CAL STATE EAST BAY EDUCATIONAL FOUNDATION, INC.
(A Component Unit of California State University, East Bay)

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

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CAL STATE EAST BAY EDUCATIONAL FOUNDATION, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Cal State East Bay Educational Foundation, Inc.
Hayward, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, of the Cal State East Bay Educational Foundation, Inc., a component unit of California State University, East Bay, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Cal State East Bay Educational Foundation, Inc. as of June 30, 2019, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cal State East Bay Educational Foundation, Inc.'s basic financial statements. The schedule of net position, the schedule of revenues, expenses, and changes in net position, and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of the Cal State East Bay Educational Foundation, Inc., referred to above, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2019, on our consideration of the Cal State East Bay Educational Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Cal State East Bay Educational Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cal State East Bay Educational Foundation, Inc.'s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
September 9, 2019

CAL STATE EAST BAY EDUCATIONAL FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019
(UNAUDITED)

This section of Cal State East Bay Educational Foundation, Inc.'s (Educational Foundation) annual financial report includes some of management's insights and analyses of the Educational Foundation's financial performance for the year ended June 30, 2019. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes.

Financial Highlights

- Noncurrent assets increased by $0.5 million due to an increase in permanent endowments.
- Operating revenues increased by $0.5 million due to higher gifts and additions to permanent endowments received as compared to the previous year.
- Nonoperating revenues decreased by $0.5 million due to the lower gains on the value of invested funds as compared to the previous year.

Overview of the Financial Statements

The annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities. This standard is applicable to the Educational Foundation because it is a component unit of California State University, East Bay (University). Consistent with the University, the Educational Foundation has adopted the Business-Type Activity (BTA) reporting model to represent its activities.

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

Statement of Net Position: The statement of net position includes all assets and liabilities of the Educational Foundation. It is prepared under the accrual basis of accounting, whereby revenues and receivables are recognized when the service is provided and expenses and liabilities are recognized when incurred, regardless of when cash is exchanged. It also identifies major categories of restrictions on the net position of the Educational Foundation.

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

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

Notes to Financial Statements: The notes to financial statements provide additional information that are essential to a full understanding of the data provided in the Educational Foundation's financial statements. The notes are included immediately following the basic financial statements within this report.

A summary of key financial statement information is presented below:

Statements of Net Position

	2019	2018
Assets:		
Current assets	$ 7,637,478	$ 7,390,385
Noncurrent assets	13,290,318	12,801,805
Total Assets	20,927,796	20,192,190
Liabilities:		
Current liabilities	693,710	713,092
Net Position:		
Restricted:		
Nonexpendable	13,054,142	12,003,385
Expendable	6,743,187	7,045,699
Unrestricted	436,757	430,014
Total net position	$ 20,234,086	$ 19,479,098

Current assets increased by 3% or $0.2 million due to a $0.5 million increase in pledge receivable for gifts and a $0.3 million increase in cash offset by a $0.6 million decrease in investments. Pledges increased due to the transition of previous year pledges from noncurrent to current and cash increased from new gifts received during the year. These increases were partially offset by lower gains on the value of invested funds as compared to the previous year.

Noncurrent assets increased by 4% or $0.5 million in fiscal year 2019. The increase was from the $1.0 million increase in additions to permanent endowments during the year offset by the $.5 million reduction in noncurrent pledge receivables attributable to the transition of previous pledges to current asset.

Current liabilities decreased by 3% or $19 thousand due to lower gains on the value of invested agency funds as compared to the prior year.

Net position increased by 4% or $0.8 million in fiscal year 2019 mainly due to a $1.0 million increase in nonexpendable net position from additions to permanent endowments received during the year. The restricted for other programs net position, totaling $3.8 million, is mostly comprised of the investment activities that fund nonscholarship programs that make up approximately $2.2 million of the balance. The remaining balance consists of gift pledges of $1.6 million net of allowances for discounts and doubtful accounts.

Statements of Revenues, Expenses and Changes in Net Position

	2019	2018
Operating revenues	$ 2,661,806	$ 2,185,887
Operating expenses	2,082,299	1,929,229
Operating income	579,507	256,658
Nonoperating revenues	175,481	632,038
Increase in net position	754,988	888,696
Net position, beginning of year	19,479,098	18,590,402
Net position, end of year	$ 20,234,086	$ 19,479,098

Operating revenues increased by 22% or $0.5 million in fiscal year 2019 mainly due to higher noncapital gifts and additions to permanent endowment received in the current year compared to the previous year.

