U.C. San Diego Foundation

Financial Statements

June 30, 2023 and 2022

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Report of Independent Auditors

To the Board of Trustees of the
U.C. San Diego Foundation

Opinion

We have audited the accompanying financial statements of U.C. San Diego Foundation (the "Foundation"), which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

PricewaterhouseCoopers LLP

San Francisco, California
September 15, 2023

The U.C. San Diego Foundation (the Foundation or UCSDF) encourages, accepts, and manages charitable gifts for the benefit of the University of California San Diego (UC San Diego or the campus). The Foundation is governed by a board of trustees comprised of the campus' closest alumni, friends, and community members. Gifts that are made to UC San Diego through The Regents of the University of California (The Regents) are not included in these statements.

The following discussion and analysis of the Foundation's financial activities presents an overview of the fiscal year ended June 30, 2023, with comparative information for the fiscal years ended June 30, 2022 and 2021. This discussion and analysis has been prepared by management and should be read in conjunction with the accompanying audited basic financial statements and notes.

Financial Highlights

During fiscal year 2023, the Foundation's net position, which represents the excess of total assets over liabilities, increased by $152.0 million. This is compared to a decrease in net position during fiscal year 2022 of $41.0 million and an increase of $445.9 million in fiscal year 2021.

The increase or decrease in net position annually is the result of three primary factors: 1) changes from year to year in the contributions made to current use and endowed gift funds, 2) the amount of grants to campus, and 3) the financial investment returns of the Foundation's endowment, its most significant investment portfolio.

Recognized expendable contribution revenue in fiscal year 2023 decreased with that of fiscal years 2022 and 2021. Grants to campus in fiscal year 2023 increased compared to fiscal year 2022 and compared to fiscal year 2021. Grants to campus in fiscal year 2023 included significant support for departments and research.

After challenging financial market conditions in fiscal year 2022, we were met with considerable volatility, high inflation, and increasing interest rates in 2023. Markets slowly recovered as the year progressed but fears of a recession and a slowdown in earnings have remained. The endowment pool overall had a net total return of 11.3% as of June 30, 2023, compared to -8.1% as of June 30, 2022, and 34.9% as of June 30, 2021.

The Foundation expects fluctuations in contribution revenue for expendable and endowed funds. Significant contributions, including bequests, are periodically received from donors because of relationships cultivated over many years. The timing of these contributions is not entirely predictable, and often will correlate with a campus initiative or campaign. Similarly, financial markets are unpredictable year-to-year. The Foundation manages the endowment with the objective of real value growth and protection of its purchasing power over the long term so that it will last in perpetuity.

Presentation and Using This Report

This annual report consists of a series of financial statements prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board using the accrual basis of accounting. These statements focus the reader of the financial reports on the organization's overall financial condition, and changes in net position and cash flows, taken as a whole.

The keys to understanding the changes in the financial outcomes for the Foundation are the statements of net position; statements of revenue, expenses, and changes in net position; and the statements of cash flows. The Foundation's net position (the difference between assets, liabilities, and deferred inflows of resources) is one indicator of the Foundation's financial health, when considered in combination with other nonfinancial information.

The statements of net position include all assets, liabilities, and deferred inflows of resources. The statements of revenue, expenses, and changes in net position report the revenue earned and the expenses incurred during the year as either operating or nonoperating. Incoming gifts to the Foundation, and grants to UC San Diego, are reported as operating revenue and expense, respectively, and investment results are reported as nonoperating income or expense.

Condensed Schedules of Net Position

		FY 2023-22			FY 2022-21		
(in thousands of dollars)	2023	Change in Dollars	Change in %	2022	Change in Dollars	Change in %	2021
Assets							
Current assets	$ 236,242	$ 25,962	12.3%	$ 210,280	$ 33,186	18.7%	$ 177,094
Noncurrent assets	1,501,557	123,568	9.0%	1,377,989	(103,880)	-7.0%	1,481,869
Total assets	1,737,799	149,530	9.4%	1,588,269	(70,694)	-4.3%	1,658,963
Liabilities							
Current liabilities	41,517	833	2.0%	40,684	(20,769)	-33.8%	61,453
Noncurrent liabilities	7,756	183	2.4%	7,573	(724)	-8.7%	8,297
Total liabilities	49,273	1,016	2.1%	48,257	(21,493)	-30.8%	69,750
Deferred inflows of resources	58,059	(3,492)	-5.7%	61,551	(8,195)	-11.7%	69,746
Total net position	$ 1,630,467	$ 152,006	10.3%	$ 1,478,461	$ (41,006)	-2.7%	$ 1,519,467

The condensed schedule of net position reflects the assets, liabilities, and net position for fiscal years 2023, 2022, and 2021.

Assets

Current assets, comprised of cash, short-term investments, and the portion of pledges due within one year, increased by $26.0 million during fiscal year 2023, compared to an increase of $33.2 million during fiscal year 2022. Current assets may increase or decrease depending on the timing of transactions for incoming gifts, outgoing transfers to campus, and investment transactions.

Noncurrent assets consist of long-term investments (primarily related to the endowment), the portions of pledges receivable due beyond one year, and beneficial interest in irrevocable split-interest agreements. Noncurrent assets increased by $123.6 million during fiscal year 2023, compared with a decreased by $103.9 million during fiscal year 2022. The increase in fiscal year 2023 is primarily attributable to positive investment returns compared to fiscal year 2022 which were negative due to 2021 returns being unusually high.

