



Chapter 8

UNIVERSITY AUXILIARY ORGANIZATION AUDITED FINANCIAL STATEMENTS 2025-2026

- Associated Students Inc.
- Auxiliary for Sponsored Programs Administration
- Foundation
- Student-centered Enterprises Inc.

Associated Students, California State University, Bakersfield, Inc.

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Years Ended June 30, 2026 and 2025



ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Financial Statements and Supplemental Information

Years Ended June 30, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
Associated Students, California State University, Bakersfield, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Associated Students, California State University, Bakersfield, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2026 and 2025, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Associated Students, California State University, Bakersfield, Inc. as of June 30, 2026 and 2025, and the 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Associated Students, California State University, Bakersfield, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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 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 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements, continued

In performing an audit in accordance with 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 Associated Students, California State University, Bakersfield, Inc.'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 Associated Students, California State University, Bakersfield, Inc.'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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on pages 13-23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the 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 11, 2026, on our consideration of Associated Students, California State University, Bakersfield, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Associated Students, California State University, Bakersfield, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students, California State University, Bakersfield, Inc.'s internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
September 11, 2026

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statements of Financial Position**

June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
ASSETS		
Current Assets:		
Cash	\$ 2,576,155	\$ 3,219,207
Due from related parties	<u>57,908</u>	<u>410,146</u>
Total Current Assets	2,634,063	3,629,353
Property and Equipment, net of accumulated depreciation	<u>18,638</u>	<u>-</u>
Total Assets	\$ <u><u>2,652,701</u></u>	\$ <u><u>3,629,353</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 99,268	\$ 23,980
Due to related parties	<u>236,135</u>	<u>883,960</u>
Total Current Liabilities	335,403	907,940
Net Assets - Without Donor Restrictions	<u>2,317,298</u>	<u>2,721,413</u>
Total Liabilities and Net Assets	\$ <u><u>2,652,701</u></u>	\$ <u><u>3,629,353</u></u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statements of Activities**

Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Revenue and Support Without Donor Restrictions:		
Associated student body fees	\$ 4,240,062	\$ 4,112,082
University contract services (Note 6)	638,627	531,900
Other program revenues	<u>119,057</u>	<u>113,549</u>
 Total Revenue and Support Without Donor Restrictions	 4,997,746	 4,757,531
 Expenses:		
Program services - student services	5,077,357	5,124,328
Supporting services - general and administrative	<u>324,504</u>	<u>366,157</u>
 Total Expenses	 <u>5,401,861</u>	 <u>5,490,485</u>
 Change in Net Assets	 (404,115)	 (732,954)
 Net Assets - Without Donor Restrictions, beginning	 <u>2,721,413</u>	 <u>3,454,367</u>
 Net Assets - Without Donor Restrictions, ending	 \$ <u><u>2,317,298</u></u>	 \$ <u><u>2,721,413</u></u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statement of Functional Expenses**

Year Ended June 30, 2026

	<u>Student Services</u>	<u>General and Administrative</u>	<u>Total</u>
Scholarships	\$ 3,328,139	\$ -	\$ 3,328,139
University contract expenses (Note 6)	346,790	291,838	638,628
Supplies and contract services	633,188	524	633,712
Travel	348,928	692	349,620
Event programming	150,933	-	150,933
Insurance	71,623	3,197	74,820
Information technology	67,826	-	67,826
Minor equipment	41,913	2,551	44,464
Dues and subscriptions	32,415	725	33,140
Office expense	25,266	24	25,290
Accounting	-	21,215	21,215
Space rental	20,425	-	20,425
Advertising and promotion	4,284	-	4,284
Repairs and maintenance	3,018	40	3,058
Professional fees	-	2,277	2,277
Transfers to related parties	2,000	-	2,000
Depreciation	-	1,421	1,421
Bank fees	484	-	484
Conference, conventions, and meetings	125	-	125
Total Expenses	<u>\$ 5,077,357</u>	<u>\$ 324,504</u>	<u>\$ 5,401,861</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statement of Functional Expenses**