Operating expenses increased by 8% or $0.2 million mainly due to the increase in contributions made to the University for scholarships and other programs in the current year as compared to the previous year.

Nonoperating revenues decreased by 72% or $0.5 million due to lower gains on the value of invested funds as compared to the prior year.

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the Educational Foundation's finances. For questions concerning any information in this report or for additional financial information, contact Kim Napoli, University Controller, California State University, East Bay, 25800 Carlos Bee Boulevard, Hayward, California 94542 or call 510-885-7363.

CAL STATE EAST BAY EDUCATIONAL FOUNDATION, INC.
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS	
Current assets:	
Cash	$ 1,162,854
Investments	4,887,945
Accounts receivable	217,037
Pledge receivable, net	1,369,642
Total current assets	7,637,478
Noncurrent assets:	
Investments	13,054,142
Pledge receivable, net	236,176
Total noncurrent assets	13,290,318
Total assets	20,927,796
LIABILITIES	
Current liabilities:	
Accounts payable	6,027
Agency liabilities	687,683
Total current liabilities	693,710
NET POSITION	
Restricted:	
Nonexpendable-endowments	13,054,142
Expendable:	
Scholarships and fellowships	2,723,570
Capital projects	240,085
Other programs	3,779,532
Unrestricted	436,757
Total net position	$ 20,234,086

See accompanying Notes to Financial Statements.

CAL STATE EAST BAY EDUCATIONAL FOUNDATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2019

REVENUES		
Operating revenues		
Gifts, capital	$	66,845
Gifts, noncapital		1,339,425
In-kind contributions		6,373
Additions to permanent endowments		1,053,119
Other operating revenues		196,044
Total operating revenues		2,661,806
EXPENSES		
Operating expenses:		
Contributions to support activities of the University		1,890,012
Accounting and administrative cost		192,287
Total operating expenses		2,082,299
Net operating income		579,507
NONOPERATING REVENUES		
Investment loss, net		(5,350)
Investment income, net		180,831
Total nonoperating revenues		175,481
INCREASE IN NET POSITION		754,988
NET POSITION		
Net position, Beginning of year		19,479,098
Net position, End of year	$	20,234,086

See accompanying Notes to Financial Statements.

CAL STATE EAST BAY EDUCATIONAL FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from contributors	$ 2,561,647
Payments for contributions to the University	(1,890,012)
Payments for accounting and administrative costs	(192,287)
Other operating cash flows	161,835
Net cash provided by operating activities	641,183
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(13,212,178)
Sales of investments	10,710,864
Investment gain, net	2,225,401
Net cash used in investing activities	(275,913)
Net increase in cash	365,270
Cash, beginning of year	797,584
Cash, end of year	$ 1,162,854
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	579,507
Adjustments to reconcile operating income to Net cash used in operating activities	
Changes in operating assets and liabilities	
Accounts receivable	(14,827)
Pledges receivable, net	95,885
Accounts payable	1,668
Agency liabilities	(21,050)
Net cash provided by operating activities	$ 641,183
SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION	
Change in fair value of investments	$ (2,049,920)

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Cal State East Bay Educational Foundation, Inc. (Educational Foundation) is a California tax-exempt, nonprofit corporation organized in 1963 as the Cal State-Affiliates to support California State University, East Bay (University). The Educational Foundation promotes private sector support for educational activities to supplement state support. Contributions to the Educational Foundation support scholarships and other University programs.

B. Financial Reporting Entity

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

C. Basis of Presentation

The basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Voluntary nonexchange transactions are recognized as revenue as soon as all eligibility requirements have been met.

D. Use of Estimates

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

E. Cash

The Educational Foundation considers highly liquid investments with a maturity of three months or less to be cash and cash equivalents.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Pledges Receivable

Pledges that are expected to be collected within one year are reflected as current and are recorded at their net realizable value. Pledges that are due in subsequent years are reflected as noncurrent and are discounted to their present value using risk-adjusted rates. The discount rate for the year ended June 30, 2019 was 2.44%. Allowance for uncollectible pledges is provided based on management's judgment, considering such factors as prior collection history, type of contribution, relationship with the donor, and other relevant factors.

G. Investments

Investments are reflected at fair value using quoted market prices. Earnings, gains, and losses are included in the statements of revenues, expenses, and changes in net position as investment gains (losses), net or investment income, net. Earnings, gains, or losses on donor-restricted endowments are available or deducted from donor-designated purposes, primarily scholarships, and are presented separately under nonoperating revenues (expenses) in the accompanying statement of revenues, expenses, and changes in net position.

Consistent with Cal State East Bay Educational Foundation's Endowment and Investment Policy Statement (Document No.301), *restricted endowment funds are funds for which the donor specifies how the endowed income will be used*. Donor gift agreements direct that Restricted Nonexpendable Endowments are to be held in perpetuity with only the investment returns being available for use in accordance with the Educational Foundation's endowment spending policy. As such, the investments attributable to the Restricted Nonexpendable Endowments are classified as long-term.

H. Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Expenses for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of three years. The Educational Foundation's property and equipment are fully depreciated and therefore, do not appear in this report.

I. Agency Liabilities

The Educational Foundation administers monies and investments for the California State University East Bay Alumni Association and other University programs. Such funds are reported as agency liabilities in the accompanying statement of net position.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. In-kind Contributions

In-kind contributions are composed of miscellaneous tangible items and reported at fair value. All items greater than $5,000 require a professional appraisal and the remainder are valued by the donor.

K. Net Position

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

Restricted – Expendable - Net position subject to externally imposed conditions that can be fulfilled by the actions of the Educational Foundation or by the passage of time.

Restricted - Nonexpendable - Net position subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity for the purpose of generating investment income to fund the agreed-upon purpose of the donor's gift.

Unrestricted - All other categories of net position, including those net position designated by the board and management.

L. Classification of Revenues and Expenses

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

M. Services and Facilities

Certain administrative personnel and office facilities provided to the Educational Foundation by the University were subject to reimbursement through the University cost recovery process. As these services and facilities have been priced via an objective valuation process, the related expenses have been reflected in the financial statements of the Educational Foundation as reimbursements to the University.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Income Taxes

The Educational Foundation is exempt from Federal and State corporate income taxes under Internal Revenue Service (IRS) Code Section 501(c)(3) and California Revenue and Taxation Service Code 23701d. In addition, the Educational Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). However, the Educational Foundation remains subject to taxes on any net income which is derived from a trade or business, regularly carried on, and unrelated to its exempt purpose.

The Educational Foundation recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions.

The Educational Foundation files informational and income tax returns in the United States and various state and local jurisdictions. The Educational Foundation's Federal income tax and informational returns are subject to examination by the IRS and state taxing authorities generally for three and four years, respectively, after the returns were filed.

NOTE 2 INVESTMENTS

With respect to its investment decision-making, the Educational Foundation considers factors such as general economic conditions, possible effects of inflation or deflation, expected total return, availability of other resources, the needs of the University, and preservation of capital. Investment decisions are made in the context of the entire portfolio viewed as a whole.

The desired target for distributions from endowment funds for each year will be amounts that, over time, will result in the retention of earnings in the endowments equal to the rate of inflation plus 0% to 5%, after payment of investment, administration fees, and distributions. In order to provide stability in distribution amounts over time, the Educational Foundation's approved overall distribution percentage will be no more than 4% times the average of the quarter-end balances of endowment and quasi-endowment values over the preceding twelve quarters as of March 31.

NOTE 2 INVESTMENTS (CONTINUED)

Investments consist of the following as of June 30, 2019:

Equity securities	$	10,994,985
U.S. treasury securities		1,241,482
Municipal bonds		803,007
U.S. agency securities		25,369
Mutual funds		2,960,153
Corporate bonds		1,426,528
Money market mutual funds		490,563
Total	$	17,942,087

Nonoperating revenues (expenses), net, consists of the following for the year ended June 30, 2019:

Realized and unrealized losses	$	(5,350)
Interest and dividends, net of fees		180,831
Total	$	175,481

A. Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. This is measured by the assignment of ratings by nationally recognized statistical rating organizations. The Educational Foundation's investment policy generally prohibits investments in the following vehicles: private placements, venture capital investments, real estate properties, futures contracts, options, short sales, or margin sales. Investments in cash equivalents, fixed income securities, equity securities and mutual funds are done in a diversified manner that is risk averse with an objective of minimized risk while obtaining a reasonable return. The Educational Foundation's investment policy dictates a diverse asset allocation as follows: equities (10-80%), fixed income (20-50%), cash (0-10%), and alternative investments (10-35%). The investment consultant is provided a maximum and minimum portfolio target for each asset class to ensure proper diversification and to avoid unnecessary risk.