Liabilities

Current liabilities are comprised of amounts payable to the campus for grants as of year-end, unearned revenue, other current liabilities, and the current portion of liabilities to trust and life income beneficiaries. Current liabilities also tend to be fairly level from year to year, however the receipt of a large prepayment on a conditional pledge created a significant increase during fiscal year 2021, and recognition of revenue due to milestone completion resulted in a decrease in fiscal year 2022.

Noncurrent liabilities are primarily comprised of the calculated long-term liability due to trust and life income beneficiaries. Annual fluctuations are due to the receipt of new split-interest agreements, maturities, payments to beneficiaries, and the increasing age of the life income beneficiaries.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period. The Foundation classifies changes in irrevocable split-interest agreements as deferred inflows of resources. Changes are attributable to changes in fair value, liabilities due to trust and life income beneficiaries, new split-interest agreements, and maturities during the year.

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

		FY 2023-22			FY 2022-21		
(in thousands of dollars)	2023	Change in Dollars	Change in %	2022	Change in Dollars	Change in %	2021
Operating revenue	$ 117,617	$ (18,579)	-13.6%	$ 136,196	$ (373)	-0.3%	$ 136,569
Less: Operating expenses	168,717	43,328	34.6%	125,389	51,738	70.2%	73,651
Operating (loss) income	(51,100)	(61,907)	-572.8%	10,807	(52,111)	-82.8%	62,918
Nonoperating revenue (expense) revenue, net	136,106	248,061	221.6%	(111,955)	(451,044)	-133.0%	339,089
Contributions to permanent endowments	67,000	6,858	11.4%	60,142	16,237	37.0%	43,905
Change in net position	152,006	193,012	470.7%	(41,006)	(486,918)	-109.2%	445,912
Net position							
Beginning of year	1,478,461	(41,006)	-2.7%	1,519,467	445,912	41.5%	1,073,555
End of year	$ 1,630,467	$ 152,006	10.3%	$ 1,478,461	$ (41,006)	-2.7%	$ 1,519,467

The condensed schedules of revenue, expenses, and changes in net position reflect operating and nonoperating revenue and expense, and contributions to permanent endowments, for fiscal years 2023, 2022, and 2021.

Operating revenue for the Foundation consists only of recognizable expendable outright charitable gifts and pledges. This revenue can fluctuate significantly each fiscal year depending on the new gift and pledge commitments and their terms. Operating revenue in fiscal year 2023 decreased compared to fiscal years 2022 and 2021. In fiscal years 2023 and 2022 the Foundation recognized several gifts that were individually significant. Operating expenses consist primarily of grants made to UC San Diego of expendable contribution fund balances and accumulated endowment payout balances. The transfers are made as the various campus beneficiaries request the funds. Grants to campus increased by $43.3 million in fiscal year 2023, and $51.7 million in fiscal year 2022 for the reasons previously discussed.

Net nonoperating revenue (expense) relates primarily to the Foundation's endowment investment portfolio returns. The Foundation uses a balanced and diversified approach to its endowment asset mix within a stated policy. In any single year, certain components of the portfolio may perform better than others. During fiscal year 2023, negative returns occurred in private equity but were offset by positive returns in public equity, absolute return, real assets and fixed income. During fiscal year 2022, most investment asset classes had negative returns, except for real estate and real assets, which contributed positively to the portfolio. During fiscal year 2021, all investment asset class components contributed positively to returns and provided net nonoperating revenue.

The Foundation places a high priority on increasing the gifts to, and the return on, the endowment. The timing of these gifts is unpredictable and may vary significantly from year to year. Endowed gifts received during fiscal year 2023 and 2022 were higher than in fiscal year 2021.

Factors Impacting Future Periods

Factors that can significantly impact future periods include the state of the overall economy, tax law changes and the financial markets, which impact charitable giving and the value of investments. The Board of Trustees of the Foundation monitors the status of the economy, its impact on overall giving, pledges receivable, and the investment pools.

The *Campaign for UC San Diego* concluded at the end of fiscal year 2022. The Foundation continues to anticipate ongoing growth in the endowment from new gifts and investment returns, and a similar rate of incoming expendable gifts. Grants to campus of contributions and endowment payout to benefit UC San Diego are anticipated to increase from that of fiscal 2023.

Management is not aware of any other factors within management's control that would have a significant impact on future periods.

U.C. San Diego Foundation
Statements of Net Position
June 30, 2023 and 2022

(in thousands of dollars)	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 339	$ 7,192
Short-term investments	217,132	180,976
Pledges receivable, net	18,753	22,093
Other assets	18	19
Total current assets	236,242	210,280
Noncurrent assets		
Long-term investments	1,402,053	1,262,089
Pledges receivable, net	45,069	58,071
Beneficial interest in nontrustee split-interest agreements	54,409	57,803
Other assets	26	26
Total noncurrent assets	1,501,557	1,377,989
Total assets	$ 1,737,799	$ 1,588,269
Liabilities		
Current liabilities		
Accounts payable	$ 746	$ 183
Unearned revenue	34,925	34,925
Liabilities to life beneficiaries	866	870
Other current liabilities	4,980	4,706
Total current liabilities	41,517	40,684
Noncurrent liabilities		
Liabilities to life beneficiaries	7,756	7,573
Total noncurrent liabilities	7,756	7,573
Total liabilities	$ 49,273	$ 48,257
Deferred inflows of resources		
Deferred inflows from split-interest agreements	$ 58,059	$ 61,551
Total deferred inflows of resources	$ 58,059	$ 61,551
Net position		
Restricted		
Nonexpendable		
Endowment corpus	$ 716,160	$ 634,214
Expendable		
Endowment income and net appreciation	376,811	326,185
Funds functioning as endowments	265,352	236,056
Restricted gift funds	237,097	250,520
Unrestricted	35,047	31,486
Total net position	$ 1,630,467	$ 1,478,461

