



(a Component Unit of San Diego State University)

**Financial Statements, Schedule of Expenditures of  
Federal Awards and Auditors' Reports Required Under  
Office of Management and Budget Uniform Guidance**

June 30, 2024 and 2023  
(With Independent Auditors' Report Thereon)

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## Contents

	Page
Report of Independent Certified Public Accountants	3
Management's Discussion and Analysis (Unaudited)	6
Basic Financial Statements	
Statements of net position	22
Statements of revenues, expenses and changes in net positions	23
Statements of cash flows	24
Statements of fiduciary net position	26
Statements of changes in fiduciary net position	27
Notes to financial statements	28
Required Supplementary Information	
Schedule of changes in SDSU Research Foundation's net OPEB asset (liability) and related ratios last seven fiscal years	53
Schedule of SDSU Research Foundation contributions last seven fiscal years	54
Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By <i>Government Auditing Standards</i>	55
Report of Independent Certified Public Accountants on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	57
Schedule of expenditures of federal awards	60
Notes to schedule of expenditures of federal awards	67
Schedule of findings and questioned costs	68

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**GRANT THORNTON LLP**

12707 High Bluff Dr., Suite 225  
San Diego, CA 92122

**D** +1 858 704 8000

**F** +1 858 704 8099

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Directors  
San Diego State University Research Foundation

**Report on the financial statements****Opinions**

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of San Diego State University Research Foundation (a California State University Auxiliary Organization and Component Unit of San Diego State University) (“SDSU Research Foundation”), as of June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise SDSU Research Foundation’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining fund information of SDSU Research Foundation as of June 30, 2024 and 2023, and the respective changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinions**

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SDSU 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 opinions.

**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 SDSU Research Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's responsibilities for the audit of the financial statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SDSU 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 SDSU 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.

**Required supplementary information**

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 6 - 21, the Schedule of Changes in SDSU Research Foundation's Net OPEB Asset (Liability) and Related Ratios Last Seven Fiscal Years on page 53, and the Schedule of SDSU Research Foundation Contributions Last Seven Fiscal Years on page 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required 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 US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplementary information**

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise SDSU Research Foundation's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on pages 60 - 68, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures. These additional procedures included 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 US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2024 on our consideration of SDSU Research Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SDSU Research Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SDSU Research Foundation's internal control over financial reporting and compliance.

*Grant Thornton LLP*

San Diego, California  
September 27, 2024

**San Diego State University Research Foundation**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**June 30, 2024 and 2023**

***Management's Discussion and Analysis (Unaudited)***

This section of the San Diego State University Foundation (dba San Diego State University (SDSU) Research Foundation) annual financial report includes management's discussion and analysis of the financial performance of SDSU Research Foundation for fiscal years (FY) ended June 30, 2024 and 2023. This discussion should be read in conjunction with the financial statements and notes.

***Introduction to the Financial Statements***

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Government 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.

SDSU Research Foundation's financial statements include the Statements of Net Position; the Statements of Revenues; Expenses and Changes in Net Position; the Statements of Cash Flows; and the Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These statements are supported by notes to the financial statements and Management's Discussion and Analysis. All sections must be considered together to obtain a complete understanding of the financial picture of SDSU Research Foundation.

***Statements of Net Position***

The Statements of Net Position include all assets, deferred outflows and inflows of resources, liabilities, and net position of SDSU Research Foundation. The statements also identify major categories of restrictions on the net position of SDSU Research Foundation.

***Statements of Revenues, Expenses and Changes in Net Position***

The Statements of Revenues, Expenses and Changes in Net Position present revenues earned, and expenses incurred during the years on an accrual basis.

***Statements of Cash Flows***

The Statements of Cash Flows present the inflows and outflows of cash for the years and are summarized by operating, capital and related financing, and investing activities. These statements are prepared using the direct method of cash flows and therefore present gross rather than net amounts for the years' activities.

***Statements of Fiduciary Net Position and Changes in Fiduciary Net Position***

The fiduciary funds are divided into two separate fund types: Other Post Employment Benefit Trust Funds and the Custodial Funds. These funds use the accrual basis of accounting.

***Financial Overview***

**Summary**

The following discussion highlights management's understanding of the key financial aspects of SDSU Research Foundation's financial activities as of and for the years ended June 30, 2024 and 2023 (FY 2024 and FY 2023, respectively). Included are comparative analyses of current year and prior year activities and balances; a discussion of restrictions of SDSU Research Foundation net position; and a discussion of capital assets and long-term debt.

**San Diego State University Research Foundation**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**

**Significant Events - Year Ended June 30, 2024**

Fiscal Year 2024 was defined by workforce stabilization, a space transition, new system implementations, and significant growth in research funding.

The research foundation's staffing has stabilized with about 191 employees to support and further university research activities. Our staffing plan, which began in FY 2021, planned for a 25 percent increase in staffing assuming 35% growth in awards over five years. Actual award volume has grown by over 60% in just three years. Department workload metrics will be reassessed to determine future staffing needed to support continued growth. Management is also focusing on recruitment, retention, and development of staff to support services provided to SDSU researchers.

Last year the research foundation completed a project to consolidate its offices in the Gateway Center to occupy one floor rather than two, utilizing the space more efficiently through hybrid work with flexible and shared spaces. This space transition reduces the research foundation's footprint and makes nearly 20,000 square feet of much-needed space available for the university.

To better serve SDSU principal investigators and project staff, SDSU Research Foundation continued its implementation of Chrome River, the enterprise solution to better manage accounts payable and purchasing cards, which began in FY 2023. Following the successful launch of the purchasing card module, the expense module launched this spring, further streamlining travel and accounts payable operations with electronic workflow and approval processes. New modules in InfoEd, the proposal submission software, were implemented to streamline the subaward preparation and communication processes; and SDSU Research Foundation's time and attendance system, WorkForce, and MyRF, the web-based interface with SDSURF accounting systems, were transitioned to use SDSUid credentials for improved account security and user access.

Another important activity that will impact future revenues was the analysis of base year data and development and submission of an updated Facilities and Administrative (F&A) costs proposal to SDSU Research Foundation's cognizant audit agency, U.S. Department of Health and Human Services (DHHS), to negotiate a new F&A rate agreement. The proposal was submitted in June and indicates room for recovering a higher percentage of costs associated with the research infrastructure. Monitoring of other institutions' experiences lead management to believe it will take at least a year before DHHS completes its review of the proposal and begins the negotiations process.

Management also implemented a mandatory conversion of banking systems from First Republic to JPMorgan. SDSURF's main depository bank, First Republic Bank (FRB), was acquired by JPMorgan (JPM) in the spring of 2023. Since that time, SDSURF has continued banking on the FRB platform, using all existing FRB processes including various file transmissions from SDSURF to FRB. As of May 24, 2024, per JPMorgan requirement, SDSURF converted its banking platform to JPMorgan and is now using all new systems at the bank while updating file transmissions. The conversion took place without impacting banking processes including vendor payments and payroll payments.

Most notably this year, research funding surpassed \$226 million - a nearly 20% increase compared to the prior fiscal year, and a third consecutive research funding record for SDSU - comprising 867 awards for 374 researchers from 360 funding sources.

The National Institutes of Health continued to be one of the largest sources of support with \$48.6 million in direct and pass-through funding for nearly 200 projects addressing public health, treatment development, and biomedical research.

SDSU achieved a record high total of funding from the National Science Foundation, with \$19.1 million in direct and pass-through support for projects improving energy efficiency, developing high-performance

**San Diego State University Research Foundation**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**

computing resources and artificial intelligence applications, and increasing research opportunities for student engineers and computer scientists.

With \$13 million in state funding managed by the California Jobs First initiative, and as the only awarded High Road Transition Collaboratives (HRTC) in San Diego and Imperial County, SDSU has partnered with organizations across the region to form the Southern Border Coalition, helping to create well-paid carbon-neutral jobs with an emphasis on empowering under-resourced communities and training the workforce for the green economy.

The university's commitments to inclusion and diversity in education and research, as a Hispanic-Serving Institution (HSI) and Asian American Native American and Pacific Islander-Serving Institution (AANAPISI), have elevated its position to compete for funding that prioritizes research at minority-serving institutions, with over \$1 million in grant funding in FY 2024 to support diverse student populations through the APIDA Center, Black Student Success initiatives, Behner Stiefel Center for Brazilian Studies, and other campus resource centers.

**Significant Events - Year Ended June 30, 2023**

Fiscal Year 2023 was defined by workforce stabilization, significant growth in research funding, a banking transition, and new system implementations.

The research foundation's pandemic-era staffing turnover stabilized with most positions filled and about 170 staff working to support and further university research activities toward SDSU's goal of achieving R1 status as a premier public research university.

Research funding reached \$192.2 million - a second consecutive record-breaking year with a 17 percent increase compared to the prior fiscal year in FY 2022-23, also for a second consecutive year - comprising 805 awards for 365 researchers from 331 funding sources.

The National Institutes of Health continued to be one of the largest sources of support with \$41 million in funding, more than triple from the previous year, demonstrating significant growth in public health and biomedical research at SDSU. Funding from Department of Defense agencies reached \$11.2 million, more than double that of the previous year.

The newly established Center to Foster Environmental Justice at SDSU Mission Valley received a multi-year award of \$10 million from the Environmental Protection Agency (EPA), SDSU's largest award to date from the EPA.

SDSU Teacher Education faculty received \$4.2 million to implement a new early childhood education program in the country of Georgia. SDSU Global Campus received \$1.5 million to admit an additional cohort of 30 students each in three STEM programs, extending SDSU's presence in Georgia for another four years with SDSURF support of ongoing personnel and infrastructure managed through our branch office.

Funding for Hispanic Serving Institution (HSI)-specific initiatives increased to \$10.4 million, including transborder programs and projects at SDSU Imperial Valley, demonstrating the university's commitments to inclusion and diversity in both education and research.

In spring of 2023, instabilities in the financial system led to the collapse of a number of regional banks, including SDSU Research Foundation's main depository bank, First Republic Bank. The research foundation had taken early action to be sure that its accounts were insured and proactively strategized for contingency plans and safeguards, including a Request for Proposal to other banks. First Republic Bank's assets and liabilities were acquired by JPMorgan Chase, which provided uninterrupted service and will honor the previous terms of our Line of Credit until 2026, providing both security and favorable terms to continue with JPMorgan Chase.



**San Diego State University Research Foundation**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**

To better serve our principal investigators and project staff, SDSU Research Foundation began implementation this year of Chrome River, an enterprise solution to better manage accounts payable and purchasing cards. The platform streamlines receipt management, transaction approval, and allocation processes. The research foundation also implemented PaymentWorks, a new vendor management platform that streamlines vendor onboarding, facilitates payment requests, enhances security, and ensures compliance with federal and state laws and regulations. Each of these improve operations as well as support for our researchers.

SDSU Research Foundation implemented GASB Statement No. 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, (PPPs). This Statement increases the usefulness of governments' financial statements by improving accounting and financial reporting for PPP agreements. This statement recognizes a receivable for any underlying PPP assets when a new asset has been purchased or constructed by an operator and the asset is to be received at the end of the PPP term. This Statement created a substantial impact on the financial statements, adding \$37.6 million receivable to non-current assets and \$36.8 million in additional deferred inflow of resources. The receivable for the payment installments for this agreement was implemented in-line with GASB Statement No. 87 in FY22.

SDSU Research Foundation implemented GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* (SBITA). This Statement provides guidance to better meet the information needs of financial statement users by improving accounting and financial reporting of SBITAs. This GASB Statement (Statement) is intended to increase the usefulness of governments' financial statements by requiring recognition of a liability and an intangible right-to-use asset for certain SBITAs that previously were classified as operating expenses and recognized as outflows of resources based on the payment provisions of the agreement. It establishes a single model for SBITAs on the foundational principle that SBITAs are financings of the right to use an underlying asset. This Statement created a substantial impact to the financial statements, adding \$2.1 million net in additional right-to-use assets, \$1.2 million in additional liabilities, and \$300,000 in additional deferred outflow of resources.

**San Diego State University Research Foundation**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**

SDSU Research Foundation's condensed summary of net position as of June 30, 2024, 2023, and 2022 follows:

**Condensed Summary of Net Position**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>			
Current assets	\$ 111,623,971	\$ 87,294,446	\$ 66,510,683
Capital assets, net	62,482,962	63,835,352	64,225,183
Other noncurrent assets	<u>122,205,993</u>	<u>129,348,563</u>	<u>108,633,022</u>
Total assets	296,312,926	280,478,361	239,368,888
Deferred outflows of resources	2,401,240	2,839,958	892,796
<b>Liabilities</b>			
Current liabilities	71,328,028	52,826,001	48,969,797
Noncurrent liabilities	<u>46,932,326</u>	<u>48,558,414</u>	<u>51,703,689</u>
Total liabilities	118,260,354	101,384,415	100,673,486
Deferred inflows of resources	56,711,878	62,374,018	29,883,366
<b>Net position</b>			
Net investment in capital assets	28,981,958	29,757,895	20,818,483
Restricted - nonexpendable	7,262,698	7,188,902	6,686,913
Restricted - expendable	22,942,363	21,863,877	22,233,153
Unrestricted	<u>64,554,915</u>	<u>60,749,212</u>	<u>59,966,283</u>
Total net position	<u>\$ 123,741,934</u>	<u>\$ 119,559,886</u>	<u>\$ 109,704,832</u>

**Assets**

Total assets increased by \$15.8 million from FY 2023 to FY 2024 mainly due to an increase in current assets of \$24.3 million, a decrease in capital assets of \$1.4 million, and a decrease in non-current assets of \$7.1 million. Most of the increase in current assets is due to the increase in short-term investments of \$13.7 million, restricted assets - short term investments of \$2.1 million and accounts and pledges receivable of \$6.7 million. The decrease in non-current assets is due to a decrease in lease receivable of \$4.7 million, pledges receivable of \$2.3 million offset by decreases in other categories including capital assets and other assets.

Total assets increased by \$41.1 million from FY 2022 to FY 2023 mainly due to an increase in current assets of \$20.8 million and non-current assets of \$20.3 million. The majority of the increase in current assets is due to the increase in short-term investments of \$16.7 million, restricted assets – short term investments of \$2.1 million and accounts and pledges receivable of \$4.0 million. The increase in non-current assets is due to the increase in leases receivable with the implementation of GASB 94 of \$36.2 million offset by decreases in other categories including pledges receivable and other assets.

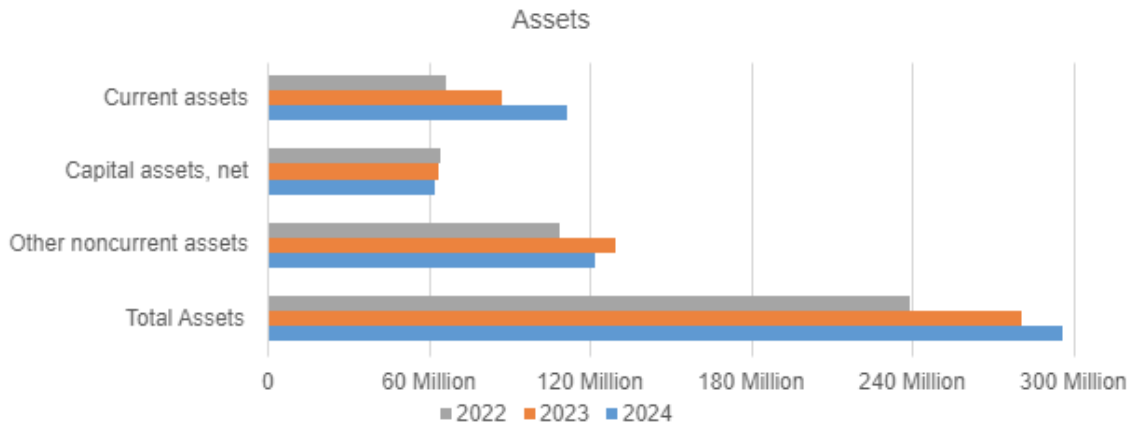
Current assets increased by \$24.3 million from FY 2023 to FY 2024 due to an increase in short-term investments of \$13.7 million, restricted assets - short-term investments of \$2.1 million, accounts and pledges receivable, net, of \$6.7 million, and prepaid expense of \$305,000. These increases were offset by a decrease to cash and cash equivalents of \$1.6 million, and Leases receivable of \$667,246.

**San Diego State University Research Foundation**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**

Current assets increased by \$20.8 million from FY 2022 to FY 2023 due to an increase in Short-term investments of \$16.7 million, Restricted assets - short-term investments of \$2.1 million, Accounts and pledges receivable, net, of \$4.0 million, and prepaid expense of \$258 thousand. These increases were offset by a decrease to cash and cash equivalents of \$1.7 million, and Leases receivable of \$513,000.



Capital assets, net of accumulated depreciation, are shown below:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Land and land improvements	\$ 13,914,536	\$ 13,914,536	\$ 13,914,536
Buildings and improvements	16,097,203	16,799,196	19,296,283
Furniture, fixtures, equipment, and construction in progress	12,959,007	11,219,999	9,021,880
Right of use assets	19,512,216	21,901,621	21,992,484
 Capital assets, net of accumulated depreciation	 <u>\$ 62,482,962</u>	 <u>\$ 63,835,352</u>	 <u>\$ 64,225,183</u>

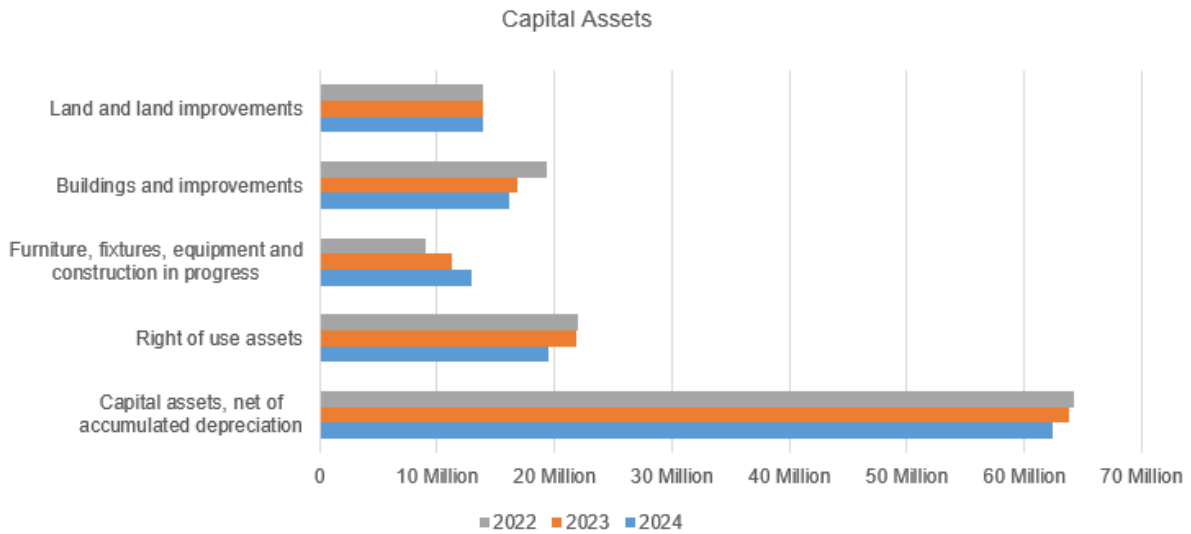
Capital assets decreased by \$1.3 million from FY 2023 to FY 2024 mainly due to a decrease in right to use assets of \$2.3 million offset by an increase in equipment acquisitions of \$1 million.

Capital assets decreased by \$390,000 from FY 2022 to FY 2023 mainly due to a decrease in buildings and improvements from increase in accumulated depreciation which was partially offset by acquisitions.

**San Diego State University Research Foundation**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**



Other noncurrent assets decreased by \$7.1 million from FY 2023 to FY 2024 mainly due to a decrease in lease receivable of \$4.7 million, pledges receivable of \$2.3 million, offset by decreases in other categories including long-term investments, notes receivable, and other assets.

Other noncurrent assets increased by \$20.3 million from FY 2022 to FY 2023 mainly due to GASB 94, which added \$37.6 million to leases receivable, as well as an increase in restricted assets - investments, offset by decreases in pledges receivable, long-term investments, notes receivable, and other assets.

**Deferred Outflows of Resources**

Deferred outflows of resources decreased by \$400,000 from FY 2023 to FY 2024 primarily due to a decrease in OPEB Investment Experience and slight decrease in unamortized loss on bond refunding. The other postemployment benefits (OPEB) related outflows of resources are due to changes in assumptions related to the actuarial valuation.

Deferred outflows of resources increased by \$2.0 million from FY 2022 to FY 2023 primarily due to an increase in OPEB Investment Experience offset by a slight decrease in unamortized loss on bond refunding and a decrease in other postemployment benefits (OPEB) related outflows of resources due to changes in assumptions related to the actuarial valuation.