B. Custodial Credit Risk

Custodial credit risk for deposits is the risk that the Educational Foundation will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code and Education Code do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the provision that a financial institution must secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The risk is mitigated in that the Educational Foundation's deposits are maintained at financial institutions that are fully insured or collateralized as required by state law.

NOTE 2 INVESTMENTS (CONTINUED)

C. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. Under the Educational Foundation's Investment Policy, no more than five percent (5%) of the total assets of the investments held by Educational Foundation may be invested in the securities of any one issuer. In order to maximize the rate of return in Educational Foundation's long-term investment portfolio while preserving capital and limiting concentration of credit risks, the Educational Foundation's investment policy dictates a diverse asset allocation as follows: equities (10-80%), fixed income (20-50%), cash (0-10%), and alternative investments (10-35%).

D. Interest Rate Risk

This is the risk of loss due to the fair value of an investment falling due to interest rates rising. As a means of limiting this exposure, short-term investments are limited to relatively liquid instruments such as certificates of deposit, savings accounts, federally guaranteed notes and bills, money market mutual funds.

The following indicates the credit and interest rate risk of investments as of June 30, 2019. The credit ratings listed are for Moody's Investor Services.

			Rating				
	Weighted-Average Duration (Years)	Fair Value	AAA	AA	A	BBB	NR
Corporate bonds	4.96	$ 1,426,528	$ -	$ 374,537	$ 359,745	$ 691,114	$ 1,132
U.S. agency securities	2.54	25,369	25,369	-	-	-	-

E. Fair Value Measurement and Application

GASB Statement No. 72, Fair Value Measurement and Application, sets forth the framework for measuring fair value. That framework provides 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 or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Educational Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

NOTE 2 INVESTMENTS (CONTINUED)

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The valuation technique utilized to measure the Educational Foundation investments is the market approach using prices and other relevant information generated by market transactions involving identical or comparable assets.

A portion of the Money Market Funds are not categorized under the fair value hierarchy and are shown at Net Asset Value (NAV). These investments are measured at amortized cost when calculating NAV per share (or its equivalent) of the investment.

The following shows the investments by fair value level as of June 30, 2019:

		Fair Value Measurements Using		
Investment by Fair Value Level		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	
	Total	Level 1	Level 2	NAV
Corporate bonds	$ 1,426,528	$ -	$ 1,426,528	$ -
Equity securities	10,994,985	10,994,985	-	-
U.S. treasury securities	1,241,482	-	1,241,482	-
Municipal bonds	803,007	-	803,007	-
U.S. agency securities	25,369	-	25,369	-
Money market mutual funds	490,563	-	-	490,563
Mutual funds	2,960,153	-	2,960,153	-
Total investments by fair value level	$ 17,942,087	$ 10,994,985	$ 6,456,539	$ 490,563

NOTE 3 PLEDGES RECEIVABLE

Pledges receivable consist of the following at June 30, 2019:

Receivable in less than one year	$ 1,143,955
Receivable in one to five years	538,380
Less: allowance for doubtful accounts	(36,978)
Less: discount factor to present value	(39,539)
Total	$ 1,605,818

NOTE 4 RELATED PARTIES TRANSACTIONS

The Educational Foundation may enter into transactions with the other California State University, East Bay Auxiliaries (Associated Students, Inc. of California State University, East Bay and the California State University, East Bay Foundation, Inc. (collectively known as the Auxiliaries)) as well as transactions with the University itself.