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

U.C. San Diego Foundation
Statements of Revenue, Expenses, and Changes in Net Position
Years Ended June 30, 2023 and 2022

(in thousands of dollars)	**2023**	**2022**
Operating revenue		
Contributions, net	$ 117,617	$ 136,196
Total operating revenue	117,617	136,196
Operating expenses		
Grants to campus for programs	168,608	125,295
Administrative and other operating expenses	109	94
Total operating expenses	168,717	125,389
Operating (loss) income	(51,100)	10,807
Nonoperating revenue (expense)		
Investment income, net	22,871	9,074
Realized/unrealized gains (losses) on investments, net	113,174	(121,090)
Other nonoperating income	61	61
Total nonoperating income (expense)	136,106	(111,955)
Gain (loss) before contributions to permanent endowments	85,006	(101,148)
Contributions to permanent endowments	67,000	60,142
Change in net position	152,006	(41,006)
Net position		
Beginning of year	1,478,461	1,519,467
End of year	$ 1,630,467	$ 1,478,461

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

U.C. San Diego Foundation
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

(in thousands of dollars)	**2023**	**2022**
Cash flows from operating activities		
Receipts from contributions	$ 114,639	$ 106,637
Payments to campus	(157,116)	(125,601)
Beneficiary payments	(858)	(890)
Other receipts, net	(10,250)	116
Net cash (used) by operating activities	(53,585)	(19,738)
Cash flows from noncapital financing activity		
Receipts from contributions to permanent endowments	56,929	51,191
Net cash provided by noncapital financing activity	56,929	51,191
Cash flows from investing activities		
Proceeds from sale and maturities of investments	162,951	108,911
Purchases of investments	(195,842)	(142,992)
Investment income, net of investment expense	22,694	8,830
Net cash (used) by investing activities	(10,197)	(25,251)
Net (decrease) increase in cash and cash equivalents	(6,853)	6,202
Cash and cash equivalents		
Beginning of year	7,192	990
End of year	$ 339	$ 7,192
Reconciliation of operating income to net cash (used) by operating activities		
Operating income	$ (51,100)	$ 10,807
Adjustments to reconcile operating income to net cash (used) by operating activities		
Noncash gifts	(3,063)	(29,510)
Allowance on pledges receivable	14,550	598
Changes in operating assets and liabilities		
Other assets	55	186
Pledges receivable, net	(14,465)	(647)
Accounts payable and other current liabilities	502	(497)
Liabilities to life beneficiaries	(64)	(675)
Net cash (used) by operating activities	$ (53,585)	$ (19,738)
Supplemental noncash activities		
Contributions of securities for expendable funds	$ 2,611	$ 4,485
Residual income from matured life income gifts	453	67
Beneficial interest in irrevocable split-interest agreements	1,333	652
Other noncash contributions for expendable funds	-	4,851
Total noncash gifts for expendable funds	$ 4,397	$ 10,055
Contributions of securities for permanent endowments	$ 10,071	$ 5,876
Beneficial interest in irrevocable split-interest agreements	315	4,390
Total noncash gifts for permanent endowments	$ 10,386	$ 10,266

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

1. Organization

The U.C. San Diego Foundation is a not-for-profit organization formed in 1972, dedicated to providing UC San Diego with the financial benefits generated from its fund-raising efforts and investment earnings. The Foundation is subject to the policies and procedures of The Regents of the University of California. The Regents established administrative guidelines for the Foundation regarding the Foundation's ability to conduct operations through its Policy on Campus Foundations. The Regents' policy limits the ability of the Foundation to make certain expenditures and provides a general framework for its operations.

The Foundation is governed by a 47-member Board of Trustees, the membership of which includes the Chancellor of UC San Diego, the Vice Chancellor of Advancement, and a faculty representative from UC San Diego. As a public charity, the Foundation accepts donations to enhance the campus' teaching, research, and public service programs, as well as to support capital projects and other related campus improvements. Upon dissolution, liquidation, or winding-up of the Foundation, the assets remaining after payment, or provision for payment of all debts and liabilities of the Foundation, shall be distributed to The Regents for the benefit of UC San Diego, provided The Regents have maintained tax-exempt status under the Internal Revenue Code and relevant California laws. Accordingly, the Foundation is considered a governmental not-for-profit organization, subject to reporting under the Governmental Accounting Standards Board (the GASB).

The Foundation is a component unit of the University of California (UC or the University). As a result, its financial statements are included in the financial statements of the University of California as a discretely presented component unit, combined with the other University of California campus foundations.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is presented below:

Basis of Accounting
The accompanying financial statements have been prepared using U.S. generally accepted accounting principles, including all effective applicable statements of the GASB. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All inter-organization balances and transactions have been eliminated.

Cash and Cash Equivalents
The Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Included in the Foundation's cash equivalents are amounts in the UC Short Term Investment Pool (STIP), reflected as an agency fund in UC San Diego's accounting records.