Year Ended June 30, 2025

	Student Services	General and Administrative	Total
Scholarships	\$ 3,090,282	\$ -	\$ 3,090,282
Travel	663,786	-	663,786
University contract expenses (Note 6)	198,249	333,651	531,900
Supplies and contract services	480,050	1,495	481,545
Transfers to related parties	300,000	-	300,000
Minor equipment	121,575	-	121,575
Event programming	112,459	-	112,459
Insurance	55,423	1,754	57,177
Advertising and promotion	31,401	-	31,401
Space rental	21,118	3,538	24,656
Office expense	21,479	28	21,507
Information technology	21,000	-	21,000
Accounting	-	20,400	20,400
Miscellaneous	5,488	-	5,488
Utilities	-	3,326	3,326
Dues and subscriptions	50	1,965	2,015
Conference, conventions, and meetings	760	-	760
Repairs and maintenance	658	-	658
Bank fees	550	-	550
Total Expenses	\$ <u>5,124,328</u>	\$ <u>366,157</u>	\$ <u>5,490,485</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statements of Cash Flows**

Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (404,115)	\$ (732,954)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	1,421	-
Changes in operating assets and liabilities:		
Due from related parties	352,238	(163,717)
Accounts payable and accrued expenses	75,288	(20,510)
Due to related parties	<u>(647,825)</u>	<u>765,982</u>
Net Cash Used by Operating Activities	(622,993)	(151,199)
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	<u>(20,059)</u>	<u>-</u>
Net Decrease in Cash	(643,052)	(151,199)
Cash, beginning	<u>3,219,207</u>	<u>3,370,406</u>
Cash, ending	\$ <u><u>2,576,155</u></u>	\$ <u><u>3,219,207</u></u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

Associated Students, California State University, Bakersfield, Inc. (the Organization) was formed and operates as a nonprofit auxiliary organization of California State University, Bakersfield (the University) located in Bakersfield, California. The Organization exists as an advocate for students and provides programs which encourage leadership development, educational interests, and cultural awareness both at the University and statewide. The Organization has been in operation since 1976 and became a viable fiscal entity with the introduction of mandatory student fees by an election in 1977. The Organization's primary source of revenue is associated student body fees. Associated student body fees collected by the University and remitted to the Organization are included in revenue and support without donor restrictions in the statement of activities.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were temporary or perpetual in nature for the years ended June 30, 2026 and 2025.

Use of Estimates

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

Income Taxes

The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Organization follows U.S. GAAP related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2026 and 2025, and therefore, no amounts have been accrued.

Accounts Receivable

Accounts receivable arise in the normal course of operations. Accounts receivable are recorded at unpaid balances, less any allowance for credit losses using a forward-looking expected credit loss model. The expected credit loss model requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and reasonable and supportable forecasts affecting collectability. Based on this review, management has determined that an allowance for credit loss is not necessary for the years ended June 30, 2026 and 2025.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of five years.

Revenue Recognition

Each matriculated student of the University was required to pay associated student body fees of \$237 per Fall and Spring semester and \$148 per Summer semester for the year ended June 30, 2026, and \$229 per Fall and Spring semester and \$143 per Summer semester for the year ended June 30, 2025. Fees are due and collectible prior to the first day of the academic semester. These payments, collected by the University then transferred to the Organization, support the Organization's program activities and are recognized by the Organization when cash receipts are received on a ratable basis over the academic semester, which is when the program services are delivered. The Organization may not receive the full amount of fees charged to students if amounts remain uncollected by the University.

Other program revenues is primarily composed of chartered club activities. Revenue is recognized at a point in time when the transfer of the goods occurs, or the student attends the event.

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred.

Functional Expense Allocations

The Organization's accounting system is established to record expenses by fund, department, and natural expense. Expense function is determined by a combination of fund and department. With the exception of the student club fund, all other funds have expenses that are programmatic and general and administrative in nature.

Subsequent Events

The Organization has evaluated subsequent events through September 11, 2026, which is the date the financial statements were available to be issued. Management determined that no subsequent events occurred that required recognition in the financial statements or additional disclosure in the accompanying notes.

Note 2 - Liquidity and Availability

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual obligations within one year of the statement of financial position date.

	2026	2025
Cash	\$ 2,576,155	\$ 3,219,207
Due from related parties	57,908	410,146
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,634,063	\$ 3,629,353

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 2 - Liquidity and Availability, continued

The Organization is substantially supported by student fees collected by the University and subsequently transferred to the Organization for Programming Services. None of the financial assets are subject to donor restriction, and therefore, all financial assets are available for general expenditure within one year. The Organization has no other liquid assets available from which to draw.

Note 3 - Concentrations of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. The balances at times may exceed FDIC limits. The Organization manages this risk by using high-quality financial institutions.

Note 4 - Revenue Recognition

Significant Judgments

The Organization analyzes revenue recognition on a portfolio approach under ASC Topic 606, *Revenue from Contracts with Customers*. Significant judgment is utilized in determining the appropriate portfolios to assess for meeting the criteria to recognize revenue under ASC Topic 606. The Organization has determined that, for each distinct revenue stream identified, all contracts can be grouped into one portfolio. Based on past experience, customers within each distinct stream all behave similarly, contracts contain similar terms, and policies are the same across all contracts. The Organization does not expect that revenue earned for the portfolio is significantly different as compared to revenue that would be earned if they were to assess each contract separately.

Significant judgment is also required to assess collectability. The Organization assesses collectability each reporting period to monitor that the collectability threshold is met and does not recognize revenue if collection is not probable. Impairment losses are recognized when there are significant changes in a customer's assessed collectability.

Note 5 - Property and Equipment

Property and equipment consists of the following:

	2026	2025
Equipment	\$ 49,668	\$ 42,910
Leasehold improvements	229,939	254,852
	279,607	297,762
Less accumulated depreciation	(260,969)	(297,762)
	<u>\$ 18,638</u>	<u>\$ -</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 6 - University Contract Services

For the years ended June 30, 2026 and 2025, contributed nonfinancial assets in the form of university contract services recognized within the statement of activities include:

	2026	2025
University employee services:		
Programming services	\$ 312,590	\$ 165,209
General and administrative services	291,838	333,651
Rent of University facilities	34,200	33,040
Total University contract services	\$ 638,628	\$ 531,900

The Organization recognized contributed nonfinancial assets within revenue including contributed University employee services and rent of University facilities. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services include University employees who provide direct programming services to the Organization including planning, managing, and overseeing programming events and activities. Additionally, University employees provide indirect services on behalf of the Organization including accounting services, human resource services, facility management services, information technology services, and other administrative services as appropriate. Contributed services are valued at the estimated fair value in the financial statements based on the estimated employee cost to provide programming, general, and administrative services.

The Organization uses University facilities to provide programming activities and has recognized a contributed nonfinancial asset equal to the fair market value of this rent for similar facilities.

Note 7 - Related-Party Transactions

The Organization receives associated student body fees from the University to provide benefits to the student body of the University. Other payments received from the University includes receipts for use of operating various student-led programs.

The Organization provides scholarships to students, which are recognized as payments to the University. The Organization also reimburses the University for costs incurred to carry out the mission of the Intercollegiate Athletic Program and student club activities.

California State University, Bakersfield Foundation (Foundation) functions to benefit the student body of the University by fundraising for University programs and activities. Payments received from the Foundation include receipts supporting the Organization's student body programs and services. Payments to the Foundation are for fundraising activities benefiting University programs and activities.

California State University, Bakersfield, Student-centered Enterprises, Inc. (Student-centered Enterprises) functions to enhance the student experience by operating various programming facilities. Payments received from Student-centered Enterprises are to support student body programs and services. Payments to Student-centered Enterprises are for the use of programming facilities and equipment.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Notes to Financial Statements**Years Ended June 30, 2026 and 2025

Note 7 - Related-Party Transactions, continued

Related party transactions as of and for the years ended June 30, 2026 and 2025, are as follows:

	<u>2026</u>	<u>2025</u>
Payments received from:		
University	\$ 4,240,062	\$ 4,112,103
Foundation	225	1,929
Student-centered Enterprises	<u>8,250</u>	<u>8,500</u>
	<u>\$ 4,248,537</u>	<u>\$ 4,122,532</u>
Payments to:		
University	\$ 3,825,118	\$ 4,056,602
Foundation	1,805	28,063
Student-centered Enterprises	<u>15,101</u>	<u>12,930</u>
	<u>\$ 3,842,024</u>	<u>\$ 4,097,595</u>
Due from related parties:		
University	\$ 57,658	\$ 409,646
Student-centered Enterprises	<u>250</u>	<u>500</u>
	<u>\$ 57,908</u>	<u>\$ 410,146</u>
Due to related parties:		
University	\$ 228,514	\$ 854,562
Foundation	-	25,501
Student-centered Enterprises	<u>7,621</u>	<u>3,897</u>
	<u>\$ 236,135</u>	<u>\$ 883,960</u>

For the years ended June 30, 2026 and 2025, the Foundation reimbursed the Organization's scholarship payments of \$154,526 and \$119,321, respectively. The reimbursement is reported in program services – student services on the statement of activities and netted against scholarships expense on the statement of functional expenses.

For the years ended June 30, 2026 and 2025, the Organization also recorded University contract services revenue and expense in the amount of \$638,628 and \$531,900, respectively (see Note 6).

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Activities by Student Service**

Year Ended June 30, 2026

	Student Government & Leadership	Children's Center	Intercollegiate Athletics	Student Club Administration	Antelope Valley	Chartered Student Clubs	Total
Revenue and Support Without Donor Restrictions:							
Associated student body fees	\$ 281,077	\$ 132,327	\$ 3,710,829	\$ 69,502	\$ 46,327	\$ -	\$ 4,240,062
University contract services	345,558	75,041	50,672	121,758	45,598	-	638,627
Other program revenues	-	-	2,000	-	8,000	109,057	119,057
Interfund transfers (to) from	(34,962)	-	-	20,280	(20,280)	34,962	-
Total Revenue and Support Without Donor Restrictions	591,673	207,368	3,763,501	211,540	79,645	144,019	4,997,746
Expenses:							
Program services - student services	481,470	69,863	4,150,698	120,223	145,545	109,558	5,077,357
Supporting services - general and administrative	150,329	37,305	67,139	34,139	34,955	637	324,504
Total Expenses	631,799	107,168	4,217,837	154,362	180,500	110,195	5,401,861
Change in Net Assets	(40,126)	100,200	(454,336)	57,178	(100,855)	33,824	(404,115)
Net Assets - Without Donor Restrictions, beginning	1,364,713	346,625	484,135	152,972	151,744	221,224	2,721,413
Net Assets - Without Donor Restrictions, ending	\$ 1,324,587	\$ 446,825	\$ 29,799	\$ 210,150	\$ 50,889	\$ 255,048	\$ 2,317,298

See independent auditor's report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Activities by Student Service**

Year Ended June 30, 2025

	Student Government & Leadership	Children's Center	Intercollegiate Athletics	Student Club Administration	Antelope Valley	Chartered Student Clubs	Total
Revenue and Support Without Donor Restrictions:							
Associated student body fees	\$ 357,707	\$ 164,847	\$ 3,483,156	\$ 20,452	\$ 85,920	\$ -	\$ 4,112,082
University contract services	231,167	28,052	50,704	182,404	39,573	-	531,900
Other program revenues	-	-	-	-	8,000	105,549	113,549
Interfund transfers (to) from	(21,319)	-	-	-	-	21,319	-
Total Revenue and Support Without Donor Restrictions	567,555	192,899	3,533,860	202,856	133,493	126,868	4,757,531
Expenses:							
Program services - student services	346,098	313,969	4,084,319	96,027	172,351	111,564	5,124,328
Supporting services - general and administrative	122,226	28,848	66,533	108,277	40,273	-	366,157
Total Expenses	468,324	342,817	4,150,852	204,304	212,624	111,564	5,490,485
Change in Net Assets	99,231	(149,918)	(616,992)	(1,448)	(79,131)	15,304	(732,954)
Net Assets - Without Donor Restrictions, beginning	1,265,482	496,543	1,101,127	154,420	230,875	205,920	3,454,367
Net Assets - Without Donor Restrictions, ending	\$ 1,364,713	\$ 346,625	\$ 484,135	\$ 152,972	\$ 151,744	\$ 221,224	\$ 2,721,413

See independent auditor's report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Net Position**

June 30, 2026

(for inclusion in the California State University)

Assets:**Current assets:**

Cash and cash equivalents	2,576,155
Short-term investments	—
Accounts receivable, net	57,908
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net, current portion	—
Prepaid expenses and other current assets	—
Total current assets	2,634,063

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Lease receivable, net of current portion	—
P3 receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	18,638
Other assets	—
Total noncurrent assets	18,638
Total assets	2,652,701

Deferred outflows of resources:

Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Leases	—
P3	—
Others	—
Total deferred outflows of resources	—

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Net Position, continued**

June 30, 2026

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	335,403
Accrued salaries and benefits payable	—
Accrued compensated absences - current portion	—
Unearned revenues	—
Lease Liabilities - current portion	—
SBITA liabilities - current portion	—
P3 liabilities - current portion	—
Long-term debt obligations - current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts - current portion	—
Other liabilities, current	—
Total current liabilities	<u>335,403</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Lease liabilities, net of current portion	—
SBITA liabilities, net of current portion	—
P3 liabilities, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	<u>—</u>
Total liabilities	<u>335,403</u>

Deferred inflows of resources:

Service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding(s)	—
Nonexchange transactions	—
Leases	—
P3	—
Others	—
Total deferred inflows of resources	<u>—</u>

See independent auditor's report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Net Position, continued**

June 30, 2026

(for inclusion in the California State University)

Net position:

Net investment in capital assets	18,638
Restricted for:	
Endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	<u>2,298,660</u>
Total net position	<u><u>2,317,298</u></u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2026

(for inclusion in the California State University)

Revenues:**Operating revenues:**

Student Tuition & Fees, gross	—
Scholarship allowances, enter as negative	—

Student Financial Aid Grants:

Federal Financial Aid Grants	—
State Financial Aid Grants	—
Local Financial Aid Grants	—
Nongovernmental and Other Financial Aid Grants	—

Grants and contracts, noncapital:

Federal	—
State	—
Local	—
Nongovernmental	—
Sales and services of Educational Activities	—
Sales and services Auxiliary Enterprises, gross	—
Scholarship allowances for sales of auxiliary enterprises	—
Other operating revenues	4,997,746
Total operating revenues	4,997,746

Expenses:**Operating expenses:**

Instruction	—
Research	—
Public service	—
Academic support	—
Student services	2,072,301
Institutional support	—
Operation and maintenance of plant	—
Student grants and scholarships	3,328,139
Auxiliary enterprise expenses	—
Depreciation and amortization	1,421
Total operating expenses	5,401,861

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Revenues, Expenses, and Changes in Net Position, continued**

Year Ended June 30, 2026

(for inclusion in the California State University)

NonCapital Subsidies:

State appropriations	—
Gifts	—
Other Noncapital Subsidies received/(provided)	—
Federal Noncapital Subsidies received/(provided)	—

Total NonCapital Subsidies Provided:

—

Operating Income (Loss) and NonCapital Subsidies:

(404,115)

Nonoperating revenues (expenses):

Federal Subsidies, capital received/(provided)	—
State appropriations, capital	—
Capital Subsidy received/(provided)	—
Grants and gifts, capital	—
Interest Revenue	—
Interest Expense	—
Gains or losses on capital assets	—
Additions/reductions to permanent endowments	—

Total nonoperating revenues (expenses)

—

Increase (decrease) in net position

(404,115)

Net position:

Net position at beginning of year, as previously reported	2,721,413
Restatements	—

Net position at beginning of year, as restated

2,721,413

Net position at end of year

2,317,298

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2026

(for inclusion in the California State University)

1. Cash and cash equivalents

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	2,576,155
Total	\$ 2,576,155

2.1 Composition of investments: Not Applicable

2.2 Fair value hierarchy in investments: Not Applicable

2.3 Investments held by the University under contractual agreements: Not Applicable

3.1 Capital Assets

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2025 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	-	-	-	-	-

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information, continued

June 30, 2026

(for inclusion in the California State University)

Depreciable/Amortizable capital assets:

Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	254,852	-	-	-	254,852	-	(24,913)	-	229,939
Personal property:									
Equipment	42,910	-	-	-	42,910	20,069	(13,301)	-	49,668
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	297,762	-	-	-	297,762	20,069	(38,214)	-	279,607
Total capital assets	297,762	-	-	-	297,762	20,069	(38,214)	-	279,607

Less accumulated depreciation/amortization:

Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(254,852)	-	-	-	(254,852)	-	24,913	-	(229,939)
Personal property:									
Equipment	(42,910)	-	-	-	(42,910)	(1,421)	13,301	-	(31,030)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(297,762)	-	-	-	(297,762)	(1,421)	38,214	-	(260,969)
Total capital assets, net excluding ROU assets	-	-	-	-	-	18,638	-	-	18,638

Capital Assets - Right of Use, net: Not Applicable

See independent auditor's report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information, continued

June 30, 2026

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense

Depreciation and amortization expense related to capital assets	\$	1,421
Amortization expense - Leases ROU		-
Amortization expense - SBITA ROU		-
Amortization expense - P3 ROU		-
Depreciation and Amortization expense - Others		-
Total depreciation and amortization	\$	1,421

4. Long-term liabilities: Not Applicable

5. Future minimum payments schedule - leases, SBITA, P3: Not Applicable

6. Future minimum payments schedule - Long-term debt obligations: Not Applicable

7. Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	-
Payments to University for other than salaries of University personnel	3,825,118
Payments received from University for services, space, and programs	4,240,062
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	-
Accounts (payable to) University	(228,514)
Other amounts (payable to) University	-
Accounts receivable from University	57,658
Other amounts receivable from University	-

8. Restatements: Not Applicable

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information, continued

June 30, 2026

(for inclusion in the California State University)

9. Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	2,072,301	-	2,072,301
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	3,328,139	-	-	3,328,139
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	1,421	1,421
Total operating expenses	\$ -	\$ -	\$ -	\$ -	\$ 3,328,139	\$ 2,072,301	\$ 1,421	\$ 5,401,861

No pension plan reported

OK

10. Deferred outflows/inflows of resources: Not Applicable

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

To the Audit Committee
Associated Students, California State University, Bakersfield, Inc.

We have audited, in accordance with the 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, the financial statements of Associated Students, California State University, Bakersfield, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2026, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 11, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Associated Students, California State University, Bakersfield, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Associated Students, California State University, Bakersfield, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students, California State University, Bakersfield, Inc.'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 the entity'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 Associated Students, California State University, Bakersfield, Inc.'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*.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*, CONTINUED

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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 11, 2026

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Years Ended June 30, 2026 and 2025



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Financial Statements and Supplemental Information

Years Ended June 30, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration, which comprise the statements of net position as of June 30, 2026 and 2025, the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration as of June 30, 2026 and 2025, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. 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 California State University, Bakersfield, Auxiliary for Sponsored Programs Administration and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's ability to continue as a going concern for ~~one~~ year after the date that the financial statements are issued.

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 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 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements, continued

In performing an audit in accordance with 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 California State University, Bakersfield, Auxiliary for Sponsored Programs Administration'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 California State University, Bakersfield, Auxiliary for Sponsored Programs Administration'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's discussion and analysis on pages 4-9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included on pages 18-27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2026, on our consideration of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration'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 California State University, Bakersfield, Auxiliary for Sponsored Programs Administration'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 California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
September 17, 2026

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2026 and 2025

This section of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (the Organization) annual financial report includes management's discussion and analysis (MD&A). As management of the Organization, we offer this narrative overview and analysis of the financial activities of the Organization for the year ended June 30, 2026 with comparative analysis for prior years. The MD&A should be read in conjunction with the audited financial statements and accompanying notes, which follow this section.

Overview of the Financial Statements

The MD&A is intended to serve as an introduction to the Organization's basic financial statements, which consist of the following: (1) The statements of net position, (2) the statements of revenues, expenses, and changes in net position, (3) the statements of cash flows, and (4) notes to the financial statements. This report also contains supplemental information in addition to the basic financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the Organization.

Statements of Net Position: The statements of net position include all assets and liabilities. Assets and liabilities are reported on an accrual basis, as of the statement date. The statements also identify major categories of restrictions of net position of the Organization.

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

Statements of Cash Flows: The statements of cash flows present the inflows and outflows of cash, and is summarized by operating, noncapital financing, 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 year's activities.

Notes to the Financial Statements: The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 13 of this report.

In addition to the basic financial statements and accompanying notes, this report presents supplemental information for inclusion in the California State University. This supplementary information can be found beginning on page 18 of this report.

Financial Summary

The following discussion highlights management's understanding of the key financial aspects of the Organization's financial activities for the years ended June 30, 2026 and 2025.

The Organization continued to effectively manage its grants and strengthen its financial position by growing the grant portfolio. During the reporting period, the Organization generated and submitted 79 proposals requesting approximately \$45 million, with about \$4.5 million in anticipated indirect costs – the major source of unrestricted revenue. It is important to note that although the federal negotiated F&A rate is 48% of modified total direct costs, many funding opportunities offer a lower rate and certain categories of expense may not be used when calculating the actual cost recovery. Also, there are some categories of expenses that are excluded when calculating the actual cost recovery.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2026 and 2025

Financial Summary, continued

Other financial highlights as of June 30, 2026 and 2025 include:

- Total assets exceeded total liabilities by \$2.1 million and \$2.6 million as of June 30, 2026 and 2025, respectively.
- During the year ended June 30, 2026, total net position decreased \$425 thousand. During the year ended June 30, 2025, total net position increased \$1.0 million.
- During the year ended June 30, 2026, capital assets decreased \$643 thousand. During the year ended June 30, 2025, capital assets increased \$390 thousand.
- Comparative to the prior year, operating revenue and other support decreased by \$2.3 million in 2026. Operating revenue and other support increased by \$1.4 million in 2025 as compared to 2024.
- Comparative to the prior year, operating expenses decreased by \$2.1 million in 2026. Operating expenses increased by \$516 thousand in 2025 as compared to 2024.

Statements of Net Position

	2026	2025	2024
Assets:			
Current assets	\$ 4,519,696	\$ 4,499,205	\$ 4,064,496
Capital assets, net	808,740	1,451,767	1,061,493
Total Assets	<u>\$ 5,328,436</u>	<u>\$ 5,950,972</u>	<u>\$ 5,125,989</u>
Liabilities and Net Position:			
Liabilities	\$ 3,183,621	\$ 3,381,603	\$ 3,586,193
Net Position	2,144,815	2,569,369	1,539,796
Total Liabilities and Net Position	<u>\$ 5,328,436</u>	<u>\$ 5,950,972</u>	<u>\$ 5,125,989</u>

The statements of net position provide the basis for assessing liquidity and the financial flexibility of the Organization.

Assets

Total assets decreased by \$623 thousand to \$5.3 million at June 30, 2026, from \$6.0 million at June 30, 2025. The change in assets is attributed to a \$643 thousand decrease in net capital assets due to several major federal grants ending and the related equipment being transferred to the University.

Comparatively, total assets increased by \$825 thousand to \$6.0 million at June 30, 2025, from \$5.1 million at June 30, 2024. The change in assets is attributed to an increase in cash and cash equivalents of \$404 thousand and an increase in net capital assets of \$390 thousand. The increase in cash and cash equivalents was driven by an increase in the change in net position of \$739 thousand, offset by changes in cash flows correlated to a year-to-year increase in receivables of \$112 thousand and a decrease in payables of \$207 thousand. The increase in net capital assets was due to major equipment grant purchases to support University programs.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2026 and 2025

Liabilities and Net Position

The \$623 thousand decrease in total liabilities and net position at June 30, 2026 as compared to June 30, 2025 is due to a \$198 thousand decrease in total liabilities combined with a \$425 thousand decrease in net position. The decrease in total liabilities was primarily due to a decrease in amounts due to related parties of \$285 thousand, which will vary year to year depending on the timing of transactions with the University. See Note 5 on page 16 for further information regarding the nature of amounts due to related parties. See the following statements of revenues, expenses, and changes in net position for discussion related to the change in net position.

At June 30, 2025, total liabilities and net position increased by \$825 thousand compared with June 30, 2024. The increase primarily reflects a \$1.0 million increase in net position, offset by a \$205 thousand decrease in total liabilities. The decrease in total liabilities was primarily attributable to a \$231 thousand reduction in amounts due to related parties. See Note 5 on page 16 for additional information regarding amounts due to related parties. See the following statements of revenues, expenses, and changes in net position for discussion related to the change in net position.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2026 and 2025

Statements of Revenues, Expenses, and Changes in Net Position

	2026	2025	2024
Operating Revenue and Other Support:			
Grants	\$ 11,878,795	\$ 14,146,477	\$ 12,538,123
University contract services	2,199,489	2,250,518	2,420,132
Total Operating Revenue and Other Support	14,078,284	16,396,995	14,958,255
Operating Expenses:			
Instruction	847,597	1,486,776	1,982,805
Research	4,030,463	4,592,742	3,827,144
Public service	1,529,717	1,580,362	1,573,931
Academic support	811,632	579,045	686,489
Student services	2,872,659	3,799,702	3,387,550
Institutional support	2,770,234	2,886,428	3,132,521
Operation and maintenance of plant	7,001	94,820	-
Depreciation and amortization	161,117	152,111	65,071
Total Operating Expenses	13,030,420	15,171,986	14,655,511
Operating Income	1,047,864	1,225,009	302,744
Noncapital Subsidies	(1,090,309)	(196,636)	-
Operating Income (Loss) and Noncapital Subsidies	(42,445)	1,028,373	302,744
Other Non-Operating Revenues (Expenses)	(382,109)	1,200	2,656
Change in Net Position	(424,554)	1,029,573	305,400
Net Position, beginning as originally stated	2,569,369	1,539,796	1,248,885
Restatement	-	-	(14,489)
Net Position, beginning as restated	2,569,369	1,539,796	1,234,396
Net Position, ending	\$ 2,144,815	\$ 2,569,369	\$ 1,539,796

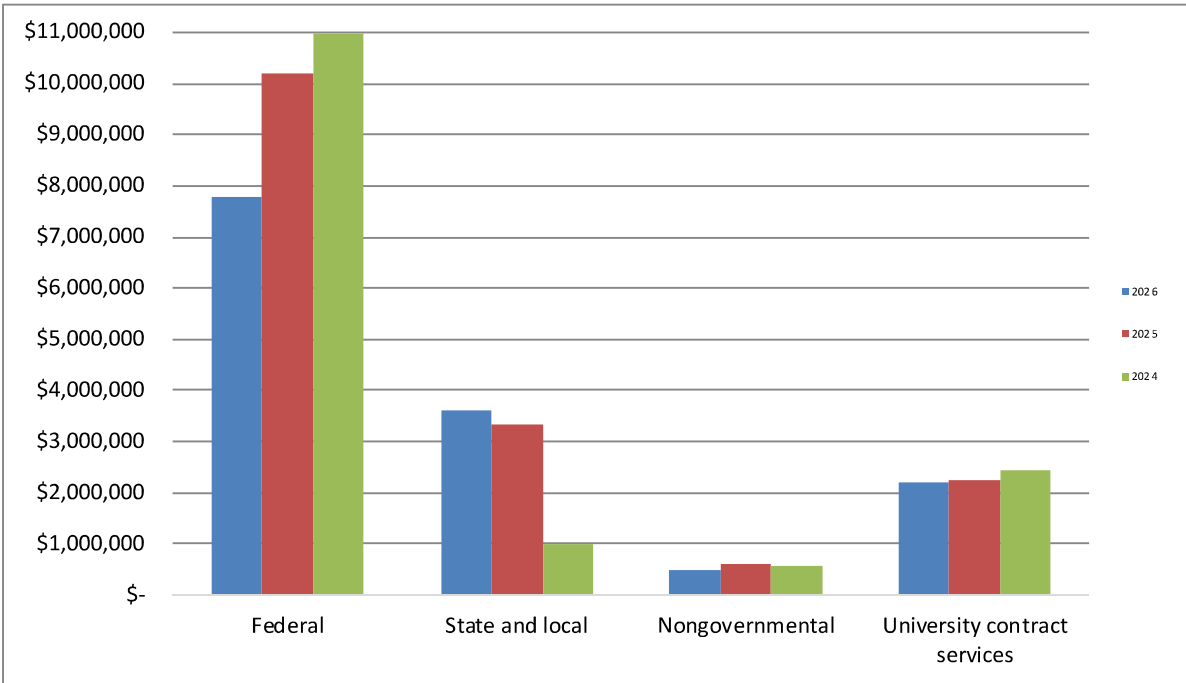
While the statements of net position show the change in financial position of the Organization, the statements of revenues, expenses, and changes in net position provide answers to the nature and sources of these changes.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2026 and 2025

Revenues



During the year ended June 30, 2026, revenues decreased by \$2.3 million, or 14%, to \$14.1 million, compared with \$16.4 million during the year ended June 30, 2025. The decrease was primarily attributable to a \$2.4 million, or 24%, reduction in federal grant revenue. Federal grant revenue may fluctuate from year to year based on the timing and duration of individual awards, the availability of funding opportunities for which the Auxiliary is eligible, and the level of grant-funded activity during the year. During fiscal year 2026, these normal fluctuations were further affected by changes in federal funding priorities and reduced availability of certain federal grant opportunities.

During the year ended June 30, 2025, revenues increased by \$1.4 million, or 10%, to \$16.4 million, compared with \$15.0 million during the year ended June 30, 2024. The increase was primarily attributable to state grant revenue, which increased by \$2.4 million, or 284%, compared with fiscal year 2024. The increase in state grant revenue was driven by new awards that became active and operational during fiscal year 2025. The Organization also received several new nongovernmental grant awards during the year.

Expenses

During the year ended June 30, 2026, total operating expenses decreased by \$2.1 million, or 14%, to \$13.0 million, compared with \$15.2 million during the year ended June 30, 2025. The decrease was primarily attributable to reduced federal grant-funded activity discussed above and was driven by decreases in both payroll-related costs and nonpayroll costs, including supplies and services, contractual services, travel, and other operating expenditures. The most significant decreases occurred in student services, research, and instruction, which declined by \$927 thousand, \$562 thousand, and \$639 thousand, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2026 and 2025

Expenses, continued

During the year ended June 30, 2025, total operating expenses increased by \$516 thousand, or 4%, to \$15.2 million, compared with \$14.7 million during the year ended June 30, 2024. The increase was primarily driven by higher expenses in research and student services, which increased by \$766 thousand and \$412 thousand, respectively, and was partially offset by a \$496 thousand decrease in instruction expenses. The overall increase was primarily related to higher nonpayroll costs, including supplies and services, contractual services, travel, participant support, and other operating expenditures, