

**CALIFORNIA BAPTIST UNIVERSITY
RIVERSIDE, CALIFORNIA**

CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED SEPTEMBER 30, 2024



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**CALIFORNIA BAPTIST UNIVERSITY
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ACCOUNTANTS' COMPILATION REPORT

Board of Trustees
California Baptist University
Riverside, California

Management is responsible for the accompanying consolidated financial statements of California Baptist University (a California nonprofit corporation), which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the three months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these consolidated financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the consolidated financial statements, they might influence the user's conclusions about California Baptist University's financial position, activities, and cash flows. Accordingly, the consolidated financial statements are not designed for those who are not informed about such matters.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
November 14, 2024

CALIFORNIA BAPTIST UNIVERSITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2024
(SEE ACCOUNTANTS' COMPILATION REPORT)

CURRENT ASSETS

Cash and Cash Equivalents	\$ 97,109,769
Investments	52,066,528
Accounts Receivable - Students	28,073,832
Less: Allowance for Doubtful Accounts	(2,077,075)
Accounts Receivable - Other, Net	1,516,632
Accounts Receivable - Related Party	16,094,766
Pledges Receivable, Current Portion	1,266,901
Inventories	1,147,861
Prepaid Expenses and Other Assets	702,493
Total Current Assets	<u>195,901,707</u>

LONG-TERM ASSETS

Cash Restricted for Bond Debt Service Reserves	28,609,474
Pledges Receivable, Net of Current Portion	175,550
Notes Receivable	2,930,650
Right of Use Asset - Operating	48,804,449
Right of Use Asset - Financing	507,988
Total Long-Term Assets	<u>81,028,111</u>

LONG-TERM INVESTMENTS

Debt, Equity, and Alternative Investments	112,871,741
Real Estate	5,391,295
Total Long-Term Investments	<u>118,263,036</u>

PROPERTY, PLANT, AND EQUIPMENT, at Cost

Land	35,583,645
Land Improvements	42,758,619
Buildings	312,300,452
Building Improvements	82,845,689
Leasehold Improvements	47,776,476
Equipment and Furniture	84,948,901
Vehicles	11,081,227
Construction-in-Progress	22,790,381
Less: Accumulated Depreciation	(244,046,805)
Total Property, Plant, and Equipment	<u>396,038,585</u>

Total Assets	<u><u>\$ 791,231,439</u></u>
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CALIFORNIA BAPTIST UNIVERSITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
SEPTEMBER 30, 2024
(SEE ACCOUNTANTS' COMPILATION REPORT)

CURRENT LIABILITIES

Accounts Payable	\$ 1,956,153
Accounts Payable - Related Party	7,200,906
Accrued Liabilities	7,569,237
Accrued Interest Payable	6,254,393
Funds Held in Custody for Others	731,108
Deposits and Deferred Revenue	95,803,408
Notes Payable	1,580,945
Operating Lease Liability	3,228,815
Financing Lease Liability	81,591
Bonds Payable	<u>7,101,938</u>
Total Current Liabilities	131,508,494

LONG-TERM LIABILITIES

Notes Payable	15,657,968
Operating Lease Liability	45,807,593
Financing Lease Liability	457,090
Bonds Payable	293,795,246
Federal Student Loan Funds	<u>2,610,457</u>
Total Long-Term Liabilities	358,328,354

NET ASSETS

Without Donor Restriction	175,438,126
With Donor Restriction	<u>125,956,465</u>
Total Net Assets	<u>301,394,591</u>
 Total Liabilities and Net Assets	 <u><u>\$ 791,231,439</u></u>

CALIFORNIA BAPTIST UNIVERSITY
CONSOLIDATED STATEMENT OF ACTIVITIES
THREE MONTHS ENDED SEPTEMBER 30, 2024
(SEE ACCOUNTANTS' COMPILATION REPORT)

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total Net Assets
OPERATING REVENUE			
Student Tuition and Fees (Net of Tuition Discounts of \$18,389,860)	\$ 47,551,230	\$ -	\$ 47,551,230
Sales and Service	5,736,738	-	5,736,738
Private Gifts	203,819	700,042	903,861
Grants and Contracts	-	396,612	396,612
Cooperative Program	31,997	-	31,997
Investment Return	-	3,326	3,326
Net Unrealized Loss on Investments	-	16,013	16,013
Interest Income	299,986	36,117	336,103
Other	2,062,330	-	2,062,330
Total Operating Revenue	55,886,100	1,152,110	57,038,210
NET ASSETS RELEASED FROM RESTRICTIONS	4,950,164	(4,950,164)	-
TOTAL OPERATING REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS	60,836,264	(3,798,054)	57,038,210
OPERATING EXPENSES			
Program Activities			
Instruction	29,372,883	-	29,372,883
Academic Support	3,430,396	-	3,430,396
Research	1,113,470	-	1,113,470
Student Services	19,199,607	-	19,199,607
Scholarships and Fellowships	620,000	-	620,000
Auxiliary Expenditures	4,626,200	-	4,626,200
Management and Support Activities			
Institutional Support	16,631,037	-	16,631,037
Development and Fundraising Expenses	1,200,585	-	1,200,585
Total Operating Expenses	76,194,178	-	76,194,178
INCREASE IN OPERATING NET ASSETS	(15,357,914)	(3,798,054)	(19,155,968)
NONOPERATING ACTIVITIES			
Long-term investment activities			
Investment income on endowments	-	360,530	360,530
Net (depreciation) appreciation on endowments	2,725,928	5,896,342	8,622,270
Total Long-term investment activities	2,725,928	6,256,872	8,982,800
Contributions - capital giving and endowments	-	550,964	550,964
Endowment matching reclassifications	(552,580)	552,580	-
Net Assets Released from Restrictions - Non Operating	-	-	-
INCREASE (DECREASE) IN NONOPERATING NET ASSETS	2,173,348	7,360,416	9,533,764
INCREASE IN TOTAL NET ASSETS	(13,184,566)	3,562,362	(9,622,204)
Net Assets - Beginning of Period	188,622,692	122,394,103	311,016,795
NET ASSETS - END OF PERIOD	<u>\$ 175,438,126</u>	<u>\$ 125,956,465</u>	<u>\$ 301,394,591</u>

CALIFORNIA BAPTIST UNIVERSITY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
THREE MONTHS ENDED SEPTEMBER 30, 2024
(SEE ACCOUNTANTS' COMPILATION REPORT)

	Program Services						Management and Support		Total
	Instruction	Academic Support	Research	Student Services	Scholarships and Fellowships	Auxiliary Services	Institutional Support	Development and Fundraising	
Compensation and Benefits	\$ 19,776,642	\$ 1,820,924	\$ 491,386	\$ 9,818,493	\$ -	\$ 730,980	\$ 5,805,945	\$ 730,390	\$ 39,174,760
Advertising and Promotion	77,123	57	17,120	232,881	-	87	1,331,564	23,008	1,681,840
Bad Debt	-	-	-	-	-	-	213,911	-	213,911
Depreciation	2,096,363	247,828	-	1,387,066	-	321,223	1,229,786	81,203	5,363,469
Equipment Rent and Maintenance	1,201,610	15,157	141,722	787,527	-	41,704	166,224	9,467	2,363,411
Hospitality	84,623	2,978	2,032	216,503	-	41,240	44,195	13,892	405,463
Information Technology	602,179	197,988	107,297	847,465	-	23,091	3,833,426	74,653	5,686,099
Insurance	455,354	10,606	3,452	143,651	-	14,460	52,203	3,471	683,197
Interest	1,693,876	197,825	59,141	1,107,204	-	234,131	837,465	59,454	4,189,096
Occupancy	1,832,915	199,539	214,585	1,730,608	-	548,018	1,410,779	82,863	6,019,307
Office Expenses	460,489	680,733	8,861	1,040,212	-	115,044	545,812	25,979	2,877,130
Professional Services	526,632	40,051	40,175	1,018,266	-	2,104,468	922,611	16,211	4,668,414
Scholarships and Fellowships	-	-	-	-	620,000	-	-	-	620,000
Travel Expense	353,428	2,998	6,473	448,468	-	766	32,527	18,609	863,269
Other Expenses, Costs, Losses	211,649	13,712	21,226	421,263	-	450,988	204,589	61,385	1,384,812
Total Functional Expenses	<u>\$ 29,372,883</u>	<u>\$ 3,430,396</u>	<u>\$ 1,113,470</u>	<u>\$ 19,199,607</u>	<u>\$ 620,000</u>	<u>\$ 4,626,200</u>	<u>\$ 16,631,037</u>	<u>\$ 1,200,585</u>	<u>\$ 76,194,178</u>

CALIFORNIA BAPTIST UNIVERSITY
CONSOLIDATED STATEMENT OF CASH FLOWS
THREE MONTHS ENDED SEPTEMBER 30, 2024
(SEE ACCOUNTANTS' COMPILATION REPORT)

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (9,622,204)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	5,363,469
Amortization of Debt Issuance Costs and Bond Premium	895,438
Net Realized (Gain) Loss on Investments	(8,297)
Net Unrealized Loss on Investments	(8,638,283)
Contributions Restricted for Long-Term Purposes	(550,949)
(Increase) Decrease in Operating Assets:	
Accounts Receivable - Students, Net	(18,454,763)
Accounts Receivable - Other	(596,969)
Accounts Receivable - Related Party	(4,779,394)
Pledges Receivable - Non-Endowment	(106,517)
Notes Receivable	(199,156)
Inventories	(221,583)
Prepaid Expenses and Other Assets	3,111,351
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(6,381,853)
Accounts Payable - Related Party	3,774,529
Accrued Liabilities	1,931,173
Deferred Revenue and Deposits	77,317,048
Operating Lease Liability	(876,033)
Funds Held for Others	(5,674)
Net Cash Flows Provided by Operating Activities	<u>41,951,333</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales of Investments	9,215,553
Purchases of Investments	(7,772,519)
Purchase of Property, Plant, and Equipment	(185,576)
Net Cash Flows Provided by Investing Activities	<u>1,257,458</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayments of Financing Lease Obligations	(19,929)
Repayments of Notes Payable	(381,871)
Collections of Contributions Restricted for Long-Term Purposes	588,449
Change in Federal Student Loan Funds	4,776
Net Cash Flows Provided by Financing Activities	<u>191,425</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

43,400,216

Cash and Cash Equivalents - Beginning of Period

82,319,027

CASH AND CASH EQUIVALENTS - END OF PERIOD

\$ 125,719,243

CALIFORNIA BAPTIST UNIVERSITY
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
THREE MONTHS ENDED SEPTEMBER 30, 2024
(SEE ACCOUNTANTS' COMPILATION REPORT)

SUPPLEMENTAL CASH FLOW DISCLOSURES

Cash Paid for Interest, Net of Capitalized Interest:

California Baptist University	\$ 391,041
Lancer Plaza LLC	-
Consolidated	<u>\$ 391,041</u>

Depreciation Expense:

California Baptist University	\$ 5,204,208
Lancer Plaza LLC	159,261
Consolidated	<u>\$ 5,363,469</u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents	\$ 97,109,769
Cash Restricted for Bond Debt Service Reserves	<u>28,609,474</u>
Total Cash and Cash Equivalents	<u>\$ 125,719,243</u>