**Liabilities**

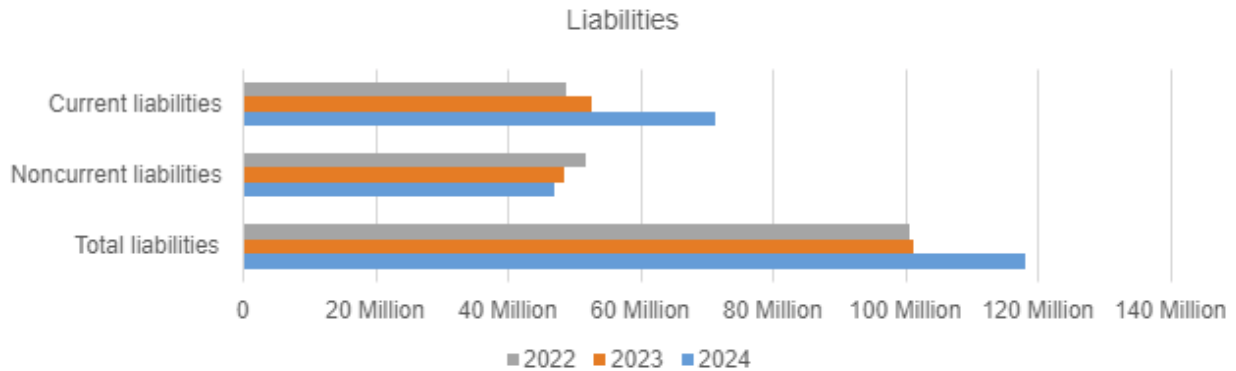
Total liabilities increased by \$16.9 million from FY 2023 to FY 2024 due to an increase in current liabilities of \$18.5 million offset by a decrease of noncurrent liabilities of \$1.6 million.

Total liabilities increased by \$711,000 from FY 2022 to FY 2023 due to an increase in current liabilities of \$3.9 million offset by a decrease of noncurrent liabilities of \$3.1 million.

**San Diego State University Research Foundation**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**



**Long-Term Obligations**

Obligations outstanding as of June 30, 2024, 2023, and 2022 is summarized below by the type of debt instrument:

<u>Long-Term Obligations</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue bonds	\$ 21,595,000	\$ 22,945,000	\$ 24,055,000
Paycheck Protection Program Loan	-	-	2,122,277
Unamortized bond premiums	34,194	34,194	48,421
Lessee leases	15,539,295	16,526,748	17,559,765
SBITA	771,119	1,236,335	-
<b>Total long-term obligations</b>	<b>37,939,608</b>	<b>40,742,277</b>	<b>43,785,463</b>
<b>Less current portion</b>	<b>(4,683,231)</b>	<b>(4,408,277)</b>	<b>(3,124,646)</b>
<b>Long-term obligations, net of current portion</b>	<b>\$ 33,256,377</b>	<b>\$ 36,334,000</b>	<b>\$ 40,660,817</b>

Long-term obligations, net of current portion, decreased by \$3.1 million from FY 2023 to FY 2024 mainly due to a decrease in revenue bonds of \$1.4 million, obligations related to GASB 87 - *Lease Accounting*, and unamortized bond premium of \$ 1.7 million.

Long-term obligations, net of current portion, decreased by \$4.3 million from FY 2022 to FY 2023 mainly due to the forgiveness of the Paycheck Protection Program loan with a decrease of \$2.1 million. There was also a decrease in revenue bonds of \$1.1 million, obligations related to GASB 87 – *Lease Accounting*, and unamortized bond premium of \$1 million.

**Deferred Inflows of Resources**

Deferred inflows of resources decreased by \$5.7 million from FY 2023 to 2024 due primarily a decrease in lease receivable of \$5.1 million and decrease in contributions of \$600,000 of deferred inflows of resources. This decrease was offset by an increase in OPEB related inflow of resources.

Deferred inflows of resources increased by \$32.5 million from FY 2022 to 2023 due primarily to GASB 94, which added \$36.8 of deferred inflows of resources. This increase was offset by a decrease in OPEB related inflow of resources, unamortized deferred gain on bond refunding, and contributions for KPBS.

**San Diego State University Research Foundation**

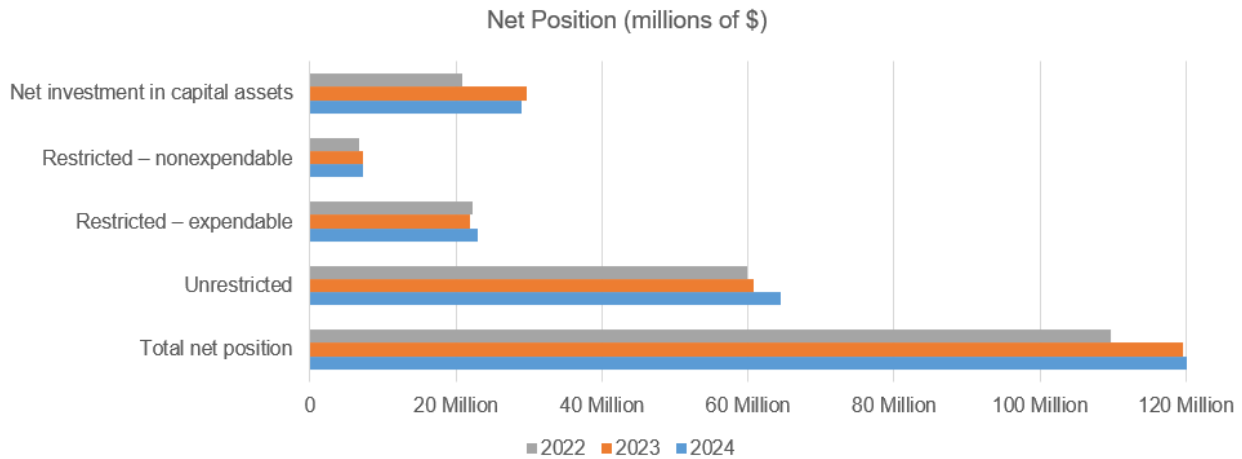
**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**

**Net Position**

Total net position increased by \$4.2 million from FY 2023 to FY 2024 primarily due to an increase of \$3.8 million in unrestricted assets, an increase of \$1.0 million in restricted expendables, an increase of \$80,000 due to unrealized gains on unitrust funds, offset by a decrease of \$800,000 in net investments in capital assets.

Total net position increased by \$9.9 million from FY 2022 to FY 2023 due to an increase in the net investments in capital assets of \$8.9 million. The \$8.9 million increase is mainly due to a \$1.6 million increase of right-to-use assets for lease and SBITA arrangements, increase in net capital assets of \$7.0 million, and an increase of \$340,000 in capital asset work in process. Restricted for nonexpendable – endowments and property increased by \$500,000 which comprises of two new endowments for KPBS. Restricted expendables increased by \$400,000 and unrestricted by \$780,000.



**Restricted Resources**

The net position of SDSU Research Foundation includes funds that are restricted by donor or law. Nonexpendable net position increased by \$74,000 from FY 2023 to FY 2024 due to earnings on existing endowments.

The net position of SDSU Research Foundation includes funds that are restricted by donor or law. Nonexpendable net position increased by \$502,000 from FY 2022 to FY 2023 due to earnings on existing endowments. Expendable restricted net position decreased by \$1.1 million from FY 2023 to FY 2024 primarily due to the completion of the KPBS capital campaign and the use of the funds for the purpose intended. Expendable restricted net position decreased by \$369,000 from FY 2022 to FY 2023 primarily due to KPBS capital campaign.

The following table summarizes restricted funds, the type of restriction and the amount:

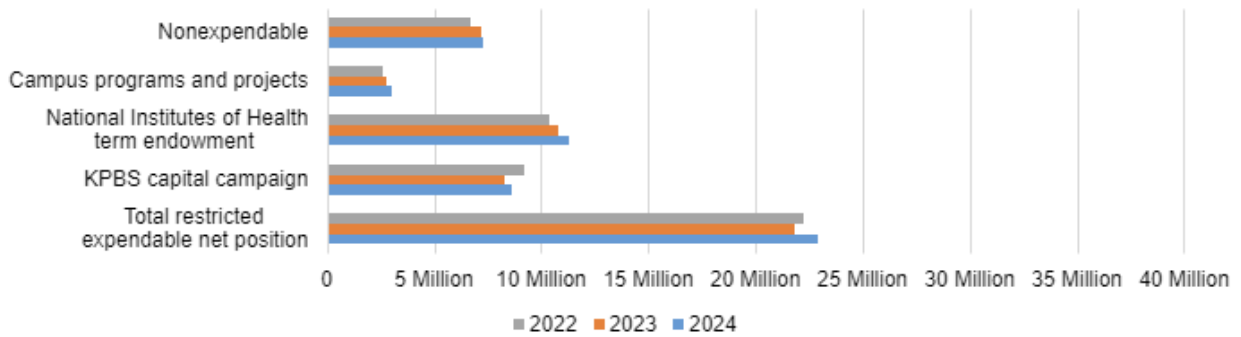
**San Diego State University Research Foundation**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**

	<b>June 30</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Nonexpendable	\$ 7,262,698	\$ 7,188,902	\$ 6,686,913
Expendable:			
Campus programs and projects	\$ 3,007,363	\$ 2,760,149	\$ 2,590,941
National Institutes of Health term endowment	11,317,951	10,805,871	10,407,278
KPBS capital campaign	8,617,049	8,297,857	9,234,934
 Total restricted expendable net position	 \$ 22,942,363	 \$ 21,863,877	 \$ 22,233,153

**Restricted Net Position**



**San Diego State University Research Foundation**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**

SDSU Research Foundation's condensed summary of revenues, expenses, and changes in net position for the years ended June 30, 2024, 2023, and 2022 follows:

**Condensed Summary of Revenues, Expenses and Changes in Net Position,  
Years Ended June 30,**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues			
Sponsored programs support	\$ 174,273,906	\$ 153,573,124	\$ 129,704,840
Community & campus programs	27,751,930	31,728,616	20,685,128
Contributions	22,370,986	23,408,253	23,506,961
Other operating revenues	9,501,833	11,762,826	8,840,111
Total operating revenues	233,898,655	220,472,819	182,737,040
Operating expenses			
Sponsored programs	152,741,457	130,031,797	109,388,982
Community & campus programs, including fundraisers	49,407,011	51,300,206	39,705,888
Other operating expenses	34,677,801	30,048,308	28,976,642
Total operating expenses	236,826,269	211,380,311	178,071,512
Operating income (loss)	(2,927,614)	9,092,508	4,665,528
Net non-operating revenues (expenses)	7,035,866	260,557	(24,155,165)
Income (loss) before changes to permanent endowments	4,108,252	9,353,065	(19,489,637)
Increase in permanent endowments	73,796	501,989	720,609
Net income (loss)	4,182,048	9,855,054	(18,769,028)
Net position at beginning of year	119,559,886	109,704,832	128,473,860
Net position at end of year	<u>\$ 123,741,934</u>	<u>\$ 119,559,886</u>	<u>\$ 109,704,832</u>

**Operating Revenues and Expenses**

Operating revenues and expenses come from sources that are connected directly to SDSU Research Foundation's primary business functions.

**Operating Revenues**

Operating revenues increased by \$13.4 million from FY 2023 to FY 2024 primarily due to an increase in Sponsored programs support of \$20.7 million, offset by Community and campus programs decrease of \$4 million, a decrease in other operating revenue of \$2.2 million and a decreases in Contributions of \$1 million.

Operating revenues increased by \$37.7 million from FY 2022 to FY 2023 primarily due to an increase in Sponsored programs support of \$23 million, Community and campus programs of \$11 million, and other operating revenue of \$2.9 million, offset by decreases in Contributions of \$98,000.

Sponsored programs support revenue increased from FY 2023 to FY 2024 by \$20.7 million and \$23 million from FY 2022 to FY 2023 due to overall increase in awards resulting in increased research activity as awards are expended since the majority of awards are on a cost reimbursable basis.



San Diego State University Research Foundation

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024 and 2023

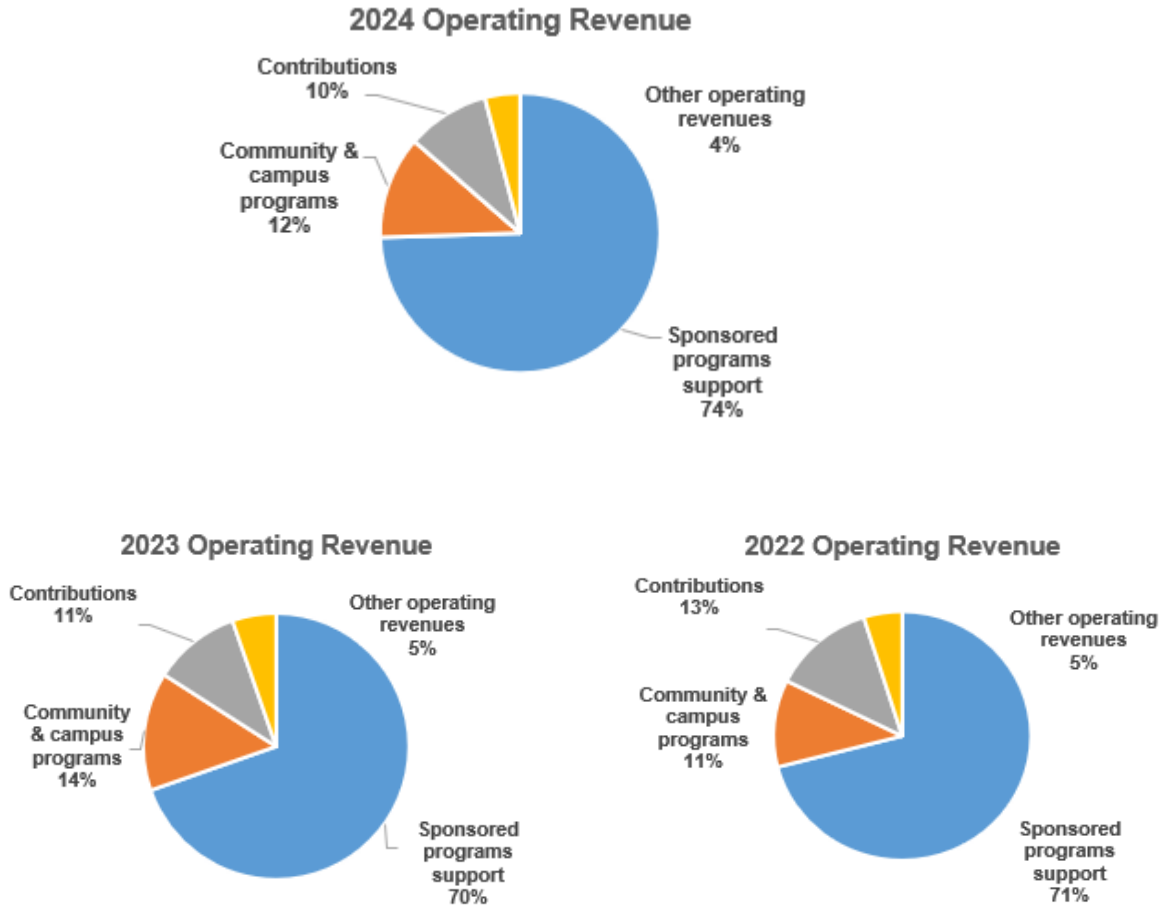
Community and campus programs include revenues generated by SDSU Global Campus and KPBS as well as other campus programs. The revenues decreased by \$4 million from FY 2023 to FY 2024 and increased \$11 million from FY 2022 to FY 2023. This is due to a fluctuation in activity of SDSU Global Campus and other various campus programs.

Contributions decreased by \$1 million from FY 2023 to FY 2024 and decreased by \$98,000 from FY 2022 to FY 2023 primarily due to the KPBS capital campaign winding down and fluctuations related to the timing of contribution receipts.

Other operating revenues decreased by \$2.3 million from FY 2023 to FY 2024 mostly due to a decrease in transfers from related entities to cover the faculty housing program and other miscellaneous activities including a one-time property tax refund in FY 2023.

Other operating revenues increased by \$2.9 million from FY 2022 to FY 2023 mostly due to an increase in transfers from related entities to cover the faculty housing program and the research endowment distribution from The Campanile Foundation.

The following charts present the percentages that each category of operating revenue contributed to total revenues for the years ended June 30, 2024, 2023, and 2022:



**San Diego State University Research Foundation**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**

The sources of Sponsored program support revenues for the years ended June 30, 2024, 2023, and 2022 are as follows:

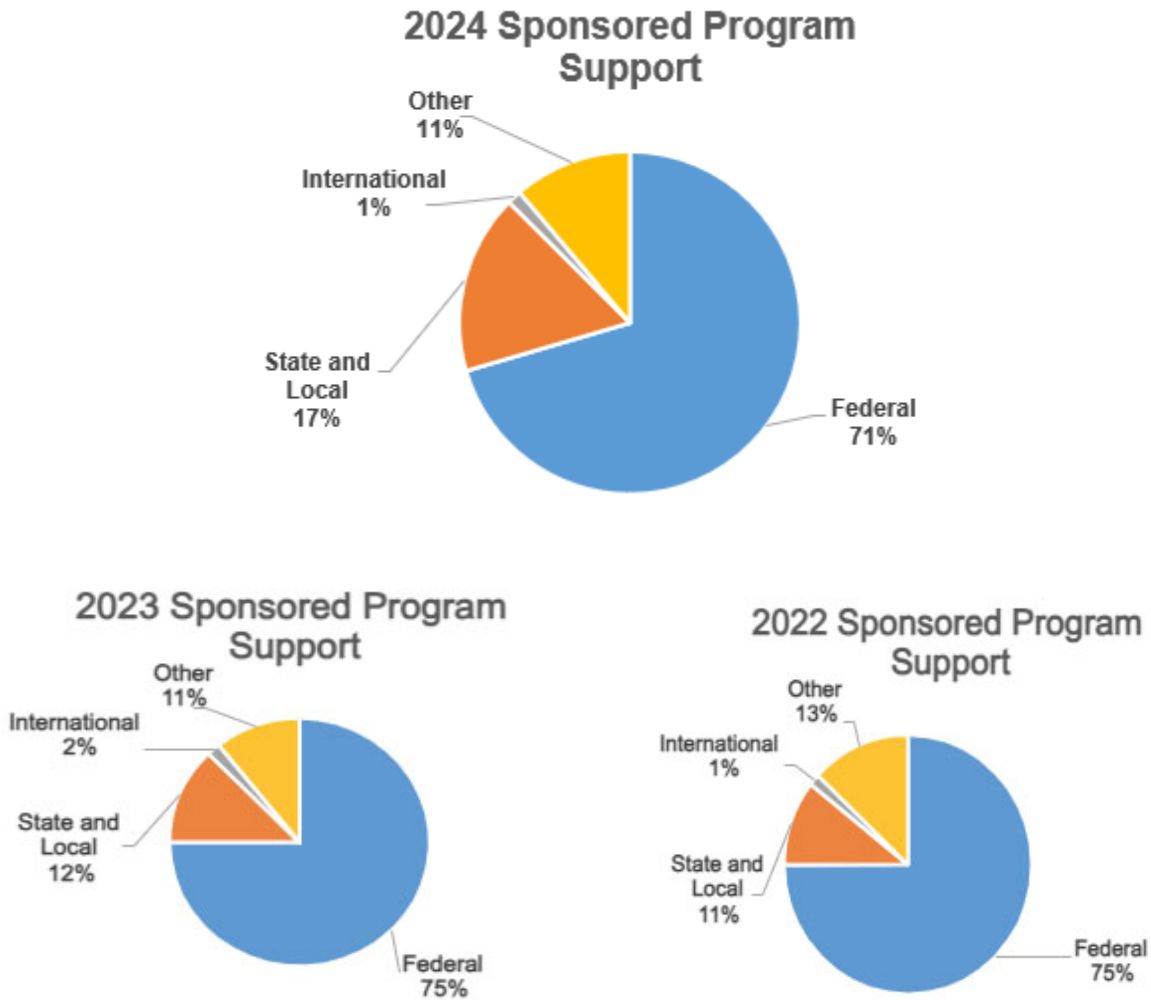
	Years Ended June 30					
	2024		2023		2022	
Federal						
Department of Health & Human Services	\$ 60,613,588	34.8%	\$ 51,302,223	33.4%	\$ 49,154,624	37.9%
Department of Education	16,926,747	9.7	15,665,875	10.2	13,195,952	10.2
Department of Defense	12,477,803	7.2	12,154,875	7.9	8,666,216	6.7
National Science Foundation	15,640,389	9.0	12,972,379	8.4	10,369,567	8.0
Department of Agriculture	7,589,597	4.4	7,154,320	4.7	7,065,896	5.4
Other	9,597,417	5.5	15,975,326	10.4	8,774,475	6.8
Total federal	122,827,541	70.5	115,224,997	75.0	97,226,730	75.0
State and local	29,588,901	17.0	19,406,985	12.6	13,828,808	10.7
International	2,352,298	1.3	2,597,827	1.7	1,870,961	1.4
Other	19,505,166	11.2	16,343,314	10.6	16,778,341	12.9
Total	<u>\$ 174,273,906</u>	<u>100.0%</u>	<u>\$ 153,573,124</u>	<u>100.0%</u>	<u>\$ 129,704,840</u>	<u>100.0%</u>

San Diego State University Research Foundation

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024 and 2023

The following charts present the percentages that each sponsor type contributed to Sponsored program support revenues for the years ended June 30, 2024, 2023, and 2022:



**Operating Expenses**

Operating expenses increased by \$25 million from FY 2023 to FY 2024 and by \$33 million from FY 2022 - FY 2023 due to increases in all categories.

Sponsored programs expenses increased by \$22.7 million from FY 2023 to FY 2024 and by \$20.6 million from FY 2022 to FY 2023 due to increase in awards which are accounted for in the Statement of Activities when spent.

Community and campus programs expenses decreased by \$1.9 million from FY 2023 to FY 2024 due to regular fluctuations in volume in programs. Community and campus programs increased by \$11.5 million from FY 2022 to FY 2023 mostly due to increase in SDSU Global Campus noncredit courses and KPBS activities.

