, final installment due May 2033	\$ 4,265,000	\$ 4,760,000
Bonds payable with interest at rates ranging from 2.50% to 5.75%, due semi-annually, principal payments due annually, final installment due May 2035	7,090,000	7,700,000
Bonds payable with interest at rates ranging from 4.00% to 5.00%, due semi-annually, principal payments due annually, final installment due May 2033	<u>2,985,000</u>	<u>3,330,000</u>
	14,340,000	15,790,000
Unamortized bond premium	2,171,455	2,475,433
Less current portion	<u>(1,530,000)</u>	<u>(1,450,000)</u>
Noncurrent portion	<u>\$ 14,981,455</u>	<u>\$ 16,815,433</u>

Long-term debt activity for the year ended June 30, 2026 is summarized as follows:

	<u>Beginning Balance</u>	<u>Borrowings</u>	<u>Refunds</u>	<u>Principal Repayment</u>	<u>Ending Balance</u>
Bonds payable	<u>\$ 15,790,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,450,000)</u>	<u>\$ 14,340,000</u>

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

	<u>Beginning Balance</u>	<u>Borrowings</u>	<u>Refunds</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>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

NOTE 6 – Long-Term Debt (Continued)

Future maturities of long-term debt are as follows as of June 30, 2026:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
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	1,860,000	331,000
2032-2035	<u>5,880,000</u>	<u>450,000</u>
	<u>\$ 14,340,000</u>	<u>\$ 2,971,000</u>

The bonds contain certain covenants with respect to a minimum debt service coverage ratio and minimum unrestricted net assets with which the Research Foundation is in compliance at June 30, 2026.

NOTE 7 – Pension Plan and Postemployment Health Care Plan

Pension Plan

The Research Foundation has a defined contribution retirement 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 \$866,000 and \$851,000 for the years ended June 30, 2026 and 2025, respectively.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

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 Employees) and Group 2 employees (Benefitted Grant, Contract, Research, and Special Project Employees) hired on or before January 1, 2012 are eligible to retire and receive Research Foundation-paid benefits upon attaining the later of age 50 or five years of continuous employment with the Research Foundation immediately preceding retirement. The Research Foundation contributes 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 upon attaining the later of age 60 and 10 years of continuous employment with the Research Foundation immediately preceding retirement. The Research Foundation contributes 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 its obligations under the Plan for the year ended June 30, 2026 as permitted by GASB Statement No. 75. This roll-forward method is permitted as long as a full actuarial valuation is conducted at least every two years. For the year ended June 30, 2025, obligations were based on a full actuarial valuation.

At June 30, 2026, 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 are 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, 2026 AND 2025**

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:

	<u>June 30,</u>	
	<u>2026</u>	<u>2025</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 9,089,508	\$ 8,770,473
Service cost	170,926	149,680
Interest cost	535,979	515,746
Experience adjustment	-	152,704
Benefits paid	<u>(483,985)</u>	<u>(499,095)</u>
Benefit obligation at end of year	<u>9,312,428</u>	<u>9,089,508</u>
Change in plan assets		
Fair value of plan assets at beginning of year	7,221,846	6,455,195
Employer contributions	483,985	499,095
Net investment income	1,097,080	795,994
Administrative expenses	(32,696)	(29,343)
Benefit payments	<u>(483,985)</u>	<u>(499,095)</u>
Fair value of plan assets at end of year	<u>8,286,230</u>	<u>7,221,846</u>
Net amount recognized in the statements of net position	<u>\$ 1,026,198</u>	<u>\$ 1,867,662</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

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 Year Ended	
	June 30,	
	2026	2025
Service cost	\$ 170,926	\$ 149,680
Interest cost	535,979	515,746
Expected return on assets	(432,330)	(386,431)
Administrative fee	32,696	29,343
Experience gain	(209,616)	(350,339)
Change in assumption	<u>71,808</u>	<u>(6,964)</u>
Net periodic post-retirement benefit income	<u>\$ 169,463</u>	<u>\$ (48,965)</u>

Assumptions

Assumptions used to determine benefit obligations and net periodic benefit cost are as follows:

	June 30,	
	2026	2025
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, 2026 AND 2025

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

Postemployment Health Care Plan (Continued)