NOTE 4 RELATED PARTIES TRANSACTIONS (CONTINUED)

The Educational Foundation reimburses the University for certain services to Educational Foundation. The fees for these services for the year ended June 30, 2019 was $157,131. During the year ended June 30, 2019, the Educational Foundation paid cash and contributed in-kind gifts of $1,867,360 and $6,373, respectively to the University. Fees of $61,785 for services rendered in relation to these gifts were deducted from the contributions. These amounts are included as contributions to support activities of the University in the accompanying statement of revenues, expenses, and changes in net position. Gifts of $1,885 were given to Associated Students, Inc. Accounts payables to California State University, East Bay at June 30, 2019 was $6,027.

At June 30, 2019, the Educational Foundation had pledges receivable from members and officers of the Board of Directors in the amount of $766,834, net of allowances for doubtful accounts and discounts. These pledges receivable are due at various dates through 2024.

NOTE 5 FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

OTHER SUPPLEMENTARY INFORMATION FOR CALIFORNIA STATE UNIVERSITY OFFICE OF THE CHANCELLOR

Cal State East Bay Educational Foundation, Inc.
Schedule of Net Position
June 30, 2019
(for inclusion in the California State University)

Assets:		
Current assets:		
Cash and cash equivalents	$	1,162,854
Short-term investments		4,887,945
Accounts receivable, net		217,037
Capital lease receivable, current portion		—
Notes receivable, current portion		—
Pledges receivable, net		1,369,642
Prepaid expenses and other current assets		—
Total current assets		7,637,478
Noncurrent assets:		
Restricted cash and cash equivalents		—
Accounts receivable, net		—
Capital lease receivable, net of current portion		—
Notes receivable, net of current portion		—
Student loans receivable, net		—
Pledges receivable, net		236,176
Endowment investments		13,054,142
Other long-term investments		—
Capital assets, net		—
Other assets		—
Total noncurrent assets		13,290,318
Total assets		20,927,796
Deferred outflows of resources:		
Unamortized loss on debt refunding		—
Net pension liability		—
Net OPEB liability		—
Others		—
Total deferred outflows of resources		—
Liabilities:		
Current liabilities:		
Accounts payable		6,027
Accrued salaries and benefits		—
Accrued compensated absences, current portion		—
Unearned revenues		—
Capital lease obligations, current portion		—
Long-term debt obligations, current portion		—
Claims liability for losses and loss adjustment expenses, current portion		—
Depository accounts		687,683
Other liabilities		—
Total current liabilities		693,710
Noncurrent liabilities:		
Accrued compensated absences, net of current portion		—
Unearned revenues		—
Grants refundable		—
Capital lease obligations, net of current portion		—
Long-term debt obligations, net of current portion		—
Claims liability for losses and loss adjustment expenses, net of current portion		—
Depository accounts		—
Net other postemployment benefits liability		—
Net pension liability		—
Other liabilities		—
Total noncurrent liabilities		—
Total liabilities		693,710
Deferred inflows of resources:		
Service concession arrangements		—
Net pension liability		—
Net OPEB liability		—
Unamortized gain on debt refunding		—
Nonexchange transactions		—
Others		—
Total deferred inflows of resources		—
Net Position:		
Net investment in capital assets		—
Restricted for:		—
Nonexpendable – endowments		13,054,142
Expendable:		—
Scholarships and fellowships		2,723,570
Research		—
Loans		—
Capital projects		240,085
Debt service		—
Others		3,779,532
Unrestricted		436,757
Total net position	$	20,234,086

See accompanying note to supplementary information.

Cal State East Bay Educational Foundation, Inc.

Schedule of Revenues, Expenses, and Changes in Net Position

June 30, 2019

(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Student tuition and fees, gross	$	—
Scholarship allowances (enter as negative)		—
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises, gross		—
Scholarship allowances (enter as negative)		—
Other operating revenues		—
Total operating revenues		—
Expenses:		
Operating expenses:		
Instruction		—
Research		—
Public service		—
Academic support		—
Student services		—
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		—
Auxiliary enterprise expenses		2,082,299
Depreciation and amortization		—
Total operating expenses		2,082,299
Operating income (loss)		(2,082,299)
Nonoperating revenues (expenses):		
State appropriations, noncapital		—
Federal financial aid grants, noncapital		—
State financial aid grants, noncapital		—
Local financial aid grants, noncapital		—
Nongovernmental and other financial aid grants, noncapital		—
Other federal nonoperating grants, noncapital		—
Gifts, noncapital		1,345,798
Investment income (loss), net		(5,350)
Endowment income (loss), net		180,831
Interest expense		—
Other nonoperating revenues (expenses) - excl. interagency transfers		196,044
Other nonoperating revenues (expenses) - interagency transfers		—
Net nonoperating revenues (expenses)		1,717,323
Income (loss) before other revenues (expenses)		(364,976)
State appropriations, capital		—
Grants and gifts, capital		66,845
Additions (reductions) to permanent endowments		1,053,119
Increase (decrease) in net position		754,988
Net position:		
Net position at beginning of year, as previously reported		19,479,098
Restatements		
Net position at beginning of year, as restated		19,479,098
Net position at end of year	$	20,234,086