Pledges Receivable
Pledges receivables represent written unconditional promises to give by donors. Pledges receivable, other than endowment pledges, are recognized as contribution revenue in the period

pledged if they are verifiable, measurable, probable of collection, and they meet all the eligibility requirements specified by GASB Statement No. 33, *Accounting and Reporting for Nonexchange Transactions*. Endowment pledges are recognized as contributions to permanent, endowment at the time payment is received. Pledge payments, expected to be collected during the next fiscal year, are recorded at estimated net realizable value. Pledges recognized during the years ended June 30, 2023 and 2022, which are expected to be collected after one year have been discounted at 2.78% and 0.38%, respectively. In addition, an allowance for uncollectible pledges of 0.80% is recorded based on management's assessment of the collectability of outstanding pledges. Should there be concern about the collectability of a specific pledge, management will record a specific 100% allowance on that pledge until such time as payment is received or the pledge is written off.

Investments
The Foundation has pooled investments, including alternative investments in limited partnerships, managed by several investment managers in accordance with the Foundation's investment policy as adopted by the Board of Trustees. The value of the investments is based on the underlying assets, which include equity securities, fixed-income securities, and other alternative asset classes.

The Foundation reports its investments at fair value. Because certain investments are not readily marketable, the estimated value may differ from the value that would have been used had a ready market for the investments existed and such differences could be material. Fair values are based on the valuation policies established by the respective fund managers. Marketable securities reflect fair values based on market quotes obtained from independent sources. Donated real estate, when held, is appraised and adjusted to fair value annually.

Realized gains or losses are recorded as the difference between the proceeds from the sale and the cost of the investment sold. Unrealized gains, net represents the difference between the fair value of investments at the beginning of the year and the end of the year, taking into consideration investment purchases, sales, and redemptions.

Charitable Remainder Trust (Trust) and Charitable Gift Annuity (CGA) assets are invested in a diversified portfolio of institutional quality, no-load mutual funds, and are recorded at quoted fair market values at fiscal year-end. Additionally, for the CGA pool, the State of California Department of Insurance and the Foundation's CGA investment policy requires that a minimum of 50% of the required reserve be invested in U.S. Treasury and U.S. government agency fixed-income investments of any maturity.

Beneficial Interest in Nontrustee Split-interest Agreements
The Foundation periodically receives notification that it has a financial interest in Irrevocable Split-Interest Agreements where the assets are invested and administered by outside trustees. The Foundation records the value of this interest as the net of the fair value of the underlying investments, offset by the present value of the estimated future beneficiary payments over the expected life of the life beneficiaries, in accordance with GASB Statement No. 81, *Irrevocable* Split-Interest Agreements.

Donated Property

Donations of securities, real estate, and other nonmonetary items are recorded at their fair value on the date of the gift. For gifts of marketable securities, fair value is calculated using an average of the high and low value of the security on the date of receipt in the Foundation's custody account. For gifts of real estate, nonmarketable securities, and other nonmonetary items, fair value is determined using an independent appraisal.

Unearned Revenue

Unearned revenue is comprised of payments received that do not meet the revenue recognition terms of GASB Statement No. 33, Accounting and Reporting for Nonexchange Transactions. Revenue is recognized when the recognition terms are met.

Liabilities to Life Beneficiaries

The liabilities for payments to life beneficiaries includes payments due on gift annuities, annuity trusts, and unitrust gifts made to the Foundation in which a designated beneficiary retains an interest in the gift as specified in the agreement and in which the Foundation is the trustee. For these funds, a liability for beneficiary payment is established representing the present value of estimated future beneficiary payments over the expected life of the life beneficiaries. The liability is calculated using recent life expectancy tables and certain other estimates in computing a present value of the liability. All income and expenses associated with life income funds are reflected as part of the change in Deferred Inflows of Resources from Split-Interest Agreements. Upon the death of the life beneficiaries, or at the end of the trust term, the Trust or CGA contract is terminated, the remaining assets are transferred to the appropriate Foundation fund and revenue is recognized.

Deferred Inflow of Resources from Split-Interest Agreements

Deferred inflows of resources represent an acquisition of net position that applies to a future period. The Foundation classifies changes in irrevocable split-interest agreements as deferred inflows of resources. These amounts will be recognized as revenue upon the termination of the split-interest agreement.

Classification of Current and Noncurrent Assets and Liabilities

The Foundation considers assets to be current that can reasonably be expected, as part of normal business operations, to be converted to cash and be available for liquidation within 12 months of the statements of net position date. The Foundation considers liabilities to be current that reasonably can be expected, as part of normal business operations, to be liquidated within 12 months of the statements of net position date. All other assets and liabilities are noncurrent.

Net Position

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

Restricted Nonexpendable

Endowment corpus is comprised of the corpus of true donor-restricted endowments. Also included are additions to corpus as required or allowed for by donor's agreements. To the extent that the fair value of the corpus is below its historical cost, the decrease is recorded in this category on the statements of net position.

Restricted Expendable
Endowment income and net appreciation is comprised of net accumulated appreciation on endowments and net accumulated endowment spending allocations.

Funds functioning as endowments are comprised of a combination of funds given by donors that the University has designated for endowment in accordance with the University of California system-wide gift allocation policy and funds that are restricted by the donor for endowment, wherein the donor also allows the corpus to be spent down over time to fund their intended purpose. *Restricted gifts* are comprised of funds received that the donor has restricted to be expended to benefit a particular purpose or function of the University.

Unrestricted
Unrestricted is comprised of funds not subject to donor-imposed restrictions.

When restricted and unrestricted funds are available for the same purpose, the Foundation encourages the use of restricted funds first.

Classification of Revenue and Expenses
Operating revenues and expenses are distinguished from nonoperating items and generally result from providing services in connection with ongoing operations and stewarding of current funds. The principal operating revenues are derived from gifts and other fund-raising activities. Operating expenses include grants to the campus and administrative expenses. Grants include expendable gifts and endowment payout distributions, in support of activities consistent with the donor's wishes, and endowment cost recovery remitted to UC San Diego. See note 10 for information on the administrative costs of the Foundation and endowment cost recovery fees.

Nonoperating revenues and expenses include investment income, realized/unrealized gains, net, which consists of the net realized gain on the sale of investments and the change in unrealized appreciation in the fair value of investments.

Gifts for permanent endowment purposes are classified as contributions to permanent endowments and are recognized only when received, not in the period pledged.

Endowments and Endowment Payout Policy
The Foundation's endowment funds are managed in a unitized investment pool in accordance with the Foundation's Board-approved *Endowment Investment and Spending Policies*. Transactions within each individual endowment in the pool are based on the unit value at the end of the month during which the transactions take place. Investment decisions are based on a long-term investment strategy intended to preserve investment capital and its purchasing power, meet payout requirements, and maximize the endowment portfolio's long-term total return.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) guides management, investment, and expenditures of endowment funds. UPMIFA does not distinguish between original corpus, income, and capital appreciation, and permits all endowment funds to receive payout as deemed prudent by the Board and UPMIFA.

The Foundation Board establishes the endowment payout rate annually, giving prudent consideration to asset allocation, expected returns, future capital market assumptions, inflation, other market conditions, and the budgetary needs of the endowment fund holders. The rate used to calculate spending for both fiscal years 2023 and 2022 was 4.75% of the 60-month average unitized value, with 0.55% of that used to recover noninvestment-related endowment administration costs. Endowment cost recovery fees are remitted to UC San Diego and recorded along with the endowment payout on the accompanying financial statements as grants to campus.

Charitable Remainder Trusts and Charitable Gift Annuities

The Foundation is the designated trustee for several Trusts. For these Trusts, the fair value of the Trust assets and a liability for the future payments to the beneficiary, are recorded on the Foundation's financial statements in the year the Trusts were given to the Foundation. The Trusts are established by donors to provide income, generally for life, to the designated beneficiaries. Each year, beneficiaries receive payments based on a percentage of the Trust assets or income, as specified in the Trust agreement. Each Trust is a separate legal entity from the Foundation, and liability for Trust payments to the life beneficiaries is limited to the assets of each Trust.

The Foundation is licensed by the State of California Department of Insurance as a Grants and Annuities Society, and as such, may issue CGAs. CGAs are planned giving vehicles through which donors gift assets in exchange for fixed annuity payments over the lifetime of the annuitant(s). Assets contributed are separately invested and are used to fund the payments to the annuitants. The liability for payments to life income beneficiaries under CGA contracts is not limited to the CGA pool of assets but is a liability of the Foundation itself.

Income Taxes

The Foundation is an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code and is generally not subject to federal or state income taxes. However, the Foundation is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purpose for which it is granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the basic financial statements taken as a whole.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclose contingent assets and liabilities at the date of the financial statements, and report amounts of support, revenue, disbursements, and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of balances in the UC San Diego campus depository accounts under an agency relationship as previously described, a major banking institution, and various brokerage accounts.

The remaining cash is maintained in accounts that are established as segregated trusts, protected against any creditors of the bank, and in money market mutual funds, with the intention of having no uninsured balances. A certain portion of the balance may occasionally be exposed to custodial credit risk due to the timing of when dividends and gifts are deposited, which are transferred as soon as possible.

The Foundation's policy is to limit all cash accounts to be 1) held in a bank account in an institution insured by the Federal Deposit Insurance Company (FDIC), with the Foundation as the legal account holder, and maintain balances under the $250,000 FDIC insurance level; 2) in a separate custodial trust account whereby the Foundation's assets are not available to the creditors of the bank; 3) in an agency cash sweep account with the UC San Diego campus (which is invested in the University of California short-term investment pool); or 4) at a credit card processor.

Cash and cash equivalents consist of the following as of June 30, 2023 and 2022:

(in thousands of dollars)	**2023**	**2022**
Cash and cash equivalents		
FDIC insured commercial banks	$ 122	$ 5,636
Money market funds	115	95
University of California short-term investment pool	102	1,461
Total cash and cash equivalents	$ 339	$ 7,192

4. Investments

In accordance with GASB Statement No. 40 (GASB 40), *Deposit and Investment Risk Disclosures*, the Foundation's investments are reported by investment type at fair value in the table below. GASB 40 also requires the disclosure of various types of investment risks based on the type of investment, as well as stated policies adopted by the Foundation to manage those risks.

Investments consist of the following as of June 30, 2023 and 2022:

(in thousands of dollars)	2023	2022
Short-term investments		
University of California short-term investment pool	$ 216,645	$ 180,228
Fixed Income		
U.S. Treasury notes	487	498
U.S. agencies – asset-backed securities	-	250
Total short-term investments	217,132	180,976
Long-term investments		
Equity securities – domestic	733	631
Fixed-income investments		
U.S. Treasury notes	2,862	2,865
U.S. Treasury strips	220	233
Commingled funds		
Balanced funds	948,511	872,801
Commodities	452	639
U.S. equity funds	424,067	354,969
Non-U.S. equity funds	3,011	2,728
Real estate funds	6,752	10,481
U.S. bond funds	13,043	14,722
Non-U.S. bond funds	25	45
Other		
Other	2,377	1,975
Total long-term investments	1,402,053	1,262,089
Total investments	$ 1,619,185	$ 1,443,065

The Foundation holds equity, fixed-income, and alternative investments. The largest portion of these investments relates to the Foundation's endowment. The Investment/Finance Committee, with Board oversight and approval, manages the investments. The Foundation has several investments in external funds and uses two University of California managed commingled funds (UC pooled funds), offered to the campus foundations by UC Investments. UC Investments manages 72.0% of total Foundation investments, or $1.17 billion. The Foundation's largest investment in the UC pooled funds is in the General Endowment Pool (GEP), which is a diversified portfolio of public equity, fixed income, alternative investments and cash, and is reflected above under long-term investments as commingled balanced funds. As a result of it being a commingled balanced fund, the investments in the GEP are not further broken out in the subsequent portions of the investment notes that follow.