Assumptions (Continued)

The assumed health care cost trend rate is as follows:

	<u>June 30,</u>	
	<u>2026</u>	<u>2025</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. Under this method, best-estimate ranges of expected future real rates of return (net of investment expense and inflation) are developed for each major asset class. The expected future real rates of return are then weighted based on the target asset allocation for each asset class and combined with expected inflation to determine the long-term expected rate of return. To achieve the goal set by the investment policy, plan assets are expected to earn, on a long-term basis, a rate of return equal to or greater 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, 2026 AND 2025**

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 plan. The following table presents what the net OPEB liability would be if it were calculated using a discount rate assumption or a healthcare trend rate assumption one percent higher or lower than the current assumption.

	<u>1% Increase</u>	<u>1% Decrease</u>
Assumed health care cost trend rates:		
Effect on the accumulated post-retirement benefit obligation	\$ 2,249,756	\$ (1,400)
Assumed discount rates:		
Effect on the accumulated post-retirement benefit obligation	\$ 190,424	\$ 2,014,130

Contributions

The Research Foundation contributed \$483,985 and \$499,095 to the plan for the years ended June 30, 2026 and 2025, respectively.

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

Investment Policy

Since the fiscal year ended June 30, 2016, the Research Foundation has 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. To date, the Research Foundation has not made any withdrawals from the VEBA to fund retiree health care benefits, 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, 2026 AND 2025**

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

Postemployment Health Care Plan (Continued)

Investment Policy (Continued)

The primary objective 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 based on the Board of Directors' 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 Multiple Employer 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 equivalents account prior to investing in longer term instruments.

The general policy is to diversify investments among equities, fixed income, and other securities, such as real estate, to provide a balance that enhances 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. Rebalancing shall consider the expected returns, volatility, and correlations among the portfolio's asset classes, as well as the additional costs of frequent trading and the internal resources required to implement such transactions.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

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>2026</u>	<u>2025</u>
Mutual funds	100%	100%

The fair values of the Research Foundation's plan assets are as follows:

<u>June 30, 2026</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds:				
Fixed income	\$ 3,230,367	\$ 3,230,367	-	-
Domestic equity	4,010,819	4,010,819	-	-
International equity	871,678	871,678	-	-
Real estate	<u>173,366</u>	<u>173,366</u>	<u>-</u>	<u>-</u>
Total assets at fair value	<u>\$ 8,286,230</u>	<u>\$ 8,286,230</u>	<u>None</u>	<u>None</u>

<u>June 30, 2025</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>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, 2026 AND 2025**

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

At June 30, 2026 and 2025, 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>
<u>June 30, 2026</u>		
Differences between projected and actual return on investments	\$ -	\$ 973,076
Differences between projected and actual experience	<u>65,444</u>	<u>-</u>
	<u><u>\$ 65,444</u></u>	<u><u>\$ 973,076</u></u>
<u>June 30, 2025</u>		
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><u>\$ 179,623</u></u>	<u><u>\$ 560,313</u></u>

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows as of June 30, 2026:

<u>Year Ending June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2027	\$ 43,630	\$ 328,485
2028	\$ 21,814	\$ 296,780
2029	\$ -	\$ 214,861
2030	\$ -	\$ 132,950

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

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 of the trust assets to be paid periodically to the trustor. Certain trusts limit the payment to the net income earned on the assets, while other 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 accordance with the terms designated by the grantor. Amounts due to the designated beneficiaries are reported as other liabilities on the statements of net position.

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 grants is generally based on allowable costs reported to and audited by the government. Until any such audits have been completed and final settlement is 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 Research Foundation's total investment in land and buildings is approximately \$49,000,000, with \$45,000,000 allocated to space available for lease, and approximately \$22,900,000 and \$21,800,000 of accumulated depreciation at June 30, 2026 and 2025, respectively.