See accompanying note to supplementary information.

Cal State East Bay Educational Foundation, Inc.
Other Information
June 30, 2019
(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	
All other restricted cash and cash equivalents	
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	1,162,854
Total	**$ 1,162,854**

2.1 Composition of investments:

	Current	Noncurrent	Total
Money market funds	133,644	356,919	**490,563**
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities	6,911	18,458	**25,369**
U.S. treasury securities	338,216	903,266	**1,241,482**
Municipal bonds	218,762	584,245	**803,007**
Corporate bonds	388,627	1,037,901	**1,426,528**
Asset backed securities			-
Mortgage backed securities			-
Commercial paper			-
Mutual funds	806,432	2,153,721	**2,960,153**
Exchange traded funds			-
Equity securities	2,995,353	7,999,632	**10,994,985**
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 (excluding SWIFT)			-
Other investments			-
State of California Local Agency Investment Fund (LAIF)			-
State of California Surplus Money Investment Fund (SMIF)			-
Total investments	**4,887,945**	**13,054,142**	**17,942,087**
Less endowment investments (enter as negative number)	-		-
Total investments, net of endowments	**$ 4,887,945**	**13,054,142**	**17,942,087**

See accompanying note to supplementary information.

Cal State East Bay Educational Foundation, Inc.
Other Information
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2.2 Fair value hierarchy in investments:

	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	$ **490,563**				490,563
Repurchase agreements	-				
Certificates of deposit	-				
U.S. agency securities	**25,369**		25,369		
U.S. treasury securities	**1,241,482**		1,241,482		
Municipal bonds	**803,007**		803,007		
Corporate bonds	**1,426,528**		1,426,528		
Asset backed securities	-				
Mortgage backed securities	-				
Commercial paper	-				
Mutual funds	**2,960,153**		2,960,153		
Exchange traded funds	-				
Equity securities	**10,994,985**	10,994,985			
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 (excluding SWIFT)	-				
Other investments	-				
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	
Total investments	$ **17,942,087**	**10,994,985**	**6,456,539**	**-**	**490,563**

2.3 Investments held by the University under contractual agreements

Instruction: Amounts should agree with University's investments held on behalf of Discretely Presented Component Units.

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

3.1 Composition of capital assets:

	Balance June 30, 2018	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2018 (Restated)	Additions	Retirements	Transfer of completed CWIP	Balance June 30, 2019
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	$ -				-				-
Works of art and historical treasures	-				-				-
Construction work in progress (CWIP)	-				-				-
Intangible assets:									
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Intangible assets in progress (PWIP)	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-

Cal State East Bay Educational Foundation, Inc.
Other Information
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(for inclusion in the California State University)

Depreciable/Amortizable capital assets:									
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Leasehold improvements	-				-				-
Personal property:									
Equipment	-				-				-
Library books and materials	-				-				-
Intangible assets:									
Software and websites	**112,000**				**112,000**				**112,000**
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total intangible assets	112,000	-	-	-	**112,000**	-	-	-	**112,000**
Total depreciable/amortizable capital assets	**112,000**	-	-	-	**112,000**	-	-	-	**112,000**
Total capital assets	**112,000**	-	-	-	**112,000**	-	-	-	**112,000**
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Leasehold improvements	-				-				-
Personal property:									
Equipment	-				-				-
Library books and materials	-				-				-
Intangible assets:									
Software and websites	**(112,000)**				**(112,000)**				**(112,000)**
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total intangible assets	(112,000)	-	-	-	(112,000)	-	-	-	**(112,000)**
Total accumulated depreciation/amortization	**(112,000)**	-	-	-	**(112,000)**	-	-	-	**(112,000)**
Total capital assets, net	**$** -	-	-	-	-	-	-	-	-

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	$ -
Amortization expense related to other assets	
Total depreciation and amortization	**$** -

Cal State East Bay Educational Foundation, Inc.
Other Information
June 30, 2019
(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2018	Prior Period Adjustments/Reclassifications	Balance June 30, 2018 (Restated)	Additions	Reductions	Balance June 30, 2019	Current Portion	Noncurrent Portion
1. Accrued compensated absences	$ -		-			-		-
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations:								
Gross balance	-		-			-	-	-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-		-			-	-	-
4.2 Commercial paper	-		-			-		-
4.3 Notes payable (SRB related)	-		-			-		-
4.4 Others:								
	-		-			-		-
	-		-			-		-
	-		-			-		-
	-		-			-		-
Total others	-		-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	$ -	-	-	-	-	-	-	-

5 Capital lease obligations schedule:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease 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:									
2020			-			-	-	-	-
2021			-			-	-	-	-
2022			-			-	-	-	-
2023			-			-	-	-	-
2024			-			-	-	-	-
2025 - 2029			-			-	-	-	-
2030 - 2034			-			-	-	-	-
2035 - 2039			-			-	-	-	-
2040 - 2044			-			-	-	-	-
2045 - 2049			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum lease payments	$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum lease payments									-
Unamortized net premium/(discount)									-
Total capital lease obligations									-
Less: current portion									-
Capital lease obligations, net of current portion									$ -

See accompanying note to supplementary information.

Cal State East Bay Educational Foundation, Inc.
Other Information
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6 Long-term debt obligations schedule:

	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:									
2020			-			-	-	-	-
2021			-			-	-	-	-
2022			-			-	-	-	-
2023			-			-	-	-	-
2024			-			-	-	-	-
2025 - 2029			-			-	-	-	-
2030 - 2034			-			-	-	-	-
2035 - 2039			-			-	-	-	-
2040 - 2044			-			-	-	-	-
2045 - 2049			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum payments	$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									$ -

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	-
Payments to University for other than salaries of University personnel	157,131
Payments received from University for services, space, and programs	61,785
Gifts-in-kind to the University from discretely presented component units	6,373
Gifts (cash or assets) to the University from discretely presented component units	1,867,360
Accounts (payable to) University (enter as negative number)	(6,027)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	-
Other amounts receivable from University (enter as positive number)	-

8 Restatements/Prior period adjustments:

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement/PPA:

		Debit/(Credit)
Transaction #1	Enter transaction description	
Transaction #2	Enter transaction description	

See accompanying note to supplementary information.

Cal State East Bay Educational Foundation, Inc.
Other Information
June 30, 2019
(for inclusion in the California State University)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction					-		-	-
Research					-		-	-
Public service					-		-	-
Academic support					-		-	-
Student services					-		-	-
Institutional support					-		-	-
Operation and maintenance of plant					-		-	-
Student grants and scholarships	-	-	-	-		-	-	-
Auxiliary enterprise expenses						2,082,299	-	**2,082,299**
Depreciation and amortization	-	-	-	-	-	-		-
Total operating expenses	**$ -**	-	-	-	-	**2,082,299**	-	**2,082,299**

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	
Deferred outflows - net pension liability	
Deferred outflows - net OPEB liability	
Deferred outflows - others:	
Total deferred outflows - others	-
Total deferred outflows of resources	**$ -**

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	
Deferred inflows - net pension liability	
Deferred inflows - net OPEB liability	
Deferred inflows - unamortized gain on debt refunding(s)	
Deferred inflows - nonexchange transactions	
Deferred inflows - others:	
Total deferred inflows - others	-
Total deferred inflows of resources	**$ -**

See accompanying note to supplementary information.

CAL STATE EAST BAY EDUCATIONAL FOUNDATION, INC.
NOTE TO SUPPLEMENTARY SCHEDULES
YEAR ENDED JUNE 30, 2019

NOTE 1 SUPPLEMENTARY SCHEDULES

As an auxiliary organization, the Cal State East Bay Educational Foundation, Inc. is required to include audited supplementary information in its financial statements in the form and content specified by CSU. As a result, there are differences in reporting format between the Educational Foundation's financial statements and supplementary schedules for CSU.