Short-term investments consist of the portion of bonds held that will mature within the next twelve months, along with the investment of surplus cash balances in one fund managed by UC Investments.

Investment Performance

The calculation of realized gains and losses are independent of the calculation of the change in unrealized appreciation on investments. Additionally, realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year, were included as a change in unrealized appreciation on investments reported in the prior year and the current year. The components of the realized/unrealized gains on investments, net are as follows:

(in thousands of dollars)	2023	2022
Change in unrealized (depreciation) appreciation on investments	$ 103,318	$ (131,216)
Realized gains on investments, net	9,856	10,126
Realized/unrealized (losses) gains on investments, net	$ 113,174	$ (121,090)

The Foundation's net income yield on the current use investment pool for the year ended June 30, 2023 was 2.84%, as compared to 0.4% as of June 30, 2022. The net total return on the Foundation's endowment pool for the year ended June 30, 2023 was 11.31%, as compared to -8.1% for June 30, 2022.

Investment Risk Factors

There are many factors that can affect the value of investments. In addition to market risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk may affect both equity and fixed-income securities. Equity securities are affected by such factors as economic conditions, individual company earnings performance, and market liquidity, while fixed-income securities are particularly sensitive to credit risk, inflation, and changes in interest rates.

Credit Risk

Fixed-income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause the security price to decline. The circumstances may arise due to a variety of factors, such as financial weakness or bankruptcy. Certain fixed-income securities, including obligations of the U.S. government, or those explicitly guaranteed by the U.S. government, are considered to have little credit risk.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, such as Moody's Investors Service or Standard and Poor's. The lower the rating, the greater the chance, in the rating agency's opinion, that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher the yield to compensate for the additional risk. Credit agencies' opinions and, therefore, ratings can change as market conditions change.

The Foundation recognizes that a limited amount of credit risk, properly managed and monitored, is prudent and provides an incremental risk-adjusted return of its benchmark.

The credit risk profile for fixed-income securities at June 30, 2023 and 2022 is as follows:

(in thousands of dollars)		2023		2022	Credit Rating
Fixed-income investments					
U.S. government guaranteed	$	3,569	$	3,596	AAA
U.S. agencies – asset-backed securities				250	AA+
		3,569		3,846	
Commingled funds					
U.S. bond funds		13,043		14,722	Not Rated
Non-U.S. bond funds		25		45	Not Rated
University of California short-term investment pool		216,645		180,228	Not Rated
		229,713		194,995	
Total fixed-income investments	$	233,282	$	198,841	

Custodial and Counterparty Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the Foundation's investments may not be returned. Substantially, all of the Foundation's investments are registered in the custodian's nominee name for the benefit of the Foundation. The majority of trust assets are held in the street name of the custodian for the benefit of the Foundation. Other types of investments represent ownership interests not subject to custodial credit risk.

In the course of investing the portfolio, the Foundation may be exposed to counterparty risk. These are risks that either party may fail to meet their obligations in a contractual arrangement. Counterparty risks are considered at the time of investment and are not believed to materially impact the financial position of the Foundation.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments. Per Foundation policy, no individual equity or fixed-income security shall comprise more than 5% of the total individual equities and fixed-income securities held and no more than 5% of the equity or fixed-income securities of a single issuer. The Foundation is diversified in its asset allocation.

Interest Rate Risk

Interest rate risk is the risk that the value of fixed-income investments will decline with rising interest rates. The market prices of fixed-income securities with a longer time to maturity, measured by effective duration, tend to be more sensitive to changes in interest rates, and therefore more volatile than those with shorter durations.

In a low interest rate environment, the fixed-income portfolio is subject to reinvestment risk as well. As securities mature, reinvestment may yield a lower return.

The Foundation's operating practice is to ladder the maturities of the direct fixed-income investments or invest in funds that ladder the maturities of their underlying holdings, with staggered maturity dates from one to ten years and use the effective-duration method to identify and manage interest rate risk.

The effective duration of the Foundation's fixed-income securities at June 30, 2023 and 2022 is as follows:

(in thousands of dollars)	Fair Value		Average Maturity	
	2023	2022	2023	2022
Fixed income investments				
U.S. government guaranteed				
U.S. Treasury notes	$ 3,349	$ 3,364	3.47 years	3.74 years
U.S. Treasury strips	220	232	11.60 years	12.63 years
Total U.S. government guaranteed	3,569	3,596		
Other U.S. dollar denominated				
U.S. agencies – asset-backed securities	-	250	N/A	0.26 years
Total other U.S. dollar denominated	-	250		
Commingled funds				
U.S. bond funds	13,043	14,722	6.48 years	6.68 years
Non-U.S. bond funds	25	45	6.90 years	7.35 years
Money market funds	216,645	180,228	0.23 years	0.02 years
Total commingled funds	229,713	194,995		
Total fixed income	$ 233,282	$ 198,841		

Foreign Currency Risk

The Foundation's asset allocation includes non-U.S. equities and non-U.S. fixed-income securities, which are denominated in a variety of currencies. The Foundation considers currency in its investment decision-making, and its underlying investment managers may hedge some or all of their exposures. In some circumstances, the Foundation may hedge currency exposure outside of the funds it has invested in and would enter into currency exchange contracts (forward exchange or future) for such hedging purposes. UC San Diego Foundation did not have any such contracts in place at June 30, 2023 and 2022. The Foundation's investment policies prohibit direct foreign currency speculation.

At June 30, 2023 and 2022, the U.S. dollar balances of Foundation investments that carry foreign currency risk are as follows:

(in thousands of dollars)		**2023**		**2022**
Commingled funds				
Various currency denominations				
Non-U.S. equity funds	$	3,011	$	2,728
Non-U.S. bond funds		25		45
Total exposure to foreign currency risk	$	3,036	$	2,773

Alternative Investment Risks
Alternative investments are defined as marketable alternatives (hedge funds, including absolute return and long/short equity strategies), limited partnerships, private equity, venture capital, and private real estate funds. Alternative investments include ownership interests in a wide variety of vehicles including partnerships and corporations that may be domiciled in the United States or offshore. Generally, there is little or no regulation of these investment vehicles by the Securities and Exchange Commission or the applicable state agencies. The underlying investments may be leveraged to enhance the total investment return and may include financial assets such as marketable securities, nonmarketable securities, derivatives, and other synthetic and structured instruments as well as tangible and intangible assets. Generally, these alternative investments do not have a ready market, and ownership interests in these investment vehicles may not be traded without the approval of the general partner or fund management. These investments are subject to the risk generally associated with equities and fixed-income instruments, with additional risks due to leverage and the lack of a ready market for acquisition or disposition of ownership interests. Alternative investments are included in the comingled funds managed by UC Investments as previously discussed. The carrying value of the separately held alternative investments was $8.4 million and $11.7 million as of June 30, 2023 and 2022, respectively, which is reflected in investments in the accompanying Statements of Net Position.

Fair Value Measurements
The Foundation categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application.* Fair value is defined in the accounting standards as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Assets and liabilities reported at fair value are organized into a hierarchy based on the levels of inputs observable in the marketplace that are used to measure fair value. Inputs are used in applying the various valuation techniques and consider the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial asset.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes 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 Prices based on unadjusted quoted prices in active markets that are accessible for identical assets or liabilities are classified as Level 1. Level 1 investments include equity securities, exchange traded commingled funds, and other publicly traded securities.

Level 2 Quoted prices in the markets that are not considered to be active, dealer quotations, or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly are classified as Level 2. Level 2 investments include certain fixed- or variable-income securities, commingled funds, certain derivatives and other assets that are not valued using market information.

Level 3 Investments and other assets classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value of these investments and other assets are based upon the best information in the circumstance and may require significant management judgement. Level 3 financial instruments include private equity securities, real estate, and beneficial interests in irrevocable split-interest agreements.

Net Asset Value (NAV)

Investments whose fair value is measured at NAV, which is considered a practical expedient for fair value, are excluded from the fair value hierarchy. Investments in nongovernmental entities that do not have a readily determinable fair value may be valued at NAV. Investments measured at NAV include hedge funds, private equity investments and commingled funds. The NAV is reported by the external investment managers, including general partners, in accordance with their policies as described in their respective financial statements and offering memoranda. The most recent NAV is adjusted for capital calls, distributions and significant known valuation changes, if any, of its related portfolio through June 30, 2023 and 2022.

Not Leveled

Investments that are not leveled are measured at other than fair value (for example, amortized cost) including investments such as life insurance contracts and cash equivalents or money market investments.

The following tables summarize the investments and other assets reported at fair value within the fair value hierarchy as of June 30, 2023 and June 30, 2022, respectively.

	June 30, 2023					
(in thousands of dollars)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Net Asset Value (NAV)	Not Leveled	Total 2023
Equity securities	$ 733	$ -	$ -	$ -	$ -	$ 733
Fixed or variable income securities						
U.S. government guaranteed	-	3,569	-	-	-	3,569
Commingled funds	441,123	-	2,154	1,171,383	-	1,614,660
Other investments					223	223
Beneficial interests in irrevocable split-interest agreements	-	-	54,409	-	-	54,409
	$ 441,856	$ 3,569	$ 56,563	$ 1,171,383	$ 223	$ 1,673,594

	June 30, 2022					
(in thousands of dollars)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Net Asset Value (NAV)	Not Leveled	Total 2023
Equity securities	$ 631	$ -	$ -	$ -	$ -	$ 631
Fixed or variable income securities						
U.S. government guaranteed	-	3,596	-	-	-	3,596
Other U.S. dollar denominated	-	250	-	-	-	250
Commingled funds	373,659	-	1,783	1,062,954	-	1,438,396
Other investments	-	-	-	-	192	192
Beneficial interests in irrevocable split-interest agreements	-	-	57,803	-	-	57,803
	$ 374,290	$ 3,846	$ 59,586	$ 1,062,954	$ 192	$ 1,500,868

Investments Measured at NAV

The Foundation's investments measured at NAV, along with investment commitments as of June 30, 2023 are as follows:

(in thousands of dollars)	Net Asset Value	Unfunded Commitment	Redemption Terms and Restrictions
Investment type			
Commingled funds			
Balanced funds	$ 948,511	$ -	30 day notice
Money market funds	216,645		Daily liquidity
Real estate	6,227	4,910	LP, not able to sell per subscription agreement
	$ 1,171,383	$ 4,910	

5. Endowment Payout

Endowment payout, when transferred to UC San Diego at the request of the benefitting department, is recorded as a component of grants to campus in the statements of revenue, expenses, and changes in net position. The calculated endowment payout by the Foundation policy, for both donor-designated and funds functioning as endowment, for the years ended June 30, 2023 and 2022 and the sources of payout are as follows:

(in thousands of dollars)	2023	2022
Calculated payout		
Endowment payout allocation	$ 45,872	$ 41,237
Endowment administration cost recovery	5,831	5,045
	$ 51,703	$ 46,282
Sources of payout		
Net cash earnings	$ 16,223	$ 7,853
Net use of accumulated gains and/or corpus	35,480	38,429
	$ 51,703	$ 46,282

6. Commitments

As of June 30, 2023, the Foundation's only commitments are investment related commitments as disclosed in footnote 4, above.

7. Pledges Receivable, Net

At June 30, 2023 and 2022, pledges receivable balances for expendable funds were restricted for the following UC San Diego purposes:

(in thousands of dollars)	2023	2022
Departmental support	$ 40,298	$ 55,083
Research	19,222	15,968
Capital projects	6,295	11,849
Student support	2,871	3,439
Other	1,686	1,216
Total gross pledges	70,372	87,555
Less:		
Unamortized discount to present value	(5,987)	(6,691)
Allowance for uncollectible pledges	(563)	(700)
Total pledges receivable, net	63,822	80,164
Less: Current portion of pledges receivable, net	(18,753)	(22,093)
Noncurrent portion of pledges receivable	$ 45,069	$ 58,071

These gross pledges are expected to be collected in future years as follows:

(in thousands of dollars)

Payments through June 30,		
2024	$	18,904
2025		11,143
2026		8,655
2027		6,421
2028		4,793
Thereafter		20,456
	$	70,372

An allowance for uncollectible pledges has been established based on specifically identified pledges, combined with a general allowance rate. Pledge payments extending beyond one year are discounted to recognize the present value of the future cash flows.

Pledges receivable have discount rates ranging from 0.38% to 5.00%. The discount rates will be applied for the life of the pledges. Pledges recorded during fiscal years 2023 and 2022 were discounted at 2.78% and 0.38%, respectively. Pledges receivable from 26 donors and 25 donors accounted for approximately 92.0% and 92.5% of the gross pledges receivable balance at June 30, 2023 and 2022, respectively.

8. Liabilities to Life Beneficiaries

Changes in liabilities to life beneficiaries during the current fiscal year are summarized as follows:

(in thousands of dollars)	Balance at June 30, 2022	New Obligations	Adjustments to Existing Liabilities	Reclassification to Current	Beneficiary Payments	Balance at June 30, 2023
Liabilities to Life Beneficiaries, current	$ 870	$ -	$ -	$ 890	$ (894)	$ 866
Liabilities to Life Beneficiaries, noncurrent	7,573	313	760	(890)	-	- 7,756
	$ 8,443	$ 313	$ 760	$ -	$ (894)	$ 8,622

9. Grants to Campus for Programs

One of the primary purposes of the Foundation is to receive donations for the support of UC San Diego. During the years ended June 30, 2023 and 2022, the Foundation made grants to UC San Diego in compliance with donor restrictions for the purposes noted below. There were 44 areas of UC San Diego that were the beneficiaries of these grants in fiscal year 2023.

(in thousands of dollars)	**2023**	**2022**
Research and related faculty support	$ 74,842	$ 43,947
General departmental support	58,750	54,354
Student support	16,531	14,491
Capital projects	5,690	6,651
Patient care	1,303	-
Cost recovery fees on payout to support the campus	6,002	5,252
Interest earnings granted to support the campus	5,490	600
	$ 168,608	$ 125,295

10. Related-Party Transactions

The Foundation supports UC San Diego and has the following organizational relationship with the campus:

Administrative Costs

The Foundation operates with a Board of Trustees, and designated officers; however, the Foundation does not have any employees. All functions and activities of the Foundation are conducted by employees of the University and all budgetary resources are provided by the campus. The Foundation operates within the Policy and Guidelines provided by The Regents. The University employees serving Foundation functions are covered by The Regents pension plan and postretirement healthcare plan. All of the Foundation’s office space is provided by the campus.

Endowment Cost Recovery Fees and Interest on Short-Term Investments

In accordance with relevant UC San Diego policies, endowment cost recovery and interest on short-term investments are transferred by the Foundation to the campus to assist with covering the both the Foundation’s operational costs as described above, as well as assisting the campus with the costs of fundraising and endowment administration. The payment of these amounts is included in grants to campus for programs in the accompanying statements of revenue, expenses and changes in net position and totaled $11.5 million and $5.9 million in the years ended June 30, 2023 and 2022, respectively.

Contributions and outstanding pledges received from trustees, trustee's emeriti and chair emeriti of the board, and corporations or organizations affiliated with those individuals, or senior management are as follows. Percentages shown are the percentage of the respective total line item presented on the Statements of Net Position or the Statement of Revenue, Expenses and Changes in Net Position, as applicable.

(in thousands of dollars)	2023		2022	
	$	%	$	%
Contributions for current use and new pledges, net of discount	$ 20,570	17.5 %	$ 51,738	38.0 %
Contributions to permanent endowments	27,050	40.4 %	20,592	34.2 %
Pledges receivable, net of allowance and discount	24,933	39.1 %	27,738	34.6 %

11. Subsequent Events

The Foundation has evaluated subsequent events from the net position date through September 15, 2023, the date which the financial statements were available to be issued and determined there are no items to disclose.