San Diego State University Research Foundation

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

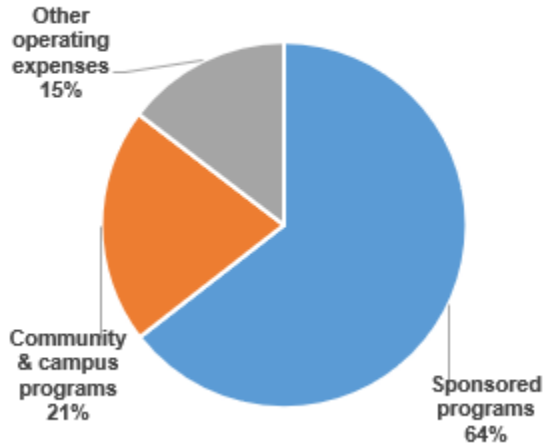
June 30, 2024 and 2023

Other operating expenses increased by \$4.6 million from FY 2023 to FY 2024 due mostly to an increase in property management related and general administration expenses, as well as increases in service contracts, insurance, and overall inflation including cost of living increases.

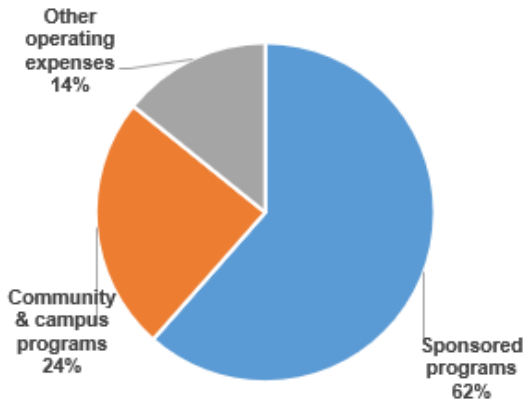
Other operating expenses increased by \$1.1 million from FY 2022 to FY 2023 due mostly to an increase in Property management related and General administration expenses as a result of an increase in minimum wage, as well as increases in service contracts and insurance and overall inflation.

The following charts present the distribution of resources by percentage of operating expense category in support of SDSU Research Foundation's mission for the years ended June 30, 2024, 2023, and 2022:

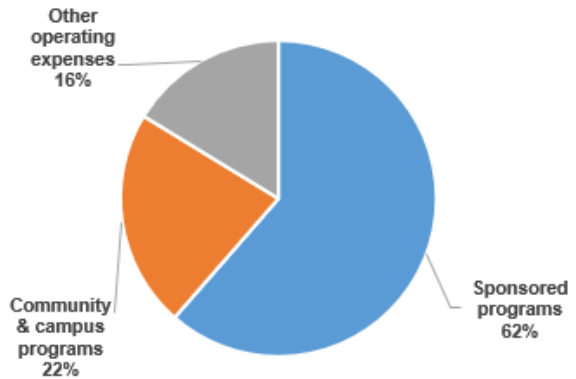
2024 Operating Expenses



2023 Operating Expenses



2022 Operating Expenses



**San Diego State University Research Foundation**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2024 and 2023**

***Nonoperating (Expenses) Revenues***

Nonoperating (expenses) revenues come from sources that are not part of SDSU Research Foundation's primary business functions. Included in this classification are interest expense, investment income, changes in the fair value of investments, net gains and losses from the disposition of property and equipment, and transfers (to) from SDSU and The Campanile Foundation.

Net nonoperating (expenses) revenues increased by \$6.8 million from FY 2023 to FY 2024 primarily due to increase in interest income, net increase in fair value of investments, reduction in interest expense and reduction in transfers to the university and The Campanile foundation.

Net nonoperating (expenses) revenues increased by \$24.4 million from FY 2022 to FY 2023 primarily due to reduction in transfers to the university for reimbursement of construction costs on behalf of KPBS for the renovation and expansion of their station.

San Diego State University Research Foundation

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>		
Cash and cash equivalents (Note 2)	\$ 12,655,046	\$ 11,095,249
Short-term investments (Note 3)	44,875,881	31,189,155
Restricted assets - short-term investments (Note 3)	6,866,720	4,782,101
Accounts and pledges receivable, net (Notes 4 and 7)	41,540,737	34,831,566
Leases, SBITAs, PPP receivable (Note 4)	4,062,345	3,395,099
Notes receivable - current portion (Note 5)	763,699	837,199
Prepaid expenses	859,543	1,164,077
	<u>111,623,971</u>	<u>87,294,446</u>
<b>Noncurrent assets:</b>		
Pledges receivable, net (Note 4)	279,156	2,584,214
Long-term investments (Note 3)	39,502,726	41,225,362
Restricted assets – investments (Note 3)	19,057,512	18,224,554
Restricted assets – land	2,308,532	2,308,532
Leases, SBITAs, PPP receivable (Note 4)	50,251,340	54,988,132
Notes receivable - net of current portion (Note 5)	4,715,895	5,479,594
Capital assets, net (Notes 2 and 6)	62,482,962	63,835,352
Other assets (Notes 2 and 11)	6,090,832	4,538,175
	<u>184,688,955</u>	<u>193,183,915</u>
Total current assets	<u>111,623,971</u>	<u>87,294,446</u>
Total noncurrent assets	<u>184,688,955</u>	<u>193,183,915</u>
Total assets	<u>\$ 296,312,926</u>	<u>\$ 280,478,361</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES (NOTE 13)</b>	<u>\$ 2,401,240</u>	<u>\$ 2,839,958</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses (Notes 2 and 7)	\$ 22,749,166	\$ 18,375,788
Sponsored programs receipts over expenditures (Note 2)	43,898,195	30,041,936
Long-term obligations – current portion (Note 8)	4,680,667	4,408,277
	<u>71,328,028</u>	<u>52,826,001</u>
Total current liabilities	<u>71,328,028</u>	<u>52,826,001</u>
<b>Noncurrent liabilities:</b>		
Long-term obligations, net of current portion (Note 8)	33,258,942	36,334,000
Other liabilities (Notes 9 and 11)	13,673,384	12,224,414
	<u>46,932,326</u>	<u>48,558,414</u>
Total noncurrent liabilities	<u>46,932,326</u>	<u>48,558,414</u>
Total liabilities	<u>\$ 118,260,354</u>	<u>\$ 101,384,415</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES (NOTE 12)</b>	<u>\$ 56,711,878</u>	<u>\$ 62,374,018</u>
<b>Commitments and Contingencies (Notes 9, 10, 11, and 13)</b>		
<b>NET POSITION</b>		
Net investment in capital assets	\$ 28,981,958	\$ 29,757,895
Restricted for:		
Nonexpendable – endowments and property	7,262,698	7,188,902
Expendable:		
Campus programs and projects	3,007,363	2,760,149
National Institutes of Health term endowment	11,317,951	10,805,871
KPBS capital campaign	8,617,049	8,297,857
Unrestricted	64,554,915	60,749,212
	<u>123,741,934</u>	<u>119,559,886</u>
Total net position	<u>\$ 123,741,934</u>	<u>\$ 119,559,886</u>

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

**San Diego State University Research Foundation**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**Years ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Operating revenues:</b>		
Sponsored programs support	\$ 174,273,906	\$ 153,573,124
Community and campus programs	27,751,930	31,728,616
Contributions	22,370,986	23,408,253
Rental income (Note 10)	7,758,764	8,419,569
Other operating revenues (Note 7)	1,743,069	3,343,257
Total operating revenues	233,898,655	220,472,819
<b>Operating expenses (Notes 9,10 and 11):</b>		
Sponsored programs	152,741,457	130,031,797
Community and campus programs	42,536,214	45,381,620
Fundraising - broadcasting	6,870,797	5,918,586
Property management	13,510,854	11,233,005
General administration	21,166,947	18,815,303
Total operating expenses	236,826,269	211,380,311
Operating income	(2,927,614)	9,092,508
<b>Nonoperating revenues (expenses):</b>		
Interest expense (Note 8)	(736,970)	(1,449,794)
Investment income, net	3,455,462	2,340,853
Net increase in fair value of investments (Note 3)	3,733,363	2,703,529
Net gain (loss) on dispositions of property and equipment (Notes 2 and 6)	7,500	(87,409)
Transfers (to) from SDSU (Note 2)	607,779	(2,246,622)
Transfers to The Campanile Foundation (Note 2)	(31,268)	(1,000,000)
Net nonoperating revenues	7,035,866	260,557
Income before changes to permanent endowments	4,108,252	9,353,065
<b>Increase in permanent endowments</b>	73,796	501,989
Net income	4,182,048	9,855,054
<b>Net position:</b>		
Net position at beginning of year	119,559,886	109,704,832
Net position at end of year	\$ 123,741,934	\$ 119,559,886

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

**San Diego State University Research Foundation**

**STATEMENTS OF CASH FLOWS**

**Years ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Sponsored programs receipts	\$ 182,224,678	\$ 149,150,652
Community and campus programs receipts	26,670,547	30,353,396
Contributions	22,446,382	21,726,288
Rents received	6,402,880	7,276,730
Payments to suppliers	(78,954,403)	(73,163,569)
Payments to employees	(143,733,966)	(124,870,134)
Transfers from SDSU	857,779	253,378
Transfers to The Campanile Foundation	(31,268)	(1,000,000)
Forgiveness of KPBS Payroll Protection Plan loan	-	(2,122,277)
Other receipts	2,607,927	1,202,527
Net cash provided by operating activities	18,490,556	8,806,991
<b>Cash flows from capital and related financing activities:</b>		
Principal payments on long-term debt	(1,350,000)	(1,110,000)
Payments for right of use leased assets	(3,110,629)	(3,370,596)
Interest paid	(703,034)	(1,452,264)
Purchase of property and equipment	(6,596,898)	(4,379,361)
Proceeds from sale of property and equipment	7,500	83,255
Proceeds from KPBS capital campaign	1,941,429	5,242,538
KPBS capital campaign purchases	(497,791)	(606,081)
KPBS capital campaign transfers to SDSU	(250,000)	(2,500,000)
Net cash used in capital and related financing activities	(10,559,423)	(8,092,509)
<b>Cash flows from investing activities:</b>		
Investment income	3,399,208	2,432,036
Purchases of investments	(71,343,602)	(64,849,999)
Proceeds from sales and maturities of investments	60,735,860	59,109,769
Collection of notes receivable	837,199	837,199
Net cash used in investing activities	(6,371,335)	(2,470,995)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,559,798	(1,756,513)
<b>Cash and cash equivalents, beginning of year</b>	11,095,249	12,851,762
<b>Cash and cash equivalents, end of year</b>	\$ 12,655,046	\$ 11,095,249

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



**San Diego State University Research Foundation**

**STATEMENTS OF CASH FLOWS - CONTINUED**

**Years ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ (2,927,613)	\$ 9,092,510
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	9,607,248	8,172,441
Change in assets, liabilities, deferred outflows and inflows of resources:		
Accounts receivable	(6,460,996)	(5,200,921)
Pledges receivable - KPBS operating contributions	669,504	(1,606,454)
Prepaid expenses and other assets	(1,248,122)	2,636,193
Deferred outflows of resources	404,782	(1,974,687)
Accounts payable	1,242,158	(54,738)
Accrued expenses	3,131,220	1,185,248
Sponsored programs receipts over expenses	13,856,259	1,442,063
Other liabilities	908,405	786,015
Deferred Contributions KPBS	(668,710)	(562,135)
Deferred inflows of resources	(923,886)	(2,741,633)
Forgiveness of KPBS Payroll Protection Plan loan	-	(2,122,277)
Net transfers to SDSU	857,779	253,378
Net transfers to The Campanile Foundation	(31,268)	(1,000,000)
Increase in permanent endowments	73,796	501,990
	<b>\$ 18,490,556</b>	<b>\$ 8,806,993</b>
<b>Supplemental disclosure of noncash finance and investing activity:</b>		
Increase (decrease) in fair value of investments	\$ 3,733,363	\$ 2,703,529
Increase (decrease) in permanent endowments	\$ 71,270	\$ 42,663
Obtaining a right-of-use asset in exchange for a lease liability	\$ (2,382,005)	\$ (909,288)
Forgiveness of KPBS Payroll Protection Plan loan	\$ -	\$ 2,122,277

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

San Diego State University Research Foundation

STATEMENTS OF FIDUCIARY NET POSITION

Years ended June 30, 2024 and 2023

	<b>Other Postemployment Benefit Trust December 31, 2023</b>	<b>Custodial Funds (TCF) June 30, 2024</b>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ (131,876)
Investments	14,439,936	6,081,142
	<hr/>	<hr/>
Total assets	14,439,936	5,949,266
<b>Liabilities</b>		
Payable to employer	132,541	-
Accounts payable and accrued liabilities	5,473	-
	<hr/>	<hr/>
Total liabilities	138,014	-
	<hr/>	<hr/>
Total net position	<u>\$ 14,301,922</u>	<u>\$ 5,949,266</u>

	<b>Other Postemployment Benefit Trust December 31, 2022</b>	<b>Custodial Funds (TCF) June 30, 2023</b>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 791,722
Investments	12,915,097	5,835,731
	<hr/>	<hr/>
Total assets	12,915,097	6,627,453
<b>Liabilities</b>		
Payable to employer	151,891	-
Accounts payable and accrued liabilities	5,262	-
	<hr/>	<hr/>
Total liabilities	157,153	-
	<hr/>	<hr/>
Total net position	<u>\$ 12,757,944</u>	<u>\$ 6,627,453</u>

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

**San Diego State University Research Foundation**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**

Years ended June 30, 2024 and 2023

	<b>Other Postemployment Benefit Trust December 31, 2023</b>	<b>Custodial Funds (TCF) June 30, 2024</b>
<b>Additions:</b>		
Contributions	\$ (5,351)	\$ -
Net investment income	1,910,209	-
Fund Additions - Campus and community programs	-	23,448,330
Fund Additions - Student financial aid	-	611,022
Fund Additions - Endowment	-	90,117,102
	1,904,858	114,176,454
<b>Deductions:</b>		
Insurance payments	296,781	-
Professional fees	64,099	-
Fund Deductions - Campus and community programs	-	23,388,193
Fund Deductions - Student financial aid	-	530,436
Fund Deductions - Endowment	-	90,936,012
	360,880	114,854,641
Net increase in fiduciary net position	1,543,978	(678,187)
<b>Net position - beginning</b>	12,757,944	6,627,453
<b>Net position - ending</b>	\$ 14,301,922	\$ 5,949,266
	<b>Other Postemployment Benefit Trust December 31, 2022</b>	<b>Custodial Funds (TCF) June 30, 2023</b>
<b>Additions:</b>		
Contributions	\$ 21,354	\$ -
Net investment income	(1,930,235)	-
Fund Additions - Campus and community programs	-	4,562,678
Fund Additions - Student financial aid	-	143,229
Fund Additions - Endowment	-	58,839,339
	(1,908,881)	63,545,246
<b>Deductions:</b>		
Insurance payments	357,360	-
Professional fees	55,930	-
Fund Deductions - Campus and community programs	-	8,577,163
Fund Deductions - Student financial aid	-	233,769
Fund Deductions - Endowment	-	62,435,318
	413,290	71,246,250
Net increase in fiduciary net position	(2,322,171)	(7,701,004)
<b>Net position - beginning</b>	15,080,115	14,328,457
<b>Net position - ending</b>	\$ 12,757,944	\$ 6,627,453

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

**San Diego State University Research Foundation**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 and 2023**

**NOTE 1 - DESCRIPTION OF ORGANIZATION**

San Diego State University Foundation (dba San Diego State University (SDSU) Research Foundation) was formed on February 11, 1943. It is an auxiliary organization of San Diego State University (the University) and is organized and operated in accordance with the Education Code of the State of California and the California Code of Regulations. It is a nonprofit corporation chartered to provide and augment programs that are an integral part of the educational and community service mission of the University. While SDSU Research Foundation is organized to function as a separate corporation, it is integrated into the goals and programs of the University. SDSU Research Foundation reports as a special-purpose government entity engaged only in business-type activities.

SDSU Research Foundation is responsible for the accomplishment of certain University objectives that require financial support not provided by the state. These activities occur in all aspects of university life, including the development and administration of sponsored grants and contracts for faculty and staff research and educational projects; the administration of community and campus-related programs; the financial administration of certain gifts and donations; and the investment of certain endowments and other funds. SDSU Research Foundation's financial statements are included as a component unit of the University's annual financial statements as required by the Government Accounting Standards Board (GASB).

***Affiliated Organizations***

SDSU Research Foundation is related to the four other auxiliaries of the University: Associated Students of San Diego State University, Aztec Shops, Ltd., SDSU Mission Valley Enterprises and The Campanile Foundation (TCF). The auxiliaries and the University periodically provide numerous services for one another and collaborate on projects.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies utilized by SDSU Research Foundation follows.

***Basis of Accounting***

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

***Classification of Current and Noncurrent Assets and Liabilities***

SDSU Research Foundation considers assets to be current that can be reasonably expected, as a part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within twelve months of the statement of net position date. Liabilities that can be reasonably expected, as part of normal operations, to be liquidated within twelve months of the statement of net position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

***Cash and Cash Equivalents***

SDSU Research Foundation considers cash and short-term highly liquid investments with original maturities of three months or less to be cash and cash equivalents. These short-term investments are stated at cost, which approximates fair value.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2024 and 2023**

***Investments***

All investments are reported at fair value, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

***Accounts and Pledges Receivable***

Accounts receivables are recorded at the actual amounts expected to be collected and include both billed and unbilled amounts.

Pledges receivable are due from donors of KPBS and are recorded at net present value.

***Capital Assets***

Capital assets in excess of \$5,000 are recorded at cost, if purchased, or at estimated fair value, if donated. Certain equipment acquired through grants is subject to restrictions on use and disposition after the conclusion of the related grants.

Leased assets and subscription-based IT arrangements in excess of \$10,000 which qualify under GASB 87 and GASB 96 have been capitalized as a Right of Use Asset.

Depreciation is computed using the straight-line method over the useful life of the asset or length of the associated lease. For buildings, the useful life is generally 40 years. For building improvements, furniture, fixtures and equipment, the useful life is generally 5, 10 or 15 years. Improvements to leased property and subscription-based IT arrangements are amortized over the term of the lease/agreement or the life of the improvement.

***Asset Impairment***

SDSU Research Foundation annually evaluates capital assets held for investment. The carrying values of such assets that are considered to be impaired are adjusted accordingly.

There were no such impairments for the years ended June 30, 2024 and June 30, 2023.

***Deferred Outflows and Inflows of Resources***

Contributions received that are applicable to a future reporting period are presented as Deferred contributions and classified as a deferred inflow of resources.

Losses and gains on bond refundings are deferred and reported as deferred outflows of resources or deferred inflows of resources, respectively. They are amortized on the straight-line method over the life of the refunded bonds.

OPEB related inflows of resources include OPEB plan experience, OPEB assumption changes, and OPEB trust investment experience. These are actuarial calculated amounts that represent differences between the most recent actuarial report and the previous actuarial report. Deferred inflows due to plan experience and assumption changes are recognized over the plan's expected average remaining service life, which is currently 5.33 years. OPEB related outflows of resources include the OPEB subsequent contribution, which will be recognized in the next fiscal year, and OPEB trust investment experience. The OPEB trust investment experience is an actuarial calculated amount representing the difference between projected and actual earnings on OPEB plan investments. Changes due to investment performance different from assumed earnings rate, whether a deferred inflow or deferred outflow, are amortized over five years.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

Deferred inflows of resources have been recorded for leases where SDSU Research Foundation is the lessor on leases that qualify under GASB 87. They are amortized over the life of the lease as payments are received from the lessees. Deferred inflows or resources have been recorded for an asset transfer where SDSU Research Foundation is the receiver of an asset that qualifies under GASB 94. This will be amortized over the life of the agreement and the asset will be transferred at the end of the agreement term.

***Other Assets***

Other assets consist primarily of the net OPEB asset and deposits held by others.

***Compensated Absences***

SDSU Research Foundation accrues vacation benefits for eligible employees at various rates depending upon length of service and employee classification. Eligible employees accrue sick leave based upon their employment status as either full time, part time, student, temporary or seasonal; however, except in limited cases upon retirement, employees are not paid for unused sick leave at the end of employment. Liabilities for compensated absences of approximately \$7,561,000 and \$3,596,000 as of June 30, 2024 and 2023, respectively, are included in accrued expenses.

***Revenue Recognition***

Revenue from sponsored programs is recognized as Sponsored programs support in the fiscal year in which all eligibility requirements have been satisfied. Sponsored programs revenue received prior to satisfaction of eligibility requirements and incurrence of the related expenses have been deferred and are reflected as Sponsored programs receipts over expenditures in the accompanying Statements of Net Position.

SDSU Research Foundation received 52.51% and 52.3% of its total operating revenue from federal sources during the years ended June 30, 2024 and 2023, respectively. The Department of Health and Human Services provided 25.9% and 26.8% of the total operating revenue for the years ended June 30, 2024 and 2023, respectively.

Revenue from community and campus programs is recognized as earned, which includes the revenue related to KPBS and SDSU Global Campus as well as other Campus Programs.

Revenue from contributions is recognized in the fiscal year in which all eligibility requirements have been satisfied. Contributions received prior to satisfaction of eligibility requirements are deferred.

***Transfers***

Transfers are non-exchange cash transactions to or from related parties in support of the mission of the University.

***Net Position***

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

***Net Investment in Capital Assets***

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

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

*Restricted - Nonexpendable*

Assets, net of related liabilities, are subject to externally imposed conditions that SDSU Research Foundation retains in perpetuity. Assets in this category consist of endowments and property held by SDSU Research Foundation.