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

In estimating the present value of these lease receivables, the Research Foundation determined the discount rate based on estimated 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, 2026 AND 2025**

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, 2026:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2027	\$ 1,163,361	\$ 1,970,821
2028	1,222,236	1,912,196
2029	1,281,008	1,946,680
2030	1,344,660	1,930,156
2031	1,408,194	1,862,497
2032-2036	4,883,764	8,781,677
2037-2041	-	9,184,267
2042-2046	-	10,102,702
2047-2051	-	11,112,970
2052-2056	-	12,224,263
Thereafter	<u>59,550,221</u>	<u>32,147,089</u>
	<u>\$ 70,853,444</u>	<u>\$ 93,175,318</u>

Rental income was approximately \$6,353,000 and \$6,276,000 for the years ended June 30, 2026 and 2025, respectively. Included in leases receivable, current portion on the statements of net position as of June 30, 2026 is approximately \$46,000 of accrued interest not yet received.

The Research Foundation has deferred inflows of resources related to these lease arrangements, which are recognized on a straight line-basis over the respective lease terms. The Research Foundation expects to recognize 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, 2026 AND 2025**

NOTE 8 – Commitments and Contingencies (Continued)

As Lessee

The Research Foundation has entered into a lease agreement that expires in October 2035 and does not include any renewal options. This agreement provides for periodic adjustments to base rents based on changes in the Consumer Price Index.

The following is a schedule of future minimum rental payments required under the operating lease at June 30, 2026:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2027	\$ 75,162	\$ 6,973
2028	73,589	6,196
2029	74,349	5,436
2030	75,116	4,669
2031	75,891	3,894
2032-2036	<u>338,012</u>	<u>7,722</u>
	<u>\$ 712,119</u>	<u>\$ 34,890</u>

Rental expense was approximately \$810,000 and \$832,000 for the years ended June 30, 2026 and 2025, 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 term of the lease agreement. The interest rate used in its calculations was 1.35%.

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

NOTE 9 – Operating Expenses by Function

Operating expenses are reported by natural classification in the statements of revenues, expenses, and changes in net position. A schedule of expenses by function is shown below:

	For the Year Ended June 30, 2026				
	Compensation and Benefits	Supplies and Services	Scholarship and Fellowship	Depreciation and Amortization	Total
Instruction	\$ 6,702,214	\$ 2,648,718	\$ -	\$ -	\$ 9,350,932
Research	8,940,690	6,437,785	-	-	15,378,475
Public service	1,863,380	2,595,150	-	-	4,458,530
Academic support	2,765,465	1,541,899	-	-	4,307,364
Student services	6,781,577	1,508,069	-	-	8,289,646
Institutional support	2,284,896	1,671,236	-	-	3,956,132
Student grants and scholarships	-	-	5,566,812	-	5,566,812
Auxiliary enterprise expenses	328,706	1,080,816	-	-	1,409,522
Depreciation and amortization	-	-	-	1,202,903	1,202,903
Total Operating Expenses	<u>\$29,666,928</u>	<u>\$17,483,673</u>	<u>\$ 5,566,812</u>	<u>\$1,202,903</u>	<u>\$ 53,920,316</u>

	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>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025**

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 follows:

	<u>June 30,</u>	
	<u>2026</u>	<u>2025</u>
Payments to the University for salaries of University personnel working on contracts, grants, and other programs	\$ 5,428,533	\$ 5,986,058
Payments to the University for other than salaries of University personnel	\$11,934,573	\$11,663,846
Payments received from the University for services, space, and programs	\$ 3,671,239	\$ 4,184,412
Gifts-in-kind to the University from discretely presented component units	\$ 19,912	\$ 31,705
Gifts (cash or assets) to the University from discretely presented component units	\$ 6,436,548	\$ 6,135,723
Amounts due to the University	\$ 1,094,740	\$ 2,479,996
Amounts due from the University	\$ 329,463	\$ 550,364
Amounts due to other CSU business units	\$ 1,084	\$ 2,629
Amounts due from other CSU business units	\$ 144,720	\$ 72,513

SUPPLEMENTARY FINANCIAL INFORMATION

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>FYE 6/30/26</u>	<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	\$ 170,926	\$ 149,680	\$ 145,674	\$ 173,973	\$ 169,317	\$ 128,401	\$ 124,661	\$ 373,421	\$ 362,545	\$ 351,985
Interest	535,979	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	(483,985)	(499,095)	(480,325)	(587,016)	(515,882)	(497,888)	(497,888)	(510,852)	(525,863)	(504,370)
Net change in total OPEB liability	222,920	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	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	13,501,473
Total OPEB liability – end of year (a)	9,312,428	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	483,985	499,095	480,325	587,016	515,882	497,888	1,697,650	2,215,487	525,863	504,370
Net investment income (loss)	1,097,080	795,994	752,546	474,531	(1,255,781)	1,400,338	254,190	88,614	134,072	184,836
Benefit payments	(483,985)	(499,095)	(480,325)	(587,016)	(515,882)	(497,888)	(497,888)	(510,852)	(525,863)	(504,370)
Administrative expenses	(32,696)	(29,343)	(26,457)	(24,580)	(28,256)	(26,555)	(21,829)	-	(13,599)	(12,188)
Net change in plan fiduciary net position	1,064,384	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	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	1,670,916
Plan fiduciary net position – end of year (b)	8,286,230	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)	\$ 1,026,198	\$ 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	88.98%	79.45%	73.60%	66.62%	56.01%	71.12%	46.18%	24.51%	13.38%	13.10%
Covered payroll	\$ 3,840,524	\$ 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	26.72%	51.70%	65.82%	82.03%	101.35%	65.15%	147.88%	289.06%	316.34%	280.92%
Measurement date	30-Jun-26	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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

SCHEDULE OF NET POSITION

JUNE 30, 2026

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 6,677,015
Short-term investments	45,730,967
Accounts receivable, net	9,722,524
Lease receivables, current portion	1,209,761
P3 receivables, current portion	-
Notes receivable, current portion	-
Pledges receivable, net, current portion	200,000
Prepaid expenses and other assets	114,373
Total current assets	<u>63,654,640</u>

NONCURRENT ASSETS

Restricted cash and cash equivalents	-
Accounts receivable, net	16,099,131
Lease receivable, net of current portion	71,820,208
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	2,700,710
Capital assets, net	35,774,664
Other assets	-
Total noncurrent assets	<u>126,527,320</u>

TOTAL ASSETS

\$ 190,181,960

LIABILITIES AND NET POSITION

DEFERRED OUTFLOWS OF RESOURCES

Unamortized loss on debt refunding	\$ 871,489
Net pension liability	-
Net OPEB liability	65,444
Leases P3	-
Others	-
Total deferred outflows of resources	<u>936,933</u>

CURRENT LIABILITIES

Accounts payable	1,090,295
Accrued salaries and benefits payable	1,831,772
Accrued compensated absences - current portion	2,238,882
Unearned revenues	7,168,639
Lease Liabilities - current portion	75,162
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations - current portion	1,530,000
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts - current portion	-
Other liabilities, current	1,095,824
Total current liabilities	<u>15,030,574</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

SCHEDULE OF NET POSITION (CONTINUED)

JUNE 30, 2026

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

NONCURRENT LIABILITIES

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	636,957
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	14,981,455
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	1,026,198
Net pension liability	-
Other liabilities	<u>5,680,411</u>
Total noncurrent liabilities	<u>22,325,021</u>
 Total liabilities	 <u>37,355,595</u>

DEFERRED INFLOWS OF RESOURCES

P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	973,076
Unamortized gain on debt refunding	-
Nonexchange transactions	13,119,439
Leases	65,364,856
P3	-
Others	<u>-</u>
Total deferred inflows of resources	<u>79,457,371</u>

NET POSITION

Net investment in capital assets	18,551,090
Restricted for:	
Nonexpendable - Endowments	-
Expendable:	
Scholarships and fellowships	-
Research	8,411,352
Loans	-
Capital projects	-
Debt service	-
Other	5,022,383
Unrestricted	<u>42,321,102</u>
 Total net position	 <u>\$ 74,305,927</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

**SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)**

REVENUES

Operating revenues:

Student Tuition & Fees, gross	\$	-
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Scholarship allowances, enter as negative		-
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Student Financial Aid Grants:

Federal Financial Aid Grants		-
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State Financial Aid Grants		-
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Local Financial Aid Grants		-
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Nongovernmental and Other Financial Aid Grants		-
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Grants and contracts, noncapital:

Federal	23,617,734
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State	14,580,759
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Local	2,395,235
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Nongovernmental	3,738,410
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Sales and services of Educational Activities	-
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Sales and services Auxiliary Enterprises, gross	4,242,738
---	-----------

Scholarship allowances for sales of auxiliary enterprises	-
---	---

Other operating revenues	<u>3,753,186</u>
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Total Operating Revenues	<u>52,328,062</u>
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EXPENSES

Operating expenses:

Instruction	9,350,932
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Research	15,378,475
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Public service	4,458,530
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Academic support	4,307,364
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Student services	8,289,646
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Institutional support	3,956,132
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Operation and maintenance of plant	-
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Student grants and scholarships	5,566,812
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Auxiliary enterprise expenses	1,409,522
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Depreciation and amortization	<u>1,202,903</u>
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Total Operating Expenses	<u>53,920,316</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, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)**

NONCAPITAL SUBSIDIES

State appropriations	-
Gifts	2,322,780
Other Noncapital Subsidies received/(provided)	-
Federal Noncapital Subsidies received/(provided)	-
Total NonCapital Subsidies Received	<u>2,322,780</u>

OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	<u>730,526</u>
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NONOPERATING REVENUES (EXPENSES)

Federal Subsidies, capital received/(provided)	-
State appropriations, capital	-
Capital Subsidies received/(provided)	-
Grants and gifts, capital	-
Investment income (loss), net	5,914,089
Endowment income (loss), net	-
Interest revenue	2,421,727
Interest expense	(548,063)
Gains (losses) on capital assets	4,183
Additions (Reductions) to Permanent Endowments	-
Net Nonoperating Revenues (Expenses)	<u>7,791,936</u>

INCREASE (DECREASE) IN NET POSITION	<u>8,522,462</u>
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NET POSITION

Net Position at Beginning of Year, as Previously Reported	65,783,465
Restatements	-
Net Position at Beginning of Year, as Restated	<u>65,783,465</u>

NET POSITION AT END OF YEAR	<u>\$ 74,305,927</u>
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CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION

JUNE 30, 2026

(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		6,677,015
Total	\$	6,677,015

2.1 COMPOSITION OF INVESTMENTS:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ -	\$ 117,843	\$ 117,843
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	8,080,452	62,039	8,142,491
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	-	2,372,589	2,372,589
Exchange traded funds	33,021,284	-	33,021,284
Equity securities	-	148,239	148,239
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)	4,629,231	-	4,629,231
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:	-	-	-
Total other investments	-	-	-
Total investments	45,730,967	2,700,710	48,431,677
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	\$ 45,730,967	\$ 2,700,710	\$ 48,431,677

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION

JUNE 30, 2026

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

2.2 FAIR VALUE HIERARCHY IN INVESTMENTS:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ 117,843	\$ 117,843	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	8,142,491	8,142,491	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	2,372,589	2,372,589	-	-	-
Exchange traded funds	33,021,284	33,021,284	-	-	-
Equity securities	148,239	148,239	-	-	-
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)	4,629,231	-	-	-	4,629,231
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:	-	-	-	-	-
Total other investments:	-	-	-	-	-
Total investments	\$ 48,431,677	\$ 43,802,446	\$ -	\$ -	\$ 4,629,231

2.3 INVESTMENTS HELD BY THE UNIVERSITY UNDER CONTRACTUAL AGREEMENTS:

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

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION JUNE 30, 2026 (FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

3.1 CAPITAL ASSETS, excluding ROU assets:

Composition of capital assets, excluding ROU assets:	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2025 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ 17,066,474	\$ -	\$ -	\$ -	\$ 17,066,474	\$ -	\$ -	\$ -	\$ 17,066,474
Works of art and historical treasures	7,997,891	-	-	-	7,997,891	81,000	-	-	8,078,891
Construction work in progress (CWIP)	-	-	-	-	-	413,865	-	-	413,865
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	25,064,365	-	-	-	25,064,365	494,865	-	-	25,559,230
Depreciable/Amortizable capital assets:									
Buildings and building improvements	32,283,502	-	-	-	32,283,502	160,580	-	-	32,444,082
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 Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	34,017,445	-	-	-	34,017,445	160,580	-	-	34,178,025
Total capital assets	59,081,810	-	-	-	59,081,810	655,445	-	-	59,737,255
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	(21,818,540)	-	-	-	(21,818,540)	(1,124,033)	-	-	(22,942,573)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(1,733,942)	-	-	-	(1,733,942)	-	-	-	(1,733,942)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(23,552,482)	-	-	-	(23,552,482)	(1,124,033)	-	-	(24,676,515)
Total capital assets, net excluding ROU assets	\$ 35,529,328	\$ -	\$ -	\$ -	\$ 35,529,328	\$ (468,588)	\$ -	\$ -	\$ 35,060,740
Does the component unit have any capital assets held for sale?	No								

Date sale approved	Item	Asset Category	Asset Cost (+)	Accumulated Depreciation (-)	NBV	Is asset pledged as collateral?	Debt Outstanding Balance	Sale probable within one year?
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CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION JUNE 30, 2026 (FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

3.1 COMPOSITION OF CAPITAL ASSETS, excluding ROU assets (continued):

Composition of capital assets - Lease ROU, net:	Balance June 30, 2025	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	252,660	-	-	-	252,660	758,589	-	-	1,011,249
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	43,226	-	-	-	43,226	-	-	-	43,226
Total depreciable/amortizable lease assets	<u>295,886</u>	-	-	-	<u>295,886</u>	<u>758,589</u>	-	-	<u>1,054,475</u>
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	(233,224)	-	-	-	(233,224)	(78,870)	-	-	(312,094)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(28,457)	-	-	-	(28,457)	-	-	-	(28,457)
Total accumulated depreciation/amortization	<u>(261,681)</u>	-	-	-	<u>(261,681)</u>	<u>(78,870)</u>	-	-	<u>(340,551)</u>
Total capital assets - lease ROU, net	<u>\$ 34,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,205</u>	<u>\$ 679,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 713,924</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION

JUNE 30, 2026

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

3.1 COMPOSITION OF CAPITAL ASSETS, excluding ROU assets (continued):

Composition of capital assets - SBITA ROU, net	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Depreciable/Amortizable SBITA assets:									
Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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									\$ 35,774,664

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 1,124,033
Amortization expense - Leases ROU	78,870
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
Total depreciation and amortization	\$ 1,202,903

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION JUNE 30, 2026 (FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

4 LONG-TERM LIABILITIES:

	Balance June 30, 2025	Prior Period Adjustments/ Reclassifications	Balance June 30, 2025 (Restated)	Additions	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 1,859,833	\$ -	\$ 1,859,833	\$ 379,049	\$ -	\$ 2,238,882	\$ 2,238,882	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	15,790,000	-	15,790,000	-	(1,450,000)	14,340,000	1,530,000	12,810,000
4.4 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:								
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	15,790,000	-	15,790,000	-	(1,450,000)	14,340,000	1,530,000	12,810,000
4.6 Unamortized net bond premium/(discount)	2,475,433	-	2,475,433	-	(303,978)	2,171,455	-	2,171,455
Total long-term debt obligations	\$ 18,265,433	\$ -	\$ 18,265,433	\$ -	\$ (1,753,978)	\$ 16,511,455	\$ 1,530,000	\$ 14,981,455
5. Lease, SBITA, P3 liabilities:								
Lease liabilities	\$ 29,885	\$ -	\$ 682,234	\$ -	\$ -	\$ 712,119	\$ 75,162	\$ 636,957
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ 29,885	\$ -	\$ 682,234	\$ -	\$ -	\$ 712,119	\$ 75,162	\$ 636,957
TOTAL LONG-TERM LIABILITIES	\$ 19,462,456	\$ 3,844,044	\$ 15,618,412					

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

OTHER INFORMATION

JUNE 30, 2026

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY FINANCIAL STATEMENTS)

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

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:												
2027	\$ 75,162	\$ 6,973	\$ 82,135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,162	\$ 6,973	\$ 82,135
2028	73,589	6,196	79,785	-	-	-	-	-	-	73,589	6,196	79,785
2029	74,349	5,436	79,785	-	-	-	-	-	-	74,349	5,436	79,785
2030	75,116	4,669	79,785	-	-	-	-	-	-	75,116	4,669	79,785
2031	75,891	3,894	79,785	-	-	-	-	-	-	75,891	3,894	79,785
2032 - 2036	338,012	7,722	345,734	-	-	-	-	-	-	338,012	7,722	345,734
2037 - 2041	-	-	-	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total minimum lease payments	\$ 712,119	\$ 34,890	\$ 747,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 712,119	\$ 34,890	\$ 747,009
Less: amounts representing interest												(34,890)
Present value of future minimum lease payments												712,119
Total Leases, SBITA, P3 liabilities												712,119
Less: current portion												(75,162)
Leases, SBITA, P3 liabilities, net of current portion												\$ 636,957

6 FUTURE MINIMUM PAYMENT SCHEDULE - LONG-TERM DEBT OBLIGATIONS:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
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	-	-	-	1,860,000	331,000	2,191,000	1,860,000	331,000	2,191,000
2032 - 2036	-	-	-	5,880,000	450,000	6,330,000	5,880,000	450,000	6,330,000
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	\$ -	\$ -	\$ 14,340,000	\$ 2,971,000	\$ 17,311,000	\$ 14,340,000	\$ 2,971,000	\$ 17,311,000
Less: amounts representing interest									(2,971,000)
Present value of future minimum payments									14,340,000
Unamortized net premium/(discount)									2,171,455
Total long-term debt obligations									16,511,455
Less: current portion									(1,530,000)
Long-term debt obligations, net of current portion									\$ 14,981,455

CALIFORNIA STATE UNIVERSITY, LONG BEACH RESEARCH FOUNDATION

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(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	\$ 5,428,533
Payments to University for other than salaries of University personnel	\$ 11,934,573
Payments received from University for services, space, and programs	\$ 3,671,239
Gifts-in-kind to the University from discretely presented component units	\$ 19,912
Gifts (cash or assets) to the University from discretely presented component units	\$ 6,436,548
Accounts (payable to) University (enter as negative number)	\$ (1,094,740)
Other amounts (payable to) University (enter as negative number)	\$ -
Accounts receivable from University (enter as positive number)	\$ 329,463
Other amounts receivable from University (enter as positive number)	\$ -

8 RESTATEMENTS/PRIOR PERIOD ADJUSTMENTS

Intentionally left blank - no restatements / prior period adjustments

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9 NATURAL CLASSIFICATION OF OPERATING EXPENSES:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ 5,067,282	\$ 1,442,930	\$ 192,002	\$ -	\$ -	\$ 2,648,718	\$ -	\$ 9,350,932
Research	7,213,199	1,627,670	99,821	-	-	6,437,785	-	15,378,475
Public service	1,401,878	404,361	57,141	-	-	2,595,150	-	4,458,530
Academic support	2,138,334	552,363	74,768	-	-	1,541,899	-	4,307,364
Student services	4,840,655	1,683,252	257,670	-	-	1,508,069	-	8,289,646
Institutional support	1,820,955	600,246	178,217	(314,522)	-	1,671,236	-	3,956,132
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	5,566,812	-	-	5,566,812
Auxiliary enterprise expenses	218,349	104,012	6,345	-	-	1,080,816	-	1,409,522
Depreciation and amortization	-	-	-	-	-	-	1,202,903	1,202,903
Total operating expenses	\$ 22,700,652	\$ 6,414,834	\$ 865,964	\$ (314,522)	\$ 5,566,812	\$ 17,483,673	\$ 1,202,903	\$ 53,920,316

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10 DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	\$ 871,489
Deferred outflows - net pension liability	-
Deferred outflows - net OPEB liability	65,444
Deferred outflows - leases	-
Deferred outflows - P3	-
Deferred outflows - others:	-
Sales/intra-entity transfers of future revenues	-
Gain/loss on sale leaseback	-
Loan origination fees and costs	-
Change in fair value of hedging derivative instrument	-
Irrevocable split-interest agreements	-
Total deferred outflows - others	<u>-</u>

Total deferred outflows of resources	<u>\$ 936,933</u>
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2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	\$ -
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	973,076
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	13,119,439
Deferred inflows - leases	65,364,856
Deferred inflows - P3	-
Deferred inflows - others:	-
Sales/intra-entity transfers of future revenues	-
Gain/loss on sale leaseback	-
Loan origination fees and costs	-
Change in fair value of hedging derivative instrument	-
Irrevocable split-interest agreements	-
Total deferred inflows - others	<u>-</u>

Total deferred inflows of resources	<u>\$ 79,457,371</u>
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