*Restricted - Expendable*

Assets, net of related liabilities, which are subject to externally imposed conditions that can be fulfilled by the actions of SDSU Research Foundation's Board of Directors.

*Unrestricted*

All other categories of assets, net of related liabilities. In addition, unrestricted assets may be designated for specific purposes by SDSU Research Foundation's Board of Directors.

Restricted resources are used in accordance with SDSU Research Foundation policies. When both restricted and unrestricted resources are available for use, the determination to use restricted or unrestricted resources is made on a case-by-case basis.

***Classification of Revenues and Expenses***

SDSU Research Foundation considers operating revenues and expenses to be those revenues and expenses that result from exchange transactions or from activities that are connected directly to SDSU Research Foundation's primary functions. Certain other transactions are reported as nonoperating revenues and expenses, including Interest expense, Investment income, net of investment-related fees, changes in the fair value of investments, and net gain (loss) on dispositions of property and equipment.

***Functional Expense Allocations***

Expenses that can be identified with a specific program or supporting service are charged directly to the related program or support services. Expenses applicable to more than one activity, such as facilities-related depreciation, are allocated amongst sponsored programs, community and campus programs, and plant fund based on an evaluation from management.

***Interfund Eliminations***

According to SDSU Research Foundation policy, all interfund transactions have been eliminated in the accompanying financial statements.

***Income Taxes***

The SDSU Research Foundation and primarily all of its affiliates are recognized by the Internal Revenue Service (IRS) as exempt from federal income tax under Section 501(a) of the Internal Revenue Code as charitable organizations qualifying under Internal Revenue Code Section 501(c)(3), except for income taxes pertaining to unrelated business income. Under U.S. GAAP, the tax effects from uncertain tax positions are to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a tax authority.

The SDSU Research Foundation completed an analysis of its uncertain tax positions in accordance with applicable accounting guidance and determined there are no amounts to be recognized on the financial statements at June 30, 2024 or 2023.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue, gains, expenses and losses during the reporting period. Actual results could differ from those estimates.

***Reclassifications***

No reclassifications have been made to the June 30, 2024 financial statements.

***Pronouncements Issued***

For the year ended June 30, 2024, SDSU Research Foundation implemented GASB Statement 100 (GASB 100), *Accounting Changes and Error Corrections*, which provides the accounting and financial reporting for 1) each type of accounting change and 2) error corrections. This Statement requires that a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and c) changes in accounting estimates to be reported prospectively by recognizing the change in the current period. SDSU Research Foundation implemented GASB 100 and found that it had no material impact on the SDSU Research Foundation's financial statements.

For the year ended June 30, 2023, SDSU Research Foundation implemented GASB Statement 94 (GASB 94), *Public-Private and Public-Public Partnerships* ("PPPs") and *Availability Payment Arrangements* ("APAs") effective with fiscal year 2023, which increases the usefulness of governments' financial statements by requiring recognition of the receivable of an asset and recognition of deferred inflows of the underlying asset.

For the year ended June 30, 2023, SDSU Research Foundation implemented GASB Statement 96 (GASB 96), *Subscription-Based Information Technology Arrangements* (SBITA), which increases the usefulness of governments' financial statements by requiring recognition of certain right-to-use assets and liabilities for SBITAs that previously were classified as operating expenses and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

For the year ended June 30, 2023, SDSU Research Foundation implemented GASB Statement 91 (GASB 91), *Conduit Debt Obligations*, which provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in.

The GASB has issued the following statements:

- GASB Statement No. 101, *Compensated Absences* (effective for the year ending June 30, 2025)
- GASB Statement No. 102, *Certain Risk Disclosures* (effective for the year ending June 30, 2025)
- GASB Statement No. 103, *Financial Reporting Model Improvements* (effective for the year ending June 30, 2025)

Management has not determined what, if any, impact implementation may have on the financial statements of SDSU Research Foundation.



**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

**NOTE 3 - INVESTMENTS**

***Investment Policy***

The primary objective of the investment policy of SDSU Research Foundation is to protect the underlying assets so that the funds are available when needed by various projects and programs. A secondary objective is to maximize investment income on available investments. Various policies have been adopted to meet these objectives at the same time. Specific references are included below under various risk categories.

Investments as of June 30, 2024 and June 30, 2023, respectively, are as follows:

	<b>2024</b>	<b>Fiduciary</b>	<b>2024</b>
	<b>Investments</b>	<b>Funds</b>	<b>Investments</b>
	<b>Held</b>	<b></b>	<b>Held by</b>
	<b></b>	<b></b>	<b>SDSURF</b>
Short-term	\$ 50,957,022	\$ (6,081,141)	\$ 44,875,881
Short-term restricted	6,866,720	-	6,866,720
Long-term	39,502,726	-	39,502,726
Long-term restricted	19,057,512	-	19,057,512
	<u>\$ 116,383,980</u>	<u>\$ (6,081,141)</u>	<u>\$ 110,302,839</u>
	<b>2023</b>	<b>Fiduciary</b>	<b>2023</b>
	<b>Investments</b>	<b>Funds</b>	<b>Investments</b>
	<b>Held</b>	<b></b>	<b>Held by</b>
	<b></b>	<b></b>	<b>SDSURF</b>
Short-term	\$ 37,024,886	\$ (5,835,731)	\$ 31,189,155
Short-term restricted	4,782,101	-	4,782,101
Long-term	41,225,362	-	41,225,362
Long-term restricted	18,224,554	-	18,224,554
	<u>\$ 101,256,903</u>	<u>\$ (5,835,731)</u>	<u>\$ 95,421,172</u>

SDSU Research Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The following levels indicate the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 - Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.

Level 2 - Investments with inputs - other than quoted prices included within Level 1 - that are observable for an asset, either directly or indirectly.

Level 3 - Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment.

The following tables summarize SDSU Research Foundation's investments within the fair value hierarchy at June 30, 2024 and June 30, 2023, respectively:

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

<b>2024 Investments</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Corporate bonds	\$ 28,513,174	\$ 28,513,174	\$ -	\$ -
Treasury bills	38,897,817	38,897,817	-	-
Deferred gift (various)	846,300	846,300	-	-
Money market funds	2,892,991	-	2,892,991	-
Real property	1,797,000	-	-	1,797,000
TCF endowment pool	43,298,601	-	-	43,298,601
Amount held by others	138,097	-	-	138,097
	<u>\$ 116,383,980</u>	<u>\$ 68,257,291</u>	<u>\$ 2,892,991</u>	<u>\$ 45,233,698</u>
<b>2023 Investments</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Corporate bonds	\$ 42,081,120	\$ 42,081,120	\$ -	\$ -
Treasury bills	6,005,674	6,005,674	-	-
Deferred gift (various)	798,811	798,811	-	-
Commercial paper	1,458,856	-	1,458,856	-
Certificate of deposit	2,363,814	-	2,363,814	-
Money market funds	5,668,745	-	5,668,745	-
Real property	1,797,000	-	-	1,797,000
TCF endowment pool	40,931,899	-	-	40,931,899
Amount held by others	130,984	-	-	130,984
	<u>\$ 101,256,903</u>	<u>\$ 48,885,605</u>	<u>\$ 9,511,415</u>	<u>\$ 42,859,883</u>

The following is a description of the valuation methodologies used for assets measured at fair value:

**Level 1 Measurements**

- Treasury Issues, Corporate Bonds and Bond Mutual Funds - based on quoted prices available in an active market.
- Deferred Gift - based on quoted prices available in an active market. The deferred gift is invested in a portfolio of cash, equity securities, fixed income securities, and real estate funds designed to provide a moderate amount of current income with moderate growth of capital.

**Level 2 Measurements**

- Money Market Funds - based on published fair value per share for each fund.
- Certificates of Deposit - valued at cost, which approximates fair value.
- Commercial Paper - issued at a discount of face value, reflects prevailing market interest rates.

**Level 3 Measurements**

- TCF Endowment Pool - SDSU Research Foundation invests in the TCF Endowment Pool, a unitized pool managed by TCF, another university auxiliary organization. The fair value is calculated as SDSU Research Foundation's share of the pool as of the measurement date, which is based on the fair value of the underlying assets owned by the fund divided by the number of units outstanding.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

- Real Property - fair value reflects most recent appraised value. Because there are no observable measures, the appraiser must rely solely on experience and knowledge of the market when using inputs for real estate assets. The property may be sold should the needs of the programs change.
- Amounts Held by Others - SDSU Research Foundation is the beneficiary of certain trusts held in an endowment portfolio managed by a community foundation. The fair value is calculated based on the fair value of the underlying assets owned by the fund.

***The Campanile Foundation Endowment Pool***

The TCF Endowment Pool has significant investments in various mutual funds and third-party investment pools. These investments are managed by an Outside Chief Investment Officer (OCIO) based upon the Investment Policy Statement (IPS) as approved by the TCF Board of Directors. The TCF Finance and Investment Committee meets regularly with the OCIO to review the investments, performance, and compliance with the IPS. The investment category allocations and IPS targets as of June 30 are as follows:

	<b>2024</b>	<b>2023</b>	<b>IPS Target</b>
Growth assets	60.4%	58.7%	60.0%
Credit	8.0	6.6	8.0
Inflation hedges	12.6	11.8	13.0
Risk mitigation	19.0	22.9	19.0
Total	100.0%	100.0%	100.0%

SDSU Research Foundation recognized net unrealized gain of \$3.0 million and a net unrealized gain of \$2.2 million for the years ended June 30, 2024 and 2023, respectively, from its investment in the TCF Endowment Pool.

The TCF Endowment Pool is subject to concentrations of credit risk and the investments of the TCF Endowment Pool are exposed to both interest rate and market risk. Economic conditions can impact these risks, and risks and resulting market values can be either positively or adversely affected. If the level of risk increases in the near term, it is possible that the investment balances, and thus SDSU Research Foundation's portion of those investments, could be materially affected. Although the market value of the investment in the TCF Endowment Pool is subject to fluctuations on a year-to-year basis, management believes the investment policies of TCF are prudent for the long-term welfare of SDSU Research Foundation.

In accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), SDSU Research Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to SDSU Research Foundation's programs and operations supported by its endowment while also seeking to maintain the long-term purchasing power of the endowment assets.

Endowment distributions are provided in accordance with SDSU Research Foundation and The Campanile Foundation's investment policy statement. For the fiscal years ended June 30, 2024 and 2023, the distribution rate was 4% of the endowment principal market value using a three-year moving average.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of a fixed income investment. In order to reduce interest rate risk exposure, SDSU Research Foundation's investment policy states that individually held working capital fixed income investments are limited to a five-year maturity and should be staggered over various maturity dates.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

Maturities of fixed income investments as of June 30, 2024 are as follows:

	<u>Market Value Total</u>	<u>Less Than One Year</u>	<u>Two-Five Years</u>
Treasury issues	\$ 38,897,817	\$ 30,484,667	\$ 8,413,150
Corporate bonds	28,513,174	24,446,084	4,067,090
	<u>\$ 67,410,991</u>	<u>\$ 54,930,751</u>	<u>\$ 12,480,240</u>

Maturities of fixed income investments as of June 30, 2023 are as follows:

	<u>Market Value Total</u>	<u>Less Than One Year</u>	<u>Two-Five Years</u>
Treasury issues	\$ 6,005,674	\$ 6,005,674	\$ -
Commercial paper	1,458,856	1,458,856	-
Corporate bonds	42,081,120	26,239,275	15,841,845
Certificates of deposit	2,363,814	2,363,814	-
	<u>\$ 51,909,464</u>	<u>\$ 36,067,619</u>	<u>\$ 15,841,845</u>

***Credit Risk***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to repay the debt security when due. SDSU Research Foundation's investment policy requires that fixed income investments must be rated as "Investment Grade," which is BBB or higher. Credit ratings by nationally recognized institutions are used to assess the creditworthiness of specific investments. The bond mutual fund and money market funds do not have a rating provided by a nationally recognized statistical rating organization. The range of rating of corporate bonds was BBB to AAA as of June 30, 2024 and BBB- to AAA as of June 30, 2023

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. SDSU Research Foundation's investment policy contains no limitations as to how much can be invested with any one issuer. As of June 30, 2024 and June 30, 2023, SDSU Research Foundation did not have any investments with a single non-federal issuer that exceeded 5% of total investments.

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that SDSU Research Foundation will not be able to recover its deposits in the event of a failure of a depository institution. SDSU Research Foundation deposits are maintained at financial institutions that are Federal Deposit Insurance Corporation (FDIC) secured up to \$250,000. In the ordinary course of SDSU Research Foundation's operations, deposit balances can exceed the FDIC insured limits.

Custodial credit risk for investments is the risk that if the counterparty to an investment transaction were to fail, SDSU Research Foundation would not be able to recover its investment. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to indirect investment in securities through the use of mutual funds and government investment pools. Federally Sponsored Enterprise Issues are held by Securities Investor Protection

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2024 and 2023**

Corporation (SIPC) insured brokers and are not registered with the issuer in SDSU Research Foundation's name.

**NOTE 4 - ACCOUNTS AND PLEDGES RECEIVABLE**

Accounts and pledges receivable as of June 30, 2024 and June 30, 2023 consisted of the following:

	<b>2024</b>		
	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
Sponsored programs	\$ 32,838,092	\$ -	\$ 32,838,092
Pledges receivable	2,610,960	279,156	2,890,116
Leases, PPP receivable	4,062,345	50,251,340	54,313,685
Other receivables	6,468,539	-	6,468,539
Less: allowance for doubtful accounts	(376,854)	-	(376,854)
Total accounts receivable	<u>\$ 45,603,082</u>	<u>\$ 50,530,496</u>	<u>\$ 96,133,578</u>
	<b>2023</b>		
	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
Sponsored programs	\$ 26,932,605	\$ -	\$ 26,932,605
Pledges receivable	2,916,835	2,584,214	5,501,049
Leases, PPP receivable	3,395,099	54,988,132	58,383,231
Other receivables	5,183,261	-	5,183,261
Less: allowance for doubtful accounts	(201,135)	-	(201,135)
Total accounts receivable	<u>\$ 38,226,665</u>	<u>\$ 57,572,346</u>	<u>\$ 95,799,011</u>

It is the policy of management to review outstanding receivables at year-end for collectability and establish an allowance for doubtful accounts.

Leases, PPP receivable consist of \$4,062,345 in current and \$50,251,340 in non-current. Which includes \$3,618,172 PPP installment payments of which \$207,114 is recognized as current as of June 30, 2024.

A receivable for an underlying PPP asset was also recorded at June 30, 2023 purchased or constructed and placed into service by the operator for \$37,600,000. \$36,000,000 is the balance of the receivable with a current portion of \$800,000 as of June 30, 2024. Ownership of the underlying asset of the PPP has not yet been transferred to the SDSU Research Foundation for these arrangements. The receivables for both the PPP assets and the installment payments are included above in leases and PPP receivable.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

**NOTE 5 - NOTES RECEIVABLE - AZTEC SHOPS, LTD. I**

Notes receivable from Aztec Shops as of June 30, 2024 and 2023 consisted of the following:

	<b>2024</b>		
	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
Sanctuary suites <sup>(a)</sup>	\$ 471,799	\$ 2,594,895	\$ 3,066,694
Piedra del Sol and Fraternity Row <sup>(b)</sup>	218,400	1,092,000	1,310,400
College square <sup>(c)</sup>	43,500	609,000	652,500
College strip <sup>(c)</sup>	30,000	420,000	450,000
	<u>\$ 763,699</u>	<u>\$ 4,715,895</u>	<u>\$ 5,479,594</u>
	<b>2023</b>		
	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
Sanctuary suites <sup>(a)</sup>	\$ 471,799	\$ 3,066,694	\$ 3,538,493
Piedra del Sol and Fraternity Row <sup>(b)</sup>	218,400	1,310,400	1,528,800
College square <sup>(c)</sup>	87,000	652,500	739,500
College strip <sup>(c)</sup>	60,000	450,000	510,000
	<u>\$ 837,199</u>	<u>\$ 5,479,594</u>	<u>\$ 6,316,793</u>

(a) In January 2014, SDSU Research Foundation transferred a property adjacent to the University (Sanctuary Suites) to Aztec Shops, Ltd. in exchange for an unsecured note in the amount of \$4,717,991. Payments of interest only at 4% were payable semi-annually until April 15, 2019 at which time fixed principal payments of \$235,900 began plus accrued interest payable semi-annually through October 15, 2028.

(b) In June 2013, SDSU Research Foundation transferred two student housing projects adjacent to the University (Piedra del Sol and Fraternity Row apartments) to Aztec Shops, Ltd. As part of the consideration for the transfer, Aztec Shops, Ltd. provided an unsecured note to SDSU Research Foundation in the amount of \$2,184,000. Payments of interest only at 4% were payable semi-annually until October 15, 2018 at which time fixed principal payments of \$109,200 plus accrued interest are payable semi-annually through April 15, 2028.

(c) In May 2015, SDSU Research Foundation transferred properties adjacent to the University (College Square and College Strip) to Aztec Shops, Ltd. in exchange for cash of \$2,725,000, which was used to pay off a mortgage note and unsecured notes in the amount of \$1,470,000. Payments of interest only at 4% were payable semi-annually until October 15, 2020 from Aztec Shops, Ltd., at which time fixed principal payments of \$73,500 plus accrued interest are payable semi-annually through April 15, 2030.

In March 2021 and April 2020, SDSU Research Foundation and Aztec Shops, Ltd. executed amendments to the four promissory notes referenced above. These amendments deferred the principal payments due April 15, 2020, October 15, 2020, April 15, 2021 and October 15, 2021. The payment terms were extended two additional years and the deferred principal payments are due at the end of each term.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2024 and 2023**

**NOTE 6 - CAPITAL ASSETS**

Capital assets activity for the years ended June 30, 2024 and 2023 consisted of the following:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>
Nondepreciable capital assets:				
Land, land improvements	\$ 13,914,536	\$ -	\$ -	\$ 13,914,536
Construction in progress	6,623,834	2,340,012	(6,920,026)	2,043,820
Total nondepreciable capital assets	<u>20,538,370</u>	<u>2,340,012</u>	<u>(6,920,026)</u>	<u>15,958,356</u>
Depreciable capital assets:				
Buildings and improvements	65,856,588	3,199,593	(19,084,401)	49,971,780
Furniture, fixtures and equipment	27,513,872	8,184,648	(231,626)	35,466,894
Right of use asset - leases	26,088,541	4,231,166	(2,840,587)	27,479,120
Right of use asset - SBITAs	2,125,799	60,051	-	2,185,850
Total depreciable capital assets	<u>121,584,800</u>	<u>15,675,458</u>	<u>(22,156,614)</u>	<u>115,103,644</u>
Less accumulated depreciation:				
Buildings and improvements	(49,057,392)	(3,901,586)	19,084,401	(33,874,577)
Furniture, fixtures and equipment	(22,917,707)	(1,865,626)	231,626	(24,551,707)
Right of use asset - leases	(5,745,396)	(3,321,506)	-	(9,066,902)
Right of use asset - SBITAs	(567,323)	(518,529)	-	(1,085,852)
Total accumulated depreciation	<u>(78,287,818)</u>	<u>(9,607,247)</u>	<u>19,316,027</u>	<u>(68,579,038)</u>
Total capital assets, net	<u>\$ 63,835,352</u>	<u>\$ 8,408,224</u>	<u>\$ (9,760,613)</u>	<u>\$ 62,482,962</u>

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

	<b>Balance June 30, 2022</b>	<b>Adoption of GASB 96</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2023</b>
Nondepreciable capital assets:					
Land, land improvements	\$ 13,914,536	\$ -	\$ -	\$ -	\$ 13,914,536
Construction in progress	5,730,210	-	895,739	(2,115)	6,623,834
Total nondepreciable capital assets	<u>19,644,746</u>	<u>-</u>	<u>895,739</u>	<u>(2,115)</u>	<u>20,538,370</u>
Depreciable capital assets:					
Buildings and improvements	65,225,859	-	630,729	-	65,856,588
Furniture, fixtures and equipment	26,029,080	-	2,855,008	(1,370,216)	27,513,872
Right of use asset - leases	24,640,427	-	1,448,114	-	26,088,541
Right of use asset - SBITAs	-	959,445	1,166,354	-	2,125,799
Total depreciable capital assets	<u>115,895,366</u>	<u>959,445</u>	<u>6,100,205</u>	<u>(1,370,216)</u>	<u>121,584,800</u>
Less accumulated depreciation:					
Buildings and improvements	(45,929,576)	-	(3,127,816)	-	(49,057,392)
Furniture, fixtures and equipment	(22,737,410)	-	(1,379,849)	1,199,552	(22,917,707)
Right of use asset - leases	(2,647,943)	-	(3,097,453)	-	(5,745,396)
Right of use asset - SBITAs	-	-	(567,323)	-	(567,323)
Total accumulated depreciation	<u>(71,314,929)</u>	<u>-</u>	<u>(8,172,441)</u>	<u>1,199,552</u>	<u>(78,287,818)</u>
Total capital assets, net	<u>\$ 64,225,183</u>	<u>\$ 959,445</u>	<u>\$ (1,176,497)</u>	<u>\$ (172,779)</u>	<u>\$ 63,835,352</u>

Depreciation expense totaled \$9,607,248 and \$8,172,441 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 7 - AFFILIATED ORGANIZATIONS**

***The Campanile Foundation (TCF)***

TCF is the philanthropic auxiliary organization for the University. The cash and investments shown in the Statements of Fiduciary Net Position represent TCF's claim on cash and investments of SDSU Research Foundation.

Pursuant to an agreement with TCF effective through June 30, 2027, SDSU Research Foundation shall provide administrative services that include cash management processes, gift account administration, and accounting and financial reporting assistance. SDSU Research Foundation charges an administrative fee for all non-student aid funds at the time that TCF expends the funds. Amounts received under this agreement are a combination of fees charged on TCF non-student aid funds and additional amounts paid by TCF. For the years ended June 30, 2024 and 2023 the administrative fee received from TCF totaled \$1,095,00 and \$1,043,000, respectively, and is included in other operating revenues in the accompanying Statements of Revenues, Expenses and Changes in Net Position.

***Other***

Included in Other liabilities at June 30, 2024 was \$2,819,000 payable to the University presented in Note 9 as Amounts held for others. Included in Accounts payable and accrued expenses were payables to the affiliated organizations in the approximate amounts of \$1,502,000 and \$1,300,000 at June 30, 2024 and 2023, respectively. Included in Accounts and pledges receivable were receivables from the affiliated



**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

organizations in the approximate amounts of \$136,000 and \$142,000 at June 30, 2024 and 2023, respectively. These amounts occurred in the normal course of business among the affiliated organizations.

**NOTE 8 - LONG-TERM OBLIGATIONS**

Long-term debt activity for the years ended June 30, 2024 and 2023 was as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion
CSU SRB 2012B <sup>(a)</sup>	\$ 12,745,000	\$ -	\$ (685,000)	\$ 12,060,000	\$ 710,000
CSU SRB 2020D <sup>(a)</sup>	10,200,000	-	(665,000)	9,535,000	670,000
Unamortized bond premium CSU SRB 2020D <sup>(a)</sup>	34,194	-	-	34,194	-
Lessee leases	16,526,748	1,597,909	(2,585,361)	15,539,296	2,886,838
SBITAs	1,236,335	60,051	(525,267)	771,119	413,829
	<u>\$ 40,742,277</u>	<u>\$ 1,657,960</u>	<u>\$ (4,460,628)</u>	<u>\$ 37,939,609</u>	<u>\$ 4,683,231</u>
Long-term obligations					
CSU SRB 2020A loss on refunding <sup>(a)</sup>	\$ 231,506	\$ -	\$ (23,733)	\$ 207,733	\$ 16,845
CSU SRB 2020D loss on refunding <sup>(a)</sup>	135,503	-	(10,163)	125,340	10,163
	<u>\$ 367,009</u>	<u>\$ -</u>	<u>\$ (33,936)</u>	<u>\$ 333,073</u>	<u>\$ 27,008</u>
Total deferred losses on refunding					
Lease/P3 deferred inflow of resources	<u>\$ 56,758,447</u>	<u>\$ -</u>	<u>\$ (5,164,175)</u>	<u>\$ 51,594,272</u>	

	Balance June 30, 2022	Adoption of GASB 96 /94	Additions	Reductions	Balance June 30, 2023	Current Portion
CSU SRB 2012A <sup>(a)</sup>	\$ 150,000	\$ -	\$ -	\$ (150,000)	\$ -	\$ -
CSU SRB 2012B <sup>(a)</sup>	13,195,000	-	-	(450,000)	12,745,000	685,000
CSU SRB 2020A <sup>(b)</sup>	510,000	-	-	(510,000)	-	-
CSU SRB 2020D <sup>(a)</sup>	10,200,000	-	-	-	10,200,000	665,000
Unamortized bond premium						
CSU SRB 2020A <sup>(b)</sup>	11,664	-	-	(11,664)	-	-
CSU SRB 2020D <sup>(a)</sup>	36,756	-	-	(2,562)	34,194	-
Paycheck Protection Program Loan <sup>(c)</sup>	2,122,277	-	-	(2,122,277)	-	-
Lessee leases	17,559,766	-	2,337,579	(3,370,596)	16,526,748	2,553,114
SBITAs	-	556,587	679,748	-	1,236,335	505,163
	<u>\$ 43,785,463</u>	<u>\$ 556,587</u>	<u>\$ 3,017,327</u>	<u>\$ (6,617,100)</u>	<u>\$ 40,742,277</u>	<u>\$ 4,408,277</u>
Long-term obligations						
CSU SRB 2020A loss on refunding <sup>(a)</sup>	\$ 248,871	\$ -	\$ -	\$ (17,365)	\$ 231,506	
CSU SRB 2020D loss on refunding <sup>(a)</sup>	145,666	-	-	(10,163)	135,503	
	<u>\$ 394,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,528)</u>	<u>\$ 367,009</u>	
Total deferred losses on refunding						
CSU SRB 2020A deferred gain on refunding <sup>(b)</sup>	<u>\$ 15,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,773)</u>	<u>\$ -</u>	
Lease/P3 deferred inflow of resources	<u>\$ 22,042,639</u>	<u>\$ 36,800,000</u>	<u>\$ 2,342,094</u>	<u>\$ (4,426,286)</u>	<u>\$ 56,758,447</u>	

(a) In September 2020, the CSU System refunded a portion of the 2012 system wide revenue bonds. The amount refunded was \$9,145,000 and \$880,000 of the unamortized bond premium. A new issuance of \$10,200,000 was allocated to SDSU Research Foundation with CSU 2020D system wide revenue bonds. The SRB 2020D bonds mature in November 2036 and bear a variable interest rate ranging from 3.0% to 5.0% due in semi-annual principal and interest payments consistent with the terms of the original bonds. The bonds are secured by pledged revenues, including F&A cost recovery payments. The Research Foundation's share of premium on the refunding was \$41,352 and is attributed to the 2012A bonds. The premium is being amortized over 193.5 months (Sept 2020 - Oct 2036) using the straight-line method, which approximates the effective interest method.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

The SRB 2020D bonds sold at amounts less than par. The resulting bond loss of \$163,875 is being amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. The losses are deferred and included on the Statement of Net Position as deferred outflow of resources.

- (b) In February 2020, the California State University (CSU) System issued system wide revenue bonds (SRB 2020A). Part of this reissuance (\$1,465,000) was allocated to SDSU Research Foundation to replace the SRB 2010A bonds, previously known as the 1998 certificates of participation and the 1999 insured revenue refunding bonds. The SRB 2020A bonds bear an interest rate of 5.0% and are due in semi-annual principal and interest payments consistent with the terms of the original bonds. The bonds mature in 2022 and payments are secured by pledged revenues, including F&A cost recovery payments.

The SRB 2020A bonds sold at amounts greater than par. The resulting bond premium of \$96,207 is being amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. The balance of the unamortized premium of the SRB 2010A bonds of \$130,123 was reclassified to deferred gain on bond refunding. The deferred gain is included on the Statement of Net Position as a deferred inflow of resources. The gain is being amortized as a reduction of interest expense over the life of the bonds using the straight-line method, which approximates the effective interest method. This bond matured November 1, 2022 and there are no amounts outstanding under the agreement as of June 30, 2024 and 2023.

- (c) As a response to the coronavirus disease (COVID-19) outbreak, the U.S. government has responded with relief legislation. Certain legislation called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), authorized emergency loans to businesses by establishing, and providing funding for, forgivable bridge loans under the Paycheck Protection Program (PPP). In March 2021, SDSU Research Foundation on behalf of KPBS, received \$2,095,580 under the PPP. The entire balance plus accrued interest of \$26,697 is outstanding as of June 30, 2022. Under the PPP, the Small Business Administration (SBA) reviews the application for forgiveness if eligibility and other criteria are met related to use of the funds. SDSURF received the official notification from the SBA of loan forgiveness in July 2022. This debt was forgiven on July 05, 2022 for \$2,095,580 in principal and \$26,927 in interest by the Small Business Administration, Washington, DC 20416.

Total interest incurred on long-term bond debt was approximately \$685,491 and \$724,101 for the years ended June 30, 2024 and 2023, respectively.

On July 1, 2022, SDSU Research Foundation implemented GASB 96 (Statement), SBITAs. All SBITAs were tracked through an internal online software. SBITAs that were entered into the software had an agreement that conveyed the right to use the underlying software that qualified under the criteria of the Statement, were at least over a 12-month period, and were valued over our threshold of \$10,000. Obligations under SBITA arrangements were \$771,119 and \$1,236,335 as of June 30, 2024 and 2023, respectively.

In July 2016, SDSU Research Foundation entered into a revolving loan agreement with a bank which was then amended in August of 2021. The loan is secured by two parcels of real property. The loan agreement is available for short-term cash needs, with a maximum amount available of \$15.0 million including a \$3.0 million standby letter of credit, and a maturity date of September 26, 2026. The agreement calls for certain restrictive and financial covenants to be maintained. The current agreement requires monthly interest-only payments at a variable interest rate of the prime lending rate minus 1%, but in no event less than 2.5%. There were no amounts outstanding under the agreement as of June 30, 2024 and 2023.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2024 and 2023**

Future principal and interest payments on long-term bond debt are as follows:

<u>Year(s) Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,380,000	\$ 652,566	\$ 2,032,566
2026	1,415,000	617,088	2,032,088
2027	1,465,000	578,550	2,043,550
2028	1,500,000	536,924	2,036,924
2029	1,550,000	492,591	2,042,591
2030-2034	6,670,000	1,964,761	8,634,761
2035-2039	7,615,000	533,802	8,148,802
	<u>\$ 21,595,000</u>	<u>\$ 5,376,282</u>	<u>\$ 26,971,282</u>

Future principal and interest payments on lease liabilities are as follows:

<u>Year(s) Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,886,838	\$ 281,665	\$ 3,168,503
2026	2,484,174	234,564	2,718,738
2027	2,278,128	187,046	2,465,174
2028	2,260,666	146,992	2,407,658
2029	1,647,796	111,249	1,759,045
2030-2034	2,149,287	371,977	2,521,264
2035-2039	905,810	249,190	1,155,000
2040-2044	751,784	118,291	870,075
2045-2046	174,813	7,276	182,089
Total requirements	<u>\$ 15,539,296</u>	<u>\$ 1,708,250</u>	<u>\$ 17,247,546</u>

Future principal and interest payments on SBITAs are as follows:

<u>Year(s) Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 413,829	\$ 33,826	\$ 447,655
2026	215,900	15,569	231,469
2027	141,390	5,852	147,242
2028	-	-	-
2029-2033	-	-	-
2034-2037	-	-	-
2038-2041	-	-	-
Total requirements	<u>\$ 771,119</u>	<u>\$ 55,247</u>	<u>\$ 826,366</u>

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

**NOTE 9 - OTHER LIABILITIES**

Activities in other liabilities for the years ended June 30, 2024 and 2023 consisted of the following:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>
Amount held for others	\$ 6,091,260	\$ 665,370	\$ (124,805)	\$ 6,631,825
Workers' compensation	2,888,983	1,298,719	(518,616)	3,669,086
Unemployment insurance	2,850,724	682,664	(555,167)	2,978,221
Other obligations	393,447	806	-	394,253
	<u>\$ 12,224,414</u>	<u>\$ 2,647,559</u>	<u>\$ (1,198,588)</u>	<u>\$ 13,673,385</u>
	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>
Amount held for others	\$ 5,695,733	\$ 606,117	\$ (210,590)	\$ 6,091,260
Workers' compensation	2,462,653	1,176,850	(750,000)	2,888,983
Unemployment insurance	2,475,672	618,507	(243,455)	2,850,724
Other obligations	408,814	-	(15,367)	393,447
	<u>\$ 11,042,872</u>	<u>\$ 2,401,474</u>	<u>\$ (1,219,932)</u>	<u>\$ 12,224,414</u>

***Risk Management***

SDSU Research Foundation is subject to risks of loss such as general liabilities torts, workers' compensation, and unemployment insurance. SDSU Research Foundation participates in the California State University risk management pool, California State University Risk Management Authority (CSURMA), for most of its insurance needs. CSURMA provides insurance and risk management services for California State University campuses and auxiliary organizations, including insurance and self-insurance. Auxiliary Organizations Risk Management Alliance (AORMA) operates within CSURMA to offer tailored coverage for California State University auxiliary organizations. CSURMA AORMA assumes charge of the control, negotiation, investigation, settlement, defense, or appeal of any claims made, or suits brought, or proceedings instituted against SDSU Research Foundation for areas covered by the pool. For their services, SDSU Research Foundation remits annual contribution payments computed in accordance with CSURMA AORMA's rules and rates.

For its unemployment and workers' compensation plans, SDSU Research Foundation is partially self-insured. Using insurance policies with commercial carriers to cover these risks of loss, SDSU Research Foundation maintains excess unemployment insurance coverage of \$1,500,000, in the aggregate, and excess workers' compensation coverage for claims in excess of \$250,000 per occurrence. The unemployment and workers' compensation liabilities are determined annually as part of management's risk analysis based on the claims history and insurance premiums. SDSU Research Foundation engages an actuary to analyze workers' compensation claims filed and estimate those incurred but not reported to determine the discounted ultimate cost for self-insured claims. Management's goal is to accrue the liability to an 80-90% confidence level based on the actuary's estimated liability with an additional accrual for deductibles.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

***Amounts Held for Others***

SDSU Research Foundation executed a 30-year ground and facility lease with the Board of Trustees of the California State University for the SDSU BioScience Center in March 2004. Lease payments began in May 2006. In July 2020, SDSU Research Foundation prepaid the remaining balance of the ground lease by funding a \$5.4 million quasi-endowment held at SDSU Research Foundation for the benefit of SDSU, to be used at the direction of SDSU's President. The endowment balance and investment gain of \$541,000 and \$396,000 are included in other liabilities as of June 30, 2024 and 2023, respectively.

**NOTE 10 - LEASING/SOFTWARE AGREEMENT ACTIVITY**

***Lessor Leases***

As of 06/30/2024, San Diego State University Research Foundation had 46 active leases. As of 06/30/2024, the total combined value of the lease receivable is \$15,046,706, the total combined value of the short-term lease receivable is \$4,062,345, and the combined value of the deferred inflow of resources is \$15,594,273.

Land, buildings and improvements, with a current net book value of approximately \$29.7 million, are leased to university-related and commercial organizations. Included in rental income is sublease revenue of \$2,048,000 and \$1,984,000 for the years ended June 30, 2024 and 2023, respectively. During the year ended June 30, 2024, SDSU Research Foundation had 15 affiliated leases with SDSU. Affiliated revenue received totaled \$706,000 and \$782,000 for the years ending on June 30, 2024 and June 30, 2023, respectively.

In July 2019, a ground lease for a student housing project was executed between SDSU Research Foundation and Capstone-San Diego II, LLC, which was transferred to Aztec Shops during FY2022-23. This agreement qualifies under the adoption of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, (PPPs). This is the only agreement recognized under GASB 94. The lease term is from August 16, 2021 through July 31, 2071. This lease has an annual payment owed of \$195,000 for the period August 1, 2022 through July 31, 2023 and \$201,000 for the year ended June 30, 2024 with 3% annual increases through the fourth year. Beginning in the fifth year of the lease term the annual lease payment will be calculated either by (1) a fixed rent amount of \$140,500 and variable rent in the amount equal to 4.54% of the net operating income or (2) fixed rent amount of \$214,000 and variable rent in the amount equal to 0.57% of the net operating income. Upon expiration or earlier termination of the lease, all improvements on the leased premises, excluding personal property, will transfer to the Lessor at no cost. See Note 4 - Accounts and Pledges Receivable for the discussion of the implementation of GASB 94.

In December 2020, an amended and restated ground lease agreement for a student housing project was executed. The lease term is from December 2020 through July 31, 2063. This lease has an annual payment owed of \$220,000 for the period August 1, 2022 to July 31, 2023, and \$223,000 for the year ended June 30, 2024, and payments increasing by 1.0% annually thereafter. Rent is paid from the surplus cash flow. If in any year, to the extent surplus cash flow is not sufficient to pay all or any portion of the rent owed, the unpaid rent shall accrue interest at 8.0% per annum.

***Lessee Leases***

As of 06/30/2024, San Diego State University Research Foundation had 36 active leases. As of 06/30/2024, the total combined value of the lease liability is \$15,539,296, the total combined value of the short-term lease liability is \$2,885,578. The combined value of the right to use asset, as of 06/30/2024 of \$27,479,120 with accumulated amortization of \$9,066,901. See note 8 for future principal and interest payments on lease liabilities.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

Expenses related to affiliated organizations related to lease agreements totaled \$404,000 and \$399,000 for the years ending on June 30, 2024 and June 30, 2023, respectively.

SDSU Research Foundation executed a 30-year ground and facility lease with the Board of Trustees of the California State University for the SDSU BioScience Center in March 2004. Lease payments began in May 2006. On July 1, 2020, SDSURF prepaid the remaining balance of the ground lease by depositing a principal payment of \$5,400,000 in a quasi- endowment held at SDSURF for the benefit of Business and Financial Affairs (BFA) of SDSU. With the implementation of GASB 87, the prepaid expense was reclassified to a right to use asset. There is no remaining unpaid lease liability, and no interest will be recognized. For the year ending June 30, 2024, the annual depreciation is \$352,000.

SDSU Research Foundation has also executed commercial leases for projects located away from the campus. Terms of some leases have the option to renew and include periodic fixed escalations.

***Software Agreements***

As of 06/30/2024, San Diego State University Research Foundation had 11 active subscriptions. As of 06/30/2024, the total combined value of the subscription liability is \$771,119. The combined value of the right to use asset, as of 06/30/2024 of \$2,185,850 with accumulated amortization of \$1,085,852 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

**NOTE 11 - POSTRETIREMENT BENEFIT PLAN**

***General Information about the OPEB Plan***

The SDSU Foundation Health VEBA Plan for Post-Retirement Health Care Benefits (formerly the Health, Vision, Life Insurance/AD&D and Employee Assistance Program of San Diego State University Foundation) (the Plan) was created by SDSU Research Foundation as a fully insured, single-employer benefit plan. The Plan was effective as of August 1, 1982 and is administered by SDSU Research Foundation. It also provides for post-retirement medical benefits to certain former regular employees and qualified dependents of the SDSU Research Foundation.

SDSU Research Foundation established a voluntary employees' beneficiary association trust (the VEBA) with a registered investment company on June 24, 1996. The VEBA holds the assets and funds the post-employment benefit obligation provided under the plan. The fair value of assets held by the VEBA trust for the years ended June 30, 2024 and 2023 was \$15,002,000 and \$13,709,000, respectively. The Plan issues stand-alone, publicly available financial reports that include financial statements and required supplementary information prepared on the accrual basis of accounting in accordance with the standards of the GASB and GAAP. The financial statements may be obtained by contacting the human resources department at SDSU Research Foundation.

SDSU Research Foundation provides medical, hospital, surgical, major medical, vision and dental insurance benefits for retirees who meet certain eligibility requirements as established by Board policy. There are three groups of eligible retirees, as follows:

- Group 1 Retirees - Individuals who were employed as eligible employees on June 30, 1991 and at the time of retirement, had 10 years of service as eligible employees, and retired either (a) under "SDSURF Defined Contribution Retirement Plan" offered through Teachers Insurance and Annuity Association (TIAA) after attaining age 55 (or after attaining age 50 if the individual was employed by SDSU Research Foundation and covered by California Public Employees' Retirement System (CalPERS) on June 30, 1982), or (b) due to permanent and total disability, as approved by TIAA, under the "Group Total Disability Benefits Plan for Regular Salaried Employees of SDSURF."

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

- Group 2 Retirees - Individuals who were employed as eligible employees on or after July 1, 1991 and, at the time of retirement, had 15 years of service as eligible employees, and retired either (a) under “SDSURF Defined Contribution Retirement Plan” offered through TIAA after attaining age 60, or (b) due to permanent total disability, as approved by TIAA, under the “Group Total Disability Benefits Plan for Regular Salaries Employees of SDSURF.”
- Group 3 Retirees - Individuals who retired prior to July 1, 1991 and, as of July 1, 1991, were receiving benefits under SDSU Research Foundation’s “Health Insurance at Retirement” policy, which was approved by SDSU Research Foundation’s Board of Directors on May 14, 1984.

For Group 3 retirees, SDSU Research Foundation pays the same percentage of the premium it pays for active employees. Retirees are required to make the same contribution for spousal or domestic partner coverage, if any, that is paid by active employees to cover one dependent. For Group 1 and 2 retirees, SDSU Research Foundation’s premium contribution is based upon the cost of the least expensive plan for which the retiree is eligible. The amount of contribution is determined by the years of service the employee has earned on the date of retirement in accordance with the vesting schedule within the policy. The minimum retiree contribution for individual coverage is the amount an active employee pays for individual coverage. The minimum retiree contribution for spousal or domestic partner coverage is the amount paid by active employees to cover one dependent.

Only certain regular employees of SDSU Research Foundation are eligible. Regular employees are members of either (a) central staff under the programmatic direction of SDSU Research Foundation’s Associate Vice President and CEO, (b) KPBS, (c) SDSU Global Campus, (d) University Relations and Development or (e) SDSU Athletics. A regular employee is appointed to an approved class code, works a regular schedule of 30 hours or more per week, and is not a temporary or leased employee. At December 31, 2023, there were 94 eligible retired participants or their surviving spouses receiving benefits from the Plan. At December 31, 2022, there were 91 eligible retired participants or their surviving spouses receiving benefits from the Plan.

Prior to 2021, retirees of the Foundation were provided benefits under the single-employer health and welfare plan. The Foundation determined that it is in the best interest of the participants and the VEBA trust to separate the retiree benefits. The VEBA Plan document was amended and restated effective January 1, 2021 as a separate retiree plan. Effective January 1, 2021, Health, Dental, Vision, Life Insurance / AD&D and Employee Assistance Program of San Diego State University Foundation (Plan Number 502) assets were transferred out to a new separate retiree plan (Plan Number 504).

SDSU Research Foundation has voluntarily opted for a funding policy under which it contributes 100% of the actuarially determined contribution (ADC). Per the December 31, 2022 actuarial valuation, SDSURF did not need to make a contribution to the VEBA Trust for the fiscal year ending June 30, 2023. Instead, SDSURF was eligible to and did request a \$54,449 refund. The actuarially determined contribution (ADC) for the year ended June 30, 2024 was \$0, comprised of a \$54,449 refund from the trust and an implicit subsidy contribution of \$54,449. The actuarially determined contribution (ADC) for the year ended June 30, 2023 was \$0. No contributions to fund the future liability of the plan are required from employees.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2024 and 2023**

**Net OPEB Asset**

Included in Other assets on the Statements of Net Position as of June 30, 2024 and June 30, 2023, respectively, is the net OPEB asset of SDSU Research Foundation. The components of the asset balances are as follows:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Plan fiduciary net position	\$ 14,301,922	\$ 12,757,944
Total OPEB liability	8,600,823	(8,673,861)
Net OPEB asset	\$ 5,701,099	\$ 4,084,083

**Actuarial Assumptions**

The total OPEB liability for the years ended June 30, 2024 and June 30, 2023 was determined by an actuarial valuation as of December 31, 2023. The following assumptions were used to determine the total OPEB liability as of December 31, 2023:

	<b>December 31, 2023</b>
General inflation rate	2.5%
Salary increase	3% per year, used only to allocate the cost of benefits between service years
Investment rate of return	5.25%
Mortality rates	Public Retirement Plans Headcount Weighted 2010 Mortality Table with separate rates for males and females. Mortality improvement rates were projected using MacLeod Watts Scale 2022 on a fully generational basis from 2010 forward.

**Discount Rate**

The discount rate used to measure the total OPEB liability as of December 31, 2023 and December 31, 2022 was 5.25%, which is equal to the expected long-term yield on investments net of plan investment expenses and inflation assumption. This long-term rate of investment returns is used because the earnings are expected to fund the benefit costs. As of December 31, 2023, the VEBA Trust's investment advisor projected a long-term expected return on assets of 7.90% per year, prior to offset for investment management and advisory fees. The fees were estimated to be 0.35% and 0.20%, respectively, each year. The long-term yield was reduced to a more conservative estimate of 5.25% to provide some margin against lower market rate returns.



**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

***Sensitivity of the Net OPEB Asset to Changes in Discount Rate and Healthcare Cost***

The discount rate used to calculate the net OPEB asset as of December 31, 2023 was 5.25%. Healthcare Cost Trend Rate was assumed to start at 6.5% and grade down to 3.9% for years 2075 and later. The impact of a 1.0% increase or decrease in these assumptions is shown in the chart below as of December 31, 2023:

	Sensitivity of Asset to Change in					
	Discount Rate			Healthcare Cost Trend Rate		
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)	1% Decrease	Current Healthcare Cost Trend	1% Increase
Net OPEB asset	\$ 4,407,536	\$ 5,701,099	\$ 6,747,577	\$ 6,787,926	\$ 5,701,099	\$ 4,362,909
(Decrease) increase	(1,293,563)	-	1,046,478	1,086,827	-	(1,338,190)
% (Decrease) increase	(22.7%)	-	18.4%	19.1%	-	(23.5%)

The impact of a 1% increase or decrease in these assumptions is shown in the chart below as of December 31, 2022:

	Sensitivity of Asset to Change in					
	Discount Rate			Healthcare Cost Trend Rate		
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)	1% Decrease	Current Healthcare Cost Trend	1% Increase
Net OPEB asset	\$ 2,792,962	\$ 4,084,083	\$ 5,129,471	\$ 5,180,790	\$ 4,084,083	\$ 2,734,247
(Decrease) increase	(1,291,121)	-	1,045,388	1,096,707	-	(1,349,836)
% (Decrease) increase	(31.6%)	-	25.6%	26.9%	-	(33.1%)

***OPEB Expense and Deferred Outflows and Inflows of Resources***

For the years ended June 30, 2024 and June 30, 2023, SDSU Research Foundation recognized a reduction to OPEB expense of \$1,041,489 and \$912,027, respectively.

The chart below shows the OPEB related deferred outflows and inflows of resources reported in the Statements of Net Position as of June 30, 2024 and 2023.

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Deferred outflows of resources		
Changes of assumptions	\$ 441,175	\$ 303,626
OPEB investment experiences	1,626,991	2,169,322
Total OPEB related outflows of resources	\$ 2,068,166	\$ 2,472,948
Deferred inflows of resources		
OPEB plan experiences	\$ 1,814,845	\$ 2,061,035
OPEB investment experiences	1,470,842	1,013,850
Changes of assumptions	52,674	92,831
Total OPEB related inflows of resources	\$ 3,338,461	\$ 3,167,716

SDSU Research Foundation will recognize the contributions made subsequent to the measurement date in the next fiscal year. In addition, future recognition of OPEB related deferred inflows of resources is shown below:

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2024 and 2023**

<u>For the Fiscal Year Ending June 30,</u>	<u>Recognized Net Deferred Inflows of Resources</u>
2025	\$ (642,119)
2026	(458,086)
2027	201,159
2028	(341,169)
2029	(30,080)
	\$ (1,270,295)
Total	

***Actuarial Methods and Assumptions***

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarially accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

***Other Retirement Benefits***

SDSU Research Foundation sponsors the San Diego State University Foundation Defined Contribution Retirement Plan. It is a 403(b) participant-directed defined contribution plan (the Retirement Plan) available to employees of SDSU Research Foundation if they meet certain eligibility requirements. All participants have the ability to direct the investments of their accounts under the Retirement Plan, in accordance with the investment choices as are made available and with those policies or procedures as are determined by the Retirement Plan administration. SDSU Research Foundation has no control over investment decisions made by the participants.

Participants are vested immediately in their contributions and SDSU Research Foundation contributions plus actual earnings thereon. As of January 1, 2020 the Plan was amended and the 10% contribution was replaced with a 200% fixed match of each participant's contributions up to 10% of the participant's eligible adjusted gross salary. Total contributions to the Retirement Plan for the years ended June 30, 2024 and 2023 were approximately \$7,263,000 and \$6,555,000, respectively, and included in Operating expenses in the Statements of Revenues, Expenses, and Changes in Net Position.

**San Diego State University Research Foundation**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2024 and 2023**

**NOTE 12 - DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

As of June 30, 2024 and 2023, SDSURF reported deferred outflows of resources and deferred inflows of resources in connection with the unamortized (loss)/gain on bond refunding, the OPEB plan, contributions to KPBS, and deferred inflows related to lessor leases, as presented in the table below:

	<b>2024</b>		<b>2023</b>	
	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Unamortized loss (gain) on bond refunding	\$ 333,074	\$ -	\$ 367,010	\$ -
OPEB related	2,068,166	3,338,461	2,472,948	3,167,716
Contributions - KPBS	-	1,779,143	-	2,447,854
Lessor leases	-	15,594,274	-	19,958,448
PPP	-	36,000,000	-	36,800,000
	<u>\$ 2,401,240</u>	<u>\$ 56,711,878</u>	<u>\$ 2,839,958</u>	<u>\$ 62,374,018</u>

**NOTE 13 - CONTINGENCIES**

SDSU Research Foundation is involved in various legal proceedings arising in the normal course of business. Management believes that the final outcomes of these proceedings will not have a material adverse effect on SDSU Research Foundation's results of operations or financial position.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

San Diego State University Research Foundation

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF CHANGES IN SDSU RESEARCH FOUNDATION NET OPEB ASSET (LIABILITY) AND RELATED RATIOS

LAST SEVEN FISCAL YEARS

Fiscal Year End Measurement Date	06/30/24 12/31/23	06/30/23 12/31/22	06/30/22 12/31/21	06/30/21 12/31/20	06/30/20 12/31/19	06/30/19 12/31/18	06/30/18 12/31/17
Discount Rate on Measurement Date	5.25%	5.25%	5.25%	5.35%	6.00%	6.00%	6.00%
<b>Total OPEB liability</b>							
Service cost	\$ 276,016	\$ 267,977	\$ 335,568	\$ 281,845	\$ 318,983	\$ 308,942	\$ 299,217
Interest	461,350	440,666	583,601	569,072	719,045	680,729	640,618
Differences between expected and actual experience	(894,798)	-	(2,891,384)	-	(3,028,225)	-	-
Change of assumptions	408,898	-	(139,980)	887,525	(90,035)	-	-
Benefit payments	(324,504)	(320,903)	(349,077)	(387,466)	(376,908)	(345,313)	(216,762)
<b>Net change in total OPEB liability</b>	<b>(73,038)</b>	<b>387,740</b>	<b>(2,461,272)</b>	<b>1,350,976</b>	<b>(2,457,140)</b>	<b>644,358</b>	<b>723,073</b>
<b>Total OPEB liability, beginning of year</b>	<b>8,673,861</b>	<b>8,286,121</b>	<b>10,747,393</b>	<b>9,396,417</b>	<b>11,853,557</b>	<b>11,209,199</b>	<b>10,486,126</b>
<b>Total OPEB liability, end of year (a)</b>	<b>\$ 8,600,823</b>	<b>\$ 8,673,861</b>	<b>\$ 8,286,121</b>	<b>\$ 10,747,393</b>	<b>\$ 9,396,417</b>	<b>\$ 11,853,557</b>	<b>\$ 11,209,199</b>
<b>Plan fiduciary net position</b>							
Contributors - employers	\$ -	\$ -	\$ 64,021	\$ 106,792	\$ 295,634	\$ 285,305	\$ 249,062
Net investment income	1,910,207	(1,930,235)	1,480,967	1,617,349	1,765,032	(356,123)	1,609,240
Benefit payments	(324,504)	(320,903)	(349,077)	(387,466)	(376,908)	(345,313)	(205,392)
Expenses paid	(60,865)	(72,382)	(84,391)	(79,724)	(88,140)	(27,830)	(27,500)
Change in employer contribution receivable	-	-	-	-	-	(92,222)	(31,757)
Change in accrued expenses	(3,232)	16,452	(588)	6,951	17,177	(32,432)	-
Change in accrued benefit payments	22,372	(15,103)	11,837	2,957	(1,705)	(17,402)	(11,370)
<b>Net change in plan fiduciary net position</b>	<b>\$ 1,543,978</b>	<b>\$ (2,322,171)</b>	<b>\$ 1,122,769</b>	<b>\$ 1,266,859</b>	<b>\$ 1,611,090</b>	<b>\$ (586,017)</b>	<b>\$ 1,582,283</b>
<b>Plan fiduciary net position - beginning of year</b>	<b>12,757,944</b>	<b>15,080,115</b>	<b>13,957,346</b>	<b>12,690,487</b>	<b>11,079,397</b>	<b>11,665,414</b>	<b>10,083,131</b>
<b>Plan fiduciary net position - end of year (b)</b>	<b>\$ 14,301,922</b>	<b>\$ 12,757,944</b>	<b>\$ 15,080,115</b>	<b>\$ 13,957,346</b>	<b>\$ 12,690,487</b>	<b>\$ 11,079,397</b>	<b>\$ 11,665,414</b>
<b>Net OPEB asset (liability) (b)-(a)</b>	<b>\$ 5,701,099</b>	<b>\$ 4,084,083</b>	<b>\$ 6,793,994</b>	<b>\$ 3,209,953</b>	<b>\$ 3,294,070</b>	<b>\$ (774,160)</b>	<b>\$ 456,215</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	166.29%	147.08%	181.99%	129.87%	135.06%	93.47%	104.07%
<b>Covered payroll</b>	\$ 27,768,737	\$ 24,550,631	\$ 21,389,881	\$ 20,065,194	\$ 19,882,327	\$ 20,277,985	\$ 20,501,853
<b>Net OPEB asset (liability) as a percentage of covered payroll</b>	20.53%	16.64%	31.76%	16.00%	16.57%	-3.82%	2.23%

Note: This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**San Diego State University Research Foundation**

**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**SCHEDULE OF SDSU RESEARCH FOUNDATION CONTRIBUTIONS**

**LAST SEVEN FISCAL YEARS**

<b>Plan Year End</b>	<b>Fiscal Year Ended</b>	<b>ADC</b>	<b>Contributions in Relation to the ADC</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/23	6/30/24	\$ -	\$ -	\$ -	\$ 28,220,981	0%
12/31/22	6/30/23	-	-	-	25,708,782	0%
12/31/21	6/30/22	-	-	-	21,074,435	0%
12/31/20	6/30/21	64,021	64,021	-	20,201,683	.32%
12/31/19	6/30/20	52,696	106,792	(54,096)	20,408,482	.52%
12/31/18	6/30/19	295,634	295,634	-	20,937,020	1.41%
12/31/17	6/30/18	285,305	285,305	-	20,501,853	1.39%

Note: This schedule is being built prospectively. Ultimately, 10 years of data will be present.

**Notes to Schedule of Contributions**

**Methods and assumptions used to determine contribution rates**

Valuation Date	12/31/2023	12/31/2021	12/31/2021	12/31/2019	12/31/2019	12/31/2017	12/31/2017
Fiscal Year End	06/30/2024	06/30/2023	06/30/2022	06/30/2021	06/30/2020	06/30/2019	06/30/2018
Methods and assumptions used to determine contribution rates:							
Actuarial cost method	Entry Age Normal	Entry Age Normal		Entry Age Normal		Entry Age Normal	
Amortization method	Level Dollar	Level Dollar		Level Dollar		Level Dollar	
Amortization period	30 year open	30 year open		30 year open		29 year closed	30 year closed
Asset valuation method	Market Value	Market Value		Market Value		Market Value	
Inflation	2.50%	2.50%		2.50%		2.75%	
Healthcare cost trend rates	6.5% in 2025 fluctuating to ultimate 3.9% in 2075	5.8% in 2023, fluctuates until ultimate rate of 3.9% in 2075		5.4% in 2021, fluctuates until ultimate rate of 4% in 2076		7.5% in 2019, step down 0.5% per year to 5% in 2024	
Salary increases	3%	3.00%		3.00%		3.25%	
Investment rate of return	5.25%	5.25%		6.0%		6.0%	
Retirement age	From 55 to 70	From 55 to 70		From 55 to 70		From 55 to 70	
Mortality	Public Retirement Plans Headcount Weighted 2010 Mortality (sex distinct rates). Mortality improvement with MacLeod Watts Scale 2022.	Public Retirement Plans Headcount Weighted 2010 Mortality (sex distinct rates). Mortality improvement with MacLeod Watts Scale 2022.		Public Retirement Plans Headcount Weighted 2010 Mortality (sex distinct rates). Mortality improvement with MacLeod Watts Scale 2020.		RP-2014 Healthy Mortality (sex distinct rates). Mortality improvement with Macleod Watts Scale 2018.	

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**GRANT THORNTON LLP**

12707 High Bluff Dr., Suite 225  
San Diego, CA 92122

**D** +1 858 704 8000

**F** +1 858 704 8099

## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
San Diego State University Research Foundation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of business type activities and the aggregate remaining fund information of San Diego State University Research Foundation (a California State University Auxiliary Organization and Component Unit of San Diego State University) (“SDSU Research Foundation”) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise SDSU Research Foundation’s basic financial statements and have issued our report thereon dated September 27, 2024.

### **Report on internal control over financial reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on compliance and other matters**

As part of obtaining reasonable assurance about whether SDSU Research Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this report**

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

*Grant Thornton LLP*

San Diego, California  
September 27, 2024



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**GRANT THORNTON LLP**

12707 High Bluff Dr., Suite 225  
San Diego, CA 92122

**D** +1 858 704 8000

**F** +1 858 704 8099

## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
San Diego State University Research Foundation

### **Report on compliance for each major federal program**

#### **Opinion on each major federal program**

We have audited the compliance of San Diego State University Research Foundation, a California State University Auxiliary Organization and Component Unit of San Diego State University (the “SDSU Research Foundation”) with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget’s OMB Compliance Supplement that could have a direct and material effect on each of SDSU Research Foundation’s major federal programs for the year ended June 30, 2024. SDSU Research Foundation’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, SDSU Research Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

#### **Basis for opinion on each major federal program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SDSU Research Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of SDSU Research Foundation’s compliance with the compliance requirements referred to above.

#### **Responsibilities of management for compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to SDSU Research Foundation’s federal programs.

### **Auditor's responsibilities for the audit of compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SDSU Research Foundation's compliance based on our audit. 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 US GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SDSU Research Foundation's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 SDSU Research Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SDSU Research Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on internal control over compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a

deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in SDSU Research Foundation's internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Grant Thornton LLP*

San Diego, California  
September 27, 2024

**San Diego State University Research Foundation  
(A Component Unit of San Diego State University)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Current Year Expenditures	Amounts Provided to Subrecipients
<b>RESEARCH &amp; DEVELOPMENT CLUSTER</b>				
<b>Department of Agriculture</b>				
Department of Agriculture - Direct Programs				
Hispanic Serving Institutions Education Grants	10.223		\$ 69,686	\$ 14,440
Community Food Projects	10.225		71,982	9,383
From Learning to Leading: Cultivating the Next Generation of Diverse Food and Agriculture Professionals	10.237		257,371	-
Agriculture and Food Research Initiative (AFRI)	10.310		317,880	-
Partnership Agreements	10.699		7,006	-
Cooperative Fire Protection Agreement	10.703		26,024	-
Department of Agriculture - Pass-Through Programs				
National Watermelon Promotion Board	10.000	Agreement DTD 11-03-23	4,770	-
National Watermelon Promotion Board	10.000	CONTRACT DTD 05-03-19	9,016	-
University of California at Santa Barbara	10.000	KK2427	68,023	-
University of Virginia	10.250	GR101772-SUB00000691	12,207	-
University of California at Davis	10.310	A23-2325-S001	414	-
University of California at Santa Barbara	10.310	KK2262 AMD 01	129,615	-
<b>Total - Department of Agriculture</b>			<b>973,994</b>	<b>23,823</b>
<b>Department of Commerce</b>				
Department of Commerce - Direct Programs				
Ocean Acidification Program (OAP)	11.017		48,313	-
Climate and Atmospheric Research	11.431		68,790	-
Marine Debris Program	11.999		77,290	-
Department of Commerce - Pass-Through Programs				
Los Angeles County Museum of Natural History Foundation	11.011	SA000110428 AMEND 1	(6)	-
California Sea Grant College Program	11.417	705947	57,352	-
California Sea Grant College Program	11.417	706183	23,751	-
California Sea Grant College Program	11.417	KR 704521	38,467	-
University of Southern California	11.417	SCON-00003147 AMD 3	59,459	-
University of Michigan	11.419	3006787379	165,985	90,305
California Sea Grant College Program	11.432	102314000 (S9001932) AMND 007	11,433	-
Consortium of Universities (CUAHSI)	11.432	A23-0274-S002	5,991	-
University of Southern California	11.432	SCON-00004620	15,098	-
Scripps Institution of Oceanography	11.469	705577	49,992	-
Scripps Institution of Oceanography	11.469	706346	41,718	-
City College of New York	11.481	CM00009287-00	160,774	-
City College of New York	11.481	CM5531 4428 2357 1064 49312	340	-
<b>Total - Department of Commerce</b>			<b>825,747</b>	<b>90,305</b>
<b>Department of Defense</b>				
Department of Defense - Direct Programs				
Department of Defense Contracts/Letters of Agreement	12.000		3,214,820	792,838
Conservation and Rehabilitation of Natural Resources on Military Installations	12.005		230,327	94,876
Basic and Applied Scientific Research	12.300		1,201,815	187,071
Military Medical Research and Development	12.420		252,586	-
Basic Scientific Research	12.431		203,805	-
Basic, Applied, and Advanced Research in Science and Engineering	12.630		280,329	-
Air Force Defense Research Sciences Program	12.800		848,375	296,467
Department of Defense - Pass-Through Programs				
Auburn University	12.000	23-CIVENG-202673-SDSU	134,029	-
Cerion Nanomaterials	12.000	Agreement DTD 03/11/2022	76,101	-
CFD Research	12.000	20028 MOD 002	91,342	-
CFD Research	12.000	20067/0000003504 MOD 1	84,375	-
CFD Research	12.000	GR1 20076	55,889	-
Leidos Inc	12.000	P010247808	18,954	-
Leidos Inc	12.000	P010283520 MOD #2	90,664	-
M4 Engineering	12.000	Contract DTD 07-21-23	38,500	-
Materials Sciences Corporation	12.000	PO-0001698	142,934	-
PAR Government Systems Corporation	12.000	PGSC-SC-111374-17 MOD 01	79,705	-
RTI International	12.000	1-312-0218275-6625L	112,550	-
Stevens Institute of Technology	12.000	2103492-01	4,554	-
Stevens Institute of Technology	12.000	2103492-02	3,965	-
Stevens Institute of Technology	12.000	2103492-03	2,081	-
University of Nevada Desert Research Institute	12.000	GR11858	52,691	9,938
Denver Research Institute	12.420	MSRC-FY21-02	7,255	4,757
Columbia University	12.431	1(GG018250-01)	29,664	-
Minority Serving Institutions STEM R&D Consortium	12.630	W911SR22F0095 (62)	210,607	-
Texas State University	12.750	21011-83581-2 AMND 2	16,574	-
Ohio State University (The)	12.800	SPC-1000011530 / GR131299	90,026	-
University of Arkansas at Pine Bluff	12.800	GR016626/GR016627 AMND 1	53,396	-
Fordham University	12.902	FORD0101-30353	31,942	-
<b>Total - Department of Defense</b>			<b>7,659,795</b>	<b>1,385,947</b>
<b>Dept of Housing and Urban Develop</b>				
Dept of Housing and Urban Develop - Pass-Through Programs				
San Diego Housing Commission	14.871	Contract DTD 08/10/23	571,609	-
<b>Total - Dept of Housing and Urban Develop</b>			<b>571,609</b>	-
<b>Department of Interior</b>				
Department of Interior - Direct Programs				
Department of Interior Contracts/Letters of Agreement	15.000		17,445	-
Bureau of Ocean Energy Management (BOEM) Environmental Studies (ES)	15.423		91,908	-
Fish and Wildlife Coordination Act	15.517		13,832	-
Earthquake Hazards Program Assistance	15.807		43,489	-
Department of Interior - Pass-Through Programs				
Oregon State University	15.423	D1150A-B	37,412	-
California Department of Fish and Wildlife	15.611	Q2250402	23,208	-
Texas Parks and Wildlife Department	15.615	Agreement DTD 11/01/2023	69,252	-
University of Southern California	15.808	SCON-00003729 AMND 1	13,746	-
University of Southern California	15.808	SCON-00003729-001 - Task 23159	9,883	-
<b>Total - Department of Interior</b>			<b>320,176</b>	-
<b>Department of Justice</b>				
Department of Justice - Direct Programs				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campu	16.525		2,556	-
<b>Total - Department of Justice</b>			<b>2,556</b>	-
<b>Department of Labor</b>				
Department of Labor - Pass-Through Programs				
The Council of State Governments Ltd.	17.720	24-A2-053-3114	75,929	-
<b>Total - Department of Labor</b>			<b>75,929</b>	-
<b>Department of State</b>				
Department of State - Direct Programs				
AEECA/ESF PD Programs	19.900		24,863	-
<b>Total - Department of State</b>			<b>24,863</b>	-

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**San Diego State University Research Foundation  
(A Component Unit of San Diego State University)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**

For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Current Year Expenditures	Amounts Provided to Subrecipients
<b>Department of Transportation</b>				
Department of Transportation - Pass-Through Programs				
Ohio State University (The)	20.614	SPC-1000012813   GR133749	\$ 14,597	\$ -
University of New Mexico	20.701	456802-87W2	120,828	-
Virginia Polytechnic Institute and State University	20.701	451453-19863 MOD 7	60,236	-
<b>Total - Department of Transportation</b>			<b>195,661</b>	<b>-</b>
<b>Department of Treasury</b>				
Department of Treasury - Pass-Through Programs				
Children's Mercy Kansas City	21.027	42089124	7,681	-
<b>Total - Department of Treasury</b>			<b>7,681</b>	<b>-</b>
<b>National Aeronautics and Space Administration</b>				
National Aeronautics and Space Administration - Direct Programs				
National Aeronautics and Space Administration Contracts/Letters of Agreement	43.000		6,783	-
Science	43.001		512,061	124,962
Space Operations	43.007		14,351	-
Office of STEM Engagement (OSTEM)	43.008		268,581	-
Space Technology	43.012		376,638	-
National Aeronautics and Space Administration - Pass-Through Programs				
Planetary Science Institute (PSI)	43.001	1912-SDSURF	21,533	-
SETI Institute	43.001	SC 3655 MOD 2	4,300	-
Woods Hole Oceanographic Institute	43.001	A101645 / 23153800	10,721	-
University of California at San Diego	43.002	KR704645 AMD 002	230,327	-
California Space Grant Foundation	43.003	Agreement DTD 09/25/23	10,777	-
New Mexico State University	43.008	002318 AMEND 1	29,557	-
<b>Total - National Aeronautics and Space Administration</b>			<b>1,485,629</b>	<b>124,962</b>
<b>Institute of Museum and Library Services</b>				
Institute of Museum and Library Services - Direct Programs				
National Leadership Grants	45.312		4,746	-
<b>Total - Institute of Museum and Library Services</b>			<b>4,746</b>	<b>-</b>
<b>National Science Foundation</b>				
National Science Foundation - Direct Programs				
Engineering	47.041		1,275,401	-
Mathematical and Physical Sciences	47.049		1,677,694	-
Geosciences	47.050		616,202	-
Computer and Information Science and Engineering	47.070		1,598,616	14,655
Biological Sciences	47.074		1,810,374	292,657
Social, Behavioral, and Economic Sciences	47.075		1,003,083	193,492
STEM Education (formerly Education and Human Resources)	47.076		4,542,495	193,860
Polar Programs	47.078		444,014	-
Office of International Science and Engineering	47.079		275,842	2,595
Integrative Activities	47.083		186,181	-
NSF Technology, Innovation, and Partnerships	47.084		17,890	-
National Science Foundation - Pass-Through Programs				
Vanderbilt University	47.041	OSA00000302	68,973	-
Montana State University	47.049	G243-23-W9442	86,143	-
SETI Institute	47.049	SC3888	79,021	-
University of Utah	47.049	10055084-S8 PO# U000278340	190,719	-
Pennsylvania State University	47.050	S003017-NSF	22,603	-
University Corporation for Atmospheric Research	47.050	SUBAWD004979	50,188	-
University of California at Santa Barbara	47.050	KK2327 AMD 1	32,064	-
Association of American Geographers	47.070	FT037-SDSU	34,964	-
University of California at Irvine	47.070	2020-1429	85,576	-
University of California at San Diego	47.070	705622-001	73,574	-
University of California at San Diego	47.070	KR 705544 AMND 001	153,940	-
University of South Carolina	47.070	23-5408	17,255	-
Michigan State University	47.074	RC115250SDSU	77,596	-
Arizona State University	47.075	ASUB00001616	13,574	-
University of Colorado Boulder	47.075	SUB 1559877 PO 1001427484	13,637	-
University of Montana	47.075	PG119-66297-04-01	40,132	-
University of Texas Dallas	47.075	1907751 AMND 005	5,785	-
Arizona State University	47.076	ASUB00000336 AMND 4	100,542	-
Auburn University	47.076	21-COSAM-200840-SDSUF AMND 2	96,284	38,554
California State University San Francisco	47.076	S18-0008 AMND 5	262,827	-
California State University San Marcos	47.076	92453-85295	38,152	-
CSU East Bay	47.076	W1206-413 AMND 3	61,075	-
CSU Sacramento University Enterprises, Inc	47.076	532993 A3	12,983	-
University of California at Santa Barbara	47.076	KK2320	75,241	-
University of Oregon	47.076	2016W01 AMND 1 & SUPP	228,436	-
University of Rochester Warner School of Business	47.076	417796G/URFAO-GR511079 AMD 4	212,075	-
University of Miami	47.079	PO-SPC 003465 SAF OS00001460	40,492	-
University of Wisconsin - Eau Claire	47.079	AKG8776	15,000	-
Arizona State University	47.084	ASUB00001487	3,746	-
<b>Total - National Science Foundation</b>			<b>15,640,389</b>	<b>735,813</b>
<b>Department of Veterans Affairs</b>				
Department of Veterans Affairs - Direct Programs				
Department of Veterans Affairs	64.000		11,197	-
Research and Development	64.054		9,446	-
<b>Total - Department of Veterans Affairs</b>			<b>20,643</b>	<b>-</b>
<b>Environmental Protection Agency</b>				
Environmental Protection Agency - Direct Programs				
Surveys, Studies, Investigations, Training and Special Purpose Activities Relating to Environmental Justice	66.309		784,903	329,607
Environmental Protection Consolidated Grants for the Insular Areas - Program Support	66.600		65,847	-
Environmental Protection Agency - Pass-Through Programs				
California Air Resources Board	66.001	22AQP002	100,033	-
Comite Civico Del Valle Inc	66.034	Agreement DTD 4-2-24	319	-
<b>Total - Environmental Protection Agency</b>			<b>951,102</b>	<b>329,607</b>
<b>Department of Energy</b>				
Department of Energy - Direct Programs				
Department of Energy Contracts/Letters of Agreement	81.000		199,121	-
Office of Science Financial Assistance Program	81.049		895,971	-
Fossil Energy Research and Development	81.089		220,872	-
Stewardship Science Grant Program	81.112		117,855	-
Department of Energy - Pass-Through Programs				
Alliance for Sustainable Energy LLC	81.000	SUB-2023-10119	62,415	-
UT-Battelle LLC	81.000	CW48173	27,505	-
Auburn University	81.049	18-ENG-211639-SDSU AMND 5	8,394	-
University of Wisconsin-Madison	81.049	854K383 MOD 5	54,436	-
Johns Hopkins University	81.087	200496763 AMND 02	34,769	-
<b>Total - Department of Energy</b>			<b>1,621,338</b>	<b>-</b>

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**San Diego State University Research Foundation  
(A Component Unit of San Diego State University)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**

For the Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Current Year Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<b>Department of Education</b>				
Department of Education - Direct Programs				
Higher Education Institutional Aid	84.031		\$ 636,052	\$ -
Strengthening Institutions Program Hispanic Serving Institutions	84.031S		404,126	-
Centers for International Business Education Program	84.220A		240,838	-
Research in Special Education	84.324		746,009	143,860
Student Initiated Research Projects	84.324B		69,534	-
Rehabilitation Services Demonstration and Training Programs	84.325K		247,249	-
National Professional Development Program	84.365Z		552,272	113,934
Department of Education - Pass-Through Programs				
Boston College	84.000	AMENDMENT 2 - 5108121-02	89,710	-
University of California at Irvine	84.305	2020-1376 AMD 2	7,252	-
University of California at Irvine	84.305	2021-1526 AMD 2	212,412	-
University of California at Irvine	84.305	2021-1542 AMD 2	23,532	-
University of California at Irvine	84.305	2023-2100	31,968	-
University of North Carolina-Chapel Hill	84.324	5121570 AMD 2	220,242	-
California State University Sonoma	84.365	121511 AMD 2	21,546	-
University of California at Santa Cruz	84.365	A22-0375-S002 AMD 02	41,220	-
<b>Total - Department of Education</b>			<b>3,543,952</b>	<b>257,794</b>
<b>Department of Health and Human Services (DHHS)</b>				
DHHS - Direct Programs				
Department of Health and Human Services Contracts/Letters of Agreement	93.000		1,452,762	-
DHHS - Pass-Through Programs				
City of Chula Vista	93.137		93,473	-
<b>Total - DHHS</b>			<b>1,546,235</b>	<b>-</b>
Centers for Disease Control (CDC) - Pass-Through Programs				
Emory University	93.084	A754510 AMND 1	109,017	-
University of California at Davis	93.084	A23-0750-S018	289	-
Colorado State University	93.262	G-10405-01	91,738	-
California Department of Public Health	93.283	22-11127	175,121	-
<b>Total Centers for Disease Control (CDC)</b>			<b>376,165</b>	<b>-</b>
Health Resources and Services Administration - Direct Programs				
National Organizations of State and Local Officials	93.011		(878)	-
Nurse Education, Practice Quality and Retention Grants	93.359		342,755	-
Health Resources and Services Administration - Pass-Through Programs				
Children's Mercy Kansas City	93.110	41290123	9,770	-
<b>Total Health Resources and Services Administration</b>			<b>351,647</b>	<b>-</b>
National Institutes of Health (NIH) - Direct Programs				
Environmental Health	93.113		21,787	-
Oral Diseases and Disorders Research	93.121		30,117	-
Research Related to Deafness and Communication Disorders	93.173		2,251,833	115,175
Mental Health Research Grants	93.242		5,516,723	935,338
Alcohol Research Programs	93.273		2,416,700	361,820
Drug Abuse and Addiction Research Programs	93.279		1,947,016	651,817
Minority Health and Health Disparities Research	93.307		6,626,680	1,165,139
Minority Health and Health Disparities Research	93.307		10,000,000	-
Minority Health and Health Disparities Research Endowment Interest Earned	93.307		2,243,883	-
COVID-19: Trans-NIH Research Support	93.310		4,026,426	183,157
Cancer Cause and Prevention Research	93.393		48,596	-
Cancer Biology Research	93.396		504,593	-
Cancer Centers Support Grants	93.397		759,775	-
Cancer Research Manpower	93.398		303,250	21,242
Cardiovascular Diseases Research	93.837		442,416	-
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	93.840		1,337,312	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		13,041	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		31,918	-
Allergy and Infectious Diseases Research	93.855		881,970	-
Biomedical Research and Research Training	93.859		4,400,361	442,133
Child Health and Human Development Extramural Research	93.865		28,564	(26,711)
Aging Research	93.866		1,341,878	-
National Institutes of Health (NIH) - Pass-Through Programs				
Pxyis Partners LLC	93.000	Addendum #1 DTD 03-29-24	60,284	-
Cincinnati Childrens Hospital	93.113	OS00000524/309186 AMD 5	174,320	-
Cincinnati Childrens Hospital	93.113	SUB 139868 / PO 30100795369	114,651	-
University of Massachusetts	93.113	19-010122 B03 AMND 03	1,573	-
University of Texas Health Science Center at Houston	93.113	PO NO. UTH119860	-	-
University of Washington	93.113	UWSCI2366 AMD 3	23,349	-
Communication Disorders Technology, Inc.	93.173	AGREEMENT DTD AMD 2	2,388	-
Georgia State University	93.173	SP00015353-01 AMND 1	28,794	-
University of California at Irvine	93.173	2020-1250 AMND 5	144,331	-
University of Minnesota	93.173	A008962601 AMD 2	217,261	-
Children's Mercy Kansas City	93.242	42084125	12,504	-
McLean Hospital	93.242	402137	21,867	-
Portland State University	93.242	100166 AMEND 4	88,910	-
University of California at Davis	93.242	A19-3967-S001 AMD 5	16,532	-
University of California at Los Angeles	93.242	1550 G LA376	10,582	-
University of California at Los Angeles	93.242	1550 G LA393	184,648	89,791
University of California at San Diego	93.242	12695612 (S9002500)	12,360	-
University of California at San Diego	93.242	703792 AMND 004	13,057	-
University of California at San Diego	93.242	705633 AMD 002	50,157	-
University of California at San Diego	93.242	705635-002	269,534	-
University of California at San Diego	93.242	706274	11,564	-
University of California at San Diego	93.242	706713	753	-
University of Kansas Medical Center	93.242	AWD-0001704	6,440	-
University of Michigan	93.242	SUBK00017705	36,130	-
University of Pittsburgh	93.242	AWD00007571 (139262-1)	24,783	-
University of California at Davis	93.262	A23-0786-S001	30,059	-
Arizona State University	93.273	ASUB00001238 AMND 1	73,057	-
University of California at San Diego	93.273	705696 AMND 1	20,581	-
Florida International University	93.279	000778	319,870	-
Magee-Womens Research Institute and Foundation	93.279	6504	3,851	-
University of British Columbia	93.279	GR007037	83,357	-
University of California at San Diego	93.279	706170	43,730	-
University of California at San Francisco	93.279	144613C AMD 01	10,843	-
University of Colorado at Denver	93.279	FY24: 259.002	2,356	-
University of Miami	93.279	SPC-002221	21,225	-
University of Missouri	93.279	PRIOR	23,711	-
Albert Einstein College of Medicine	93.307	31106A AMND 14 - P0985137	37,629	-
Children's Hospital Los Angeles	93.307	000014356-BP	75,250	-
Kaiser Permanente Medical Center	93.307	00S030619-2 AMND 1	236,913	-
University of Arizona	93.307	PRIOR	12,355	-
University of California at San Diego	93.307	119580171 (S9002353) AMND 005	9,459	9,542
University of California at San Diego	93.307	704974 AMND 2	46,029	-
University of Southern California	93.307	SCON-00003317 AMEND #2	17,262	-
COVID-19: Duke University	93.310	A03-5091	64,884	-

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**San Diego State University Research Foundation  
(A Component Unit of San Diego State University)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**

For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Current Year Expenditures	Amounts Provided to Subrecipients
<b>National Institutes of Health (NIH) - Pass-Through Programs - CONTINUED</b>				
COVID-19: Tulane University	93.310	TUL-HSC-561997-23/24	\$ 35,308	\$ -
COVID-19: University of Missouri Kansas City	93.310	00124291/00079361	9,395	-
COVID-19: University of North Texas Health Science Center at Ft Worth	93.310	RF00260-SUB00283	71,272	-
Scripps Research Institute	93.350	GR0001177 AMND 1	122,637	-
Scripps/Whittier Institute for Diabetes	93.350	AGREEMENT DTD 04-09-24	54,628	-
University of California at San Diego	93.353	123950548 AMND 5	71,497	-
University of Michigan	93.361	CHECK 5581878	304	-
Moffitt Cancer Center	93.393	10-19731-99-01-G3 AMND #4	16,007	-
University of Arizona	93.393	627171 AMND 2	10,967	-
University of Colorado Anschutz Medical Campus	93.393	FY24.965.003	20,677	-
University of Kansas	93.393	AWD10000362 AMD 1	17,424	-
University of Virginia	93.393	GR102774SUB332. GR102773SUB334	65,901	-
University of Washington	93.393	LW5C13727 AMND 1 (PRIOR)	80,920	-
University of California at San Diego	93.397	705228 AMND 2 (MCDANIELS-DAVID	64,731	-
University of California at San Diego	93.397	706643	32,755	-
University of California at San Diego	93.397	KR 704020	14,762	-
University of California at San Diego	93.397	KR 704370 AMND 004	38,084	-
University of California at San Diego	93.397	KR 704423-001	16,193	-
San Diego County Health and Human Services Agency	93.686	565633	43,811	-
Albert Einstein College of Medicine	93.837	31148A- P0987502	175,607	-
Albert Einstein College of Medicine	93.837	312202 AMND 1 - P0982622	101,521	-
Baylor School of Medicine	93.837	PO P700000461 (AMND 2)	4,674	-
Children's Mercy Kansas City	93.837	601164 AMND 5	199,557	-
Johns Hopkins University	93.837	2004680721	39,920	-
Northern California Institute for Research and Education	93.837	KI22200-04 AMND 6	244,528	-
Seattle Childrens Hospital & Regional Med Ctr	93.837	13292SUB	79	-
University of California at San Diego	93.837	705135 AMND 2	136,111	-
University of California at San Diego	93.837	KR 705491	101,350	-
University of California at San Francisco	93.837	130755C AMND 1	400	-
University of Illinois at Chicago	93.837	18616 AMND 2	380,171	-
University of North Carolina-Chapel Hill	93.837	5116686 AMND 4	68,785	-
Columbia University	93.838	14(GG015997-03) AMND 5	129,015	-
University of California at Los Angeles	93.838	1790 G ZA117 AMND 3	431,770	191,093
Albert Einstein College of Medicine	93.847	31128E AMND 2 P0873906	16,834	-
Albert Einstein College of Medicine	93.847	31241G AMND 2 - P0982735	56,682	-
Albert Einstein College of Medicine	93.847	312444 - P0998879	6,283	-
Massachusetts General Hospital	93.847	235293 AMND #1	20,817	-
University of California at San Diego	93.847	704655 ADM02	30,932	-
University of North Carolina-Chapel Hill	93.847	5112425 AMND 6	948	-
Washington University in St. Louis	93.847	WU-20-210-MOD-5	177,795	-
University of California at San Diego	93.853	KR 704834	21,128	-
University of Minnesota	93.853	N009539505-01	169,339	-
Baylor School of Medicine	93.855	P700000912	34,246	-
University of California at San Diego	93.855	706098-001	15,148	-
University of California at San Diego	93.855	706122	23,720	-
University of California at San Diego	93.855	706564	5,305	-
University of California at San Diego	93.855	706821	6,338	-
California State University San Marcos	93.859	85241-SDSU AMD 2	27,377	-
Indian Health Council	93.859	NARCH XI CORE YR 2	366	-
Indian Health Council	93.859	NARCH XI STUDENT DEVELOPMENT Y	3,293	-
Indian Health Council	93.859	NARCH XI Student Yr 3	31,123	-
Indian Health Council	93.859	NARCH XII CORE_YR 1	7,912	-
Indian Health Council	93.859	NARCH XII-CORE #S506GM146121-2	16,066	-
Indian Health Council	93.859	SDSURF/CORE NARCH XI	9,916	-
Portland State University	93.859	100249 AMD 1	141,580	-
University of California at San Diego	93.859	704577 AMD 002	61,495	-
University of Florida	93.859	SUB00001780 AMD 5	2,079	-
Florida International University	93.865	000619 AMD 1	25,997	-
Florida State University	93.865	R000003133 AMND #1	72,466	-
Florida State University	93.865	R000003330	34,517	-
Harvard University	93.865	1117267-0388-5119058	1,647	-
Harvard University	93.865	117267-0488-5119058	16,715	-
Indiana University	93.865	6587 AMD 1	47,806	-
Shirley Ryan AbilityLab	93.865	GRANT-000847_SDSU AMND 1	11,967	-
University of California at San Diego	93.865	115247618 - 004	32,898	-
University of California at San Diego	93.865	705342 AMD 002	31,186	-
University of California at San Diego	93.865	705621-001	35,519	-
University of Texas San Antonio	93.865	1000003230 AMND 0003	5,316	-
Icahn School of Medicine at Mount Sinai (ISMMS)	93.866	0255-1251-4609	40,731	-
University of California at San Diego	93.866	114894795 (S9002272)	47,757	-
University of California at San Diego	93.866	118977940 AMND 4	25,030	-
University of California at San Diego	93.866	702509 - S9002054 AMND 006	39,357	-
University of California at San Diego	93.866	704816 AMND 3	103,218	-
University of California at San Diego	93.866	705294 AMND 2	278,389	-
University of California at San Diego	93.866	705394 AMND 1	334,560	-
University of California at San Diego	93.866	705791	7,126	-
University of California at San Diego	93.866	706370	160,284	-
University of California at San Diego	93.866	706372	22,197	-
University of California at San Diego	93.866	706373	10,460	-
University of California at San Diego	93.866	706682	14,582	-
University of Miami	93.866	OS00000708 AMND 2	323,901	-
University of North Carolina-Chapel Hill	93.866	5113395 AMND 5	43,107	-
University of Washington	93.879	Contract DTD 09-21-22	402	-
University of Washington	93.879	NNLM Region 5 DTD 2/1/23	1,500	-
<b>Total - National Institutes of Health (NIH)</b>			<b>53,274,013</b>	<b>4,139,536</b>
<b>Total - Department of Health &amp; Human Services</b>			<b>55,548,060</b>	<b>4,139,536</b>
<b>Social Security Administration</b>				
Social Security Administration - Pass-Through Programs				
University of Wisconsin-Madison	96.007	0000003565	68	-
<b>Total Social Security Administration</b>			<b>68</b>	<b>-</b>
<b>Department of Homeland Security</b>				
Department of Homeland Security - Pass-Through Programs				
Audentia, Inc.	97.000	AGMNT DTD 4/27/17	182,176	-
Sea Tow Foundation	97.012	Agreement DTD 08-12-22	26,735	-
University of Nebraska Omaha	97.061	44-0108-1001-418 AMD 7	144,841	-
<b>Total Department of Homeland Security</b>			<b>353,752</b>	<b>-</b>
<b>TOTAL RESEARCH &amp; DEVELOPMENT CLUSTER</b>			<b>89,827,689</b>	<b>7,087,787</b>
<b>Child Nutrition Cluster</b>				
<b>Department of Agriculture</b>				
Department of Agriculture - Pass-Through Programs				
California Department of Education	10.559	04222	4,331	-
<b>Total - Department of Agriculture</b>			<b>4,331</b>	<b>-</b>
<b>TOTAL CHILD NUTRITION CLUSTER</b>			<b>4,331</b>	<b>-</b>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

San Diego State University Research Foundation  
(A Component Unit of San Diego State University)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Current Year Expenditures	Amounts Provided to Subrecipients
<b>477 Cluster</b>				
<b>Department of Health and Human Services</b>				
DHHS - Pass-Through Programs				
Imperial County Department of Social Services	93.558	MO33 AMEND #1	\$ 353,738	\$ -
<b>Total - Department of Health and Human Services</b>			<u>353,738</u>	<u>-</u>
<b>TOTAL 477 CLUSTER</b>			<u>353,738</u>	<u>-</u>
<b>WIOA Cluster</b>				
<b>Department of Labor</b>				
Department of Labor - Pass-Through Programs				
Imperial County Workforce Development Board	17.258	Check DTD 05-10-24	10,057	-
<b>Total - Department of Labor</b>			<u>10,057</u>	<u>-</u>
<b>WIOA CLUSTER</b>			<u>10,057</u>	<u>-</u>
<b>Highway Safety Cluster</b>				
<b>Department of Transportation</b>				
Department of Transportation - Pass-Through Programs				
Ohio State University (The)	20.616	SPC-1000007339   GR129597	27,371	-
Ohio State University (The)	20.616	SPC-1000012814	12,997	-
<b>Total - Department of Transportation</b>			<u>40,368</u>	<u>-</u>
<b>TOTAL HIGHWAY SAFETY CLUSTER</b>			<u>40,368</u>	<u>-</u>
<b>Special Education Cluster (IDEA)</b>				
<b>Department of Education</b>				
Department of Education - Pass-Through Programs				
California Department of Education	84.027	21-14301-X8420-00	46,047	-
California Department of Education	84.027	22-14301-X8420-00	272,796	-
California Department of Education	84.027	23-14301-X8420-00	302,348	-
San Diego County Office of Education	84.027	20211418	22,582	-
<b>Total - Department of Education</b>			<u>643,773</u>	<u>-</u>
<b>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</b>			<u>643,773</u>	<u>-</u>
<b>TRIO Cluster</b>				
<b>Department of Education</b>				
Department of Education - Direct Programs				
TRIO Student Support Services	84.042A		323,917	-
TRIO Talent Search Program	84.044		915,334	-
TRIO Upward Bound Program	84.047A		805,675	21,628
<b>Total - Department of Education</b>			<u>2,044,926</u>	<u>21,628</u>
<b>TOTAL TRIO CLUSTER</b>			<u>2,044,926</u>	<u>21,628</u>
<b>Medicaid Cluster</b>				
<b>Substance Abuse Mental Health Services - Pass-Through Programs</b>				
San Diego County Health and Human Services Agency	93.778	555192	77,014	-
<b>Total - Substance Abuse Mental Health Services</b>			<u>77,014</u>	<u>-</u>
<b>TOTAL MEDICAID CLUSTER</b>			<u>77,014</u>	<u>-</u>
<b>OTHER FEDERAL AWARDS</b>				
<b>Department of Agriculture</b>				
Department of Agriculture - Direct Programs				
Hispanic Serving Institutions Education Grants	10.223		180,989	10,276
Department of Agriculture - Pass-Through Programs				
Western Region Agricultural Assistance Program	10.500	AWARD LETTER DTD 05-01-2023	7,022	-
California Department of Public Health	10.557	22-10290 A03	6,423,260	-
<b>Total - Department of Agriculture</b>			<u>6,611,271</u>	<u>10,276</u>
<b>Department of Defense</b>				
Department of Defense - Direct Programs				
Department of Defense Contracts/Letters of Agreement	12.000		2,212,342	-
Basic and Applied Scientific Research	12.300		14,739	-
Science, Technology, Engineering & Mathematics (STEM) Education, Outreach and Workforce Program	12.330		37,091	-
Language Grant Program	12.900		148,874	-
Department of Defense - Pass-Through Programs				
Florida State University	12.000	R00003003 AMND 2	95,110	-
MultiLingual Solutions, Inc.	12.000	PO 2022-GS-023	32,641	-
Institute of International Education	12.357	#PGO2301-SDSU-14-LTC-PO4	108,578	-
Institute of International Education	12.357	PGO1801-SDSU-14-LTC-052-PO10	7,292	-
Institute of International Education	12.357	PGO2301-SDSU-14-LTC-PO1	1,652,158	-
Institute of International Education	12.357	PGO2301-SDSU-14-LTC-PO3	260,400	-
The Institute of International Education	12.357	#PGO1801-SDSU-14	28,816	-
The Institute of International Education	12.357	PGO2301-SDSU-14-PO-PO2	363,162	-
San Diego Unified School District	12.556	PS21-0217-82 PO#0000386785	62,721	-
MultiLingual Solutions, Inc.	12.579	PO 2022-GS-014	3,262	-
MultiLingual Solutions, Inc.	12.579	PO 2022-GS-023	1,414	-
<b>Total - Department of Defense</b>			<u>5,028,620</u>	<u>-</u>
<b>Department of Housing and Urban Development</b>				
Department of Housing and Urban Development - Pass-Through Programs				
San Diego Housing Commission	14.850	Contract DTD 06-23-22	140,142	-
<b>Total - Department of Housing and Urban Development</b>			<u>140,142</u>	<u>-</u>
<b>Department of Interior</b>				
Department of Interior - Direct Programs				
Department of Interior Contracts/Letters of Agreement	15.000		41,729	-
Assistance to State Water Resources Research Institutes	15.805		68,181	-
U.S. Geological Survey Research and Data Collection	15.808		1,334,872	-
Department of Interior - Pass-Through Programs				
California Department of Fish and Wildlife	15.615	Q2050403	15,801	-
California Office of Historic Preservation	15.904	C08421011	1,000	-
<b>Total - Department of Interior</b>			<u>1,461,583</u>	<u>-</u>
<b>Department of Justice</b>				
Department of Justice - Pass-Through Programs				
Anti-Recidivism Coalition (ARC)	16.540	CONTRACT DTD 06-07-2023	10,858	-
California Office of Emergency Services	16.575	CT21088570 AMND 1	15,691	-
California Office of Emergency Services	16.575	CT22 09 8570 MOD #1	227,497	84,259
California Office of Emergency Services	16.588	CT23 10 8570	4,055	-
<b>Total - Department of Justice</b>			<u>258,101</u>	<u>84,259</u>
<b>Department of Labor</b>				
Department of Labor - Pass-Through Programs				
Council of State Governments-West	17.720	24-SA-053-3208	110,583	-
<b>Total - Department of Labor</b>			<u>110,583</u>	<u>-</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.



San Diego State University Research Foundation  
(A Component Unit of San Diego State University)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Current Year Expenditures	Amounts Provided to Subrecipients
<b>Department of Treasury</b>				
Department of Treasury- Pass-Through Programs				
Family Health Centers of San Diego	21.027	FY 23-24 CHRT EVAL (554899)	\$ 75,209	\$ -
The San Diego Foundation	21.027	FIZ3120998	117,714	-
<b>Total - Department of Treasury</b>			<u>192,923</u>	<u>-</u>
<b>National Endowment for the Arts</b>				
National Endowment for the Arts - Direct Programs				
Promotion of the Arts Grants to Organizations and Individuals	45.024		1,366	-
<b>Total - National Endowment for the Arts</b>			<u>1,366</u>	<u>-</u>
<b>National Endowment for the Humanities</b>				
National Endowment for the Humanities - Direct Programs				
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162		158,132	-
Promotion of the Humanities Professional Development	45.163		81,028	46,849
National Endowment for the Humanities - Pass-Through Programs				
California Humanities	45.129	CDP22-292	20,394	-
California Humanities	45.129	HFAQ23-382	1,296	-
University of Central Florida	45.169	GR108109	12,670	-
<b>Total - National Endowment for the Humanities</b>			<u>273,520</u>	<u>46,849</u>
<b>Environmental Protection Agency</b>				
Environmental Protection Agency - Direct Programs				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818		51,626	-
<b>Total - Environmental Protection Agency</b>			<u>51,626</u>	<u>-</u>
<b>Department of Energy</b>				
Department of Energy - Direct Programs				
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		318,645	-
Department of Energy - Pass-Through Programs				
Battelle Pacific Northwest Laboratories	81.000		4,897	-
California State University San Francisco	81.117		25,927	-
<b>Total - Department of Energy</b>			<u>349,469</u>	<u>-</u>
<b>Department of Education</b>				
Department of Education - Direct Programs				
Strengthening Institutions Program Hispanic Serving Institutions	84.031S		789,304	147,463
Rehabilitation Long Term Training Vocational Rehabilitation Counseling	84.129B		450,103	-
Rehabilitation of Individuals Who Are Mentally Ill	84.129H		135,974	-
Innovative Approaches to Literacy: Promise Neighborhoods: Full-Service Community Schools; and Congressionally Directed Spending for Elementary and Secondary Education Community Projects	84.215		171,234	-
Centers for International Business Education Program	84.220A		22,860	-
Vocational Rehabilitation Technical Assistance Center for Quality Management	84.264J		4,318,092	1,135,847
Capacity Building for Traditionally Underserved Populations	84.315C		300,823	7,265
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325		216,647	-
Rehabilitation Services Demonstration and Training Programs	84.325K		494,153	-
Projects of National Significance Nondirected	84.325N		174,834	-
National Professional Development Program	84.365Z		477,139	-
Department of Education - Pass-Through Programs				
Guam Department of Vocational Rehabilitation	84.000	PO P196A05482 AMND 2020000001	(498)	-
Johnson Elementary School	84.010	PS24-0236-89	7,743	-
San Diego Unified School District	84.010	PS20-1135-82	62,147	-
Shelby County Schools	84.010	Contract Number 2022-0248	368	-
Washington Unified School District	84.010	Contract DTD 10/30/2023	149,821	-
Washington Unified School District	84.010	Contract did 10/27/21 P04500862	542	-
Arizona Department of Economic Security	84.126	D123-002370	51,476	-
California Department of Rehabilitation	84.126	31772 AMND 2	110,690	-
Oregon Department of Human Services	84.126	179485	76,489	-
California Department of Rehabilitation	84.126A	32205	2,853	-
Commonwealth of the Northern Marianas Islands	84.126A	32300760	20,302	-
Florida Department of Education, Division of Blind Services	84.126A	MOU SA-143	65,486	-
Florida Division of Vocational Rehabilitation	84.126A	COC1DE	19,449	-
Idaho Division of Vocational Rehabilitation	84.126A	AGREEMENT DATED 9/26/22	23,743	-
New Mexico Division of Vocational Rehabilitation	84.126A	24-844-1000-00013 / PO 24968	52,082	-
South Carolina Commission for the Blind	84.126A	PO 4600889742	499	-
State of Hawaii	84.126A	DHS-20-VR-0045 AMND 4	48,458	-
State of Hawaii	84.126A	DHS-24-VR-0014	32,054	-
State of Hawaii	84.126A	DHS-24-VR-0046	29,394	-
Texas Workforce Commission	84.126A	3023VRS033	175,622	-
California Department of Developmental Services	84.181A	HD219025	246,985	-
George Washington University	84.263	PO 1000231805 REV 4	188,926	-
Napa County Office of Education	84.323A	Agreement DTD 09/14/23	17,162	-
Texas Christian University	84.325D	25707-23-01	23,388	-
Darnall Charter School	84.367	2022-2023 NCUST/Darnall School	562	-
San Diego Unified School District	84.367	PS24-0470-92	74,347	-
San Ysidro School District	84.367	21-24 NCUST/San Ysidro Schoo	12,006	-
University of California Office of the President	84.367	ESSA22-CMP-SAN DIEGO	(16)	-
University of California Office of the President	84.367	ESSA22-TCAP-SAN DIEGO	8,345	-
University of California Office of the President	84.367	ESSA23-CMP	32,437	-
University of California Office of the President	84.367	ESSA23-CMLP-SAN DIEGO	32,485	-
University of California Office of the President	84.367	ESSA23-TCAP-SAN DIEGO	74,231	-
California Department of Rehabilitation	84.421	31920 AMND 2	632,283	49,500
California Department of Rehabilitation	84.421	32219	446,046	-
COVID-19: Antioch Unified School District	84.425	2023-2024 NCUST/Antioch USD	42,245	-
COVID-19: Antioch Unified School District	84.425	Agreement DTD 05/05/23	311,988	-
COVID-19: National Heritage Academies	84.425	Agreement DTD 01/25/24	30,776	-
COVID-19: San Francisco Unified School District	84.425	2021-24 NCUST/SFUSD P08151625	23,933	-
COVID-19: Sweetwater Union High School District	84.425	Agreement DTD 02/03/23	16,084	-
<b>Total - Department of Education</b>			<u>10,694,096</u>	<u>1,340,075</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

San Diego State University Research Foundation  
(A Component Unit of San Diego State University)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED  
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Current Year Expenditures	Amounts Provided to Subrecipients
<b>Department of Health and Human Services</b>				
DHHS - Direct Programs				
Department of Health and Human Services Contracts/Letters of Agreement	93.000		\$ 1,909	\$ -
DHHS - Pass-Through Programs				
YMCA of San Diego County	93.243	MOU DTD 02-26-24	5,928	-
California Department of Social Services	93.658	21-3009 A3	7,000,905	-
California Department of Social Services	93.658	24-3029	715	-
San Bernardino County Children and Family Services	93.658	23-521	2,414,840	-
California Department of Social Services	93.747	22-3095	104,046	-
Kansas Department for Children and Families	93.747	Agreement DTD 10-16-23	50,972	-
National Adult Protective Services Association (NAPSA)	93.747	AGREEMENT DTD 09-11-23	630,668	-
<b>Total - DHHS</b>			<b>10,209,983</b>	<b>-</b>
Centers for Disease Control (CDC) - Direct Programs				
Prevention of Disease, Disability, and Death by Infectious Diseases	93.084		189,918	41,207
Centers for Disease Control (CDC) - Pass-Through Programs				
Colorado State University	93.262	G-20391-01	16,160	-
San Diego County Health and Human Services Agency	93.323	562475 AMND 5	21,826	-
San Diego County Health and Human Services Agency	93.495	568797 MOD 2	608,642	8,750
Family Health Centers of San Diego	93.940	CONTRACT DTD 08-17-23 (568571)	85,648	-
San Diego County Health and Human Services Agency	93.940	570420	14,238	-
San Diego County Health and Human Services Agency	93.940	CONTRACT #563694 MOD 5	77,608	-
<b>Total - Centers for Disease Control and Prevention</b>			<b>1,015,040</b>	<b>49,957</b>
Health Resources & Services Administration (HRSA) - Direct Programs				
PPHF Geriatric Education Centers	93.969		760,426	647,308
Health Resources & Services Administration (HRSA) - Pass-Through Programs				
University of California at San Diego	93.110	704539 AMD 5	176,065	-
University of California at San Diego	93.822	108438942 AMND 004	72,569	-
Family Health Centers of San Diego	93.928	H9746078/HRSA-22-028 (AMND 1)	43,926	-
<b>Total - Health Resources &amp; Services Administration (HRSA)</b>			<b>1,052,986</b>	<b>647,308</b>
Substance Abuse Mental Health Services - Pass-Through Programs				
Family Health Centers of San Diego	93.243	CONTRACT DTD 06/21/21	2,761	-
Family Health Centers of San Diego	93.243	SAMHSA 1H79T1085203	29,773	-
San Diego Social Advocates for Youth	93.243	CONTRACT DTD 9/1/20 AMEND #2	61,486	-
The San Diego Lesbian Gay Bisexual and Transgender Comm Ctr	93.243	AGRMNT DTD 02-21-2023	26,716	-
Vista Community Clinic	93.243	CONTRACT DTD 09-12-2023	8,939	-
California Association of DUI Treatment Programs	93.788	22-20405-45	52,831	-
Health Management Associates	93.788	2021-001	7,564	-
Vista Hill Foundation	93.788	Agreement DTD 10-27-22	12,170	-
Vista Hill Foundation	93.958	Agreement DTD 09-01-2022	7,807	-
San Diego Center for Children	93.959	Check No. 36594	5,219	-
San Diego Center for Children	93.959	CHK #35498	7,959	-
<b>Total - Substance Abuse Mental Health Services</b>			<b>223,225</b>	<b>-</b>
Administration for Children and Families (ACF) - Pass-Through Programs				
County of Riverside Department of Public Social Services	93.658	CS-03896-06 AMND 4	12,134	-
County of Riverside Department of Public Social Services	93.658	DPSS-0004724 AMND 1	662,029	-
County of San Bernardino	93.658	18-208 A-3	25,978	-
Imperial County Department of Social Services	93.658	22-0764/DSS	64,371	-
San Diego County Health and Human Services Agency	93.658	564774 AMND 3	879,550	-
The Child and Family Policy Institute of California	93.658	Agreement DTD 05-24-22	4,270	-
The Child and Family Policy Institute of California	93.658	Agreement DTD 06-09-23	63,814	-
University of California at Berkeley	93.658	00011215 AMND 1	2,425,546	-
Ventura County	93.658	C2223.11 AMND 1	229,087	-
YMCA of San Diego County	93.670	CONTRACT DTD 042020	8,653	-
<b>Total - Administration for Children and Families (ACF)</b>			<b>4,377,432</b>	<b>-</b>
<b>Total - Department of Health and Human Services</b>				
			<b>16,878,666</b>	<b>697,265</b>
Department of Homeland Security				
Department of Homeland Security - Pass-Through Programs				
Arizona State University	97.061	ASUB00001272	(5)	-
Arizona State University	97.061	ASUB00001602	17,580	-
<b>Total - Department of Homeland Security</b>			<b>17,575</b>	<b>-</b>
<b>TOTAL OTHER FEDERAL AWARDS</b>			<b>42,069,541</b>	<b>2,176,724</b>
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 135,071,437</b>	<b>\$ 9,288,139</b>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

San Diego State University Research Foundation

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of San Diego State University Research Foundation (the "SDSU Research Foundation") under the programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the SDSU Research Foundation, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the Foundation.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. SDSU Research Foundation has elected not to use the 10 percent *de minimus* indirect cost rate allowed under the Uniform Guidance.

**NOTE 3 - ENDOWMENT AWARD**

The accompanying Schedule includes \$12,243,883 in grants which consist of \$10.0 million in corpus and \$2,243,883 of investment earnings on the cumulative endowment corpus which is considered program income in accordance with the grant award terms from the National Institutes of Health (Federal Assistance Listing Number 93.307) to establish an endowment fund. The total amount of the endowment award is \$10.0 million. This is considered a term endowment fund, which allows for the use of the corpus 20 years after the end of the grant period. It may be used for any purpose that expands or develops SDSU's minority and/or health disparities research capacity. Investment income realized in any year is not to be expended until the next year(s) of the award per program guidelines.

**San Diego State University Research Foundation**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2024**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	yes	_____	x	no
Significant deficiency(ies) identified?	_____	yes	_____	x	none reported
Noncompliance material to financial statements noted?	_____	yes	_____	x	no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	_____	yes	_____	x	no
Significant deficiency(ies) identified?	_____	yes	_____	x	none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	_____	yes	_____	x	no
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**Identification of the major programs:**

Federal Assistance Listing Number	Name of Federal Program or Cluster
Various	Research and Development Cluster
93.658	Foster Care Title IV-E

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee?	_____	x	yes	_____	no
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**San Diego State University Research Foundation**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**For the Year Ended June 30, 2024**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

A. Significant Deficiencies or Material Weaknesses

None reported

B. Compliance Findings

None reported

**SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

A. Significant Deficiencies or Material Weaknesses

None reported

B. Compliance Findings

None reported

**SECTION IV - STATUS OF PRIOR FINDINGS**

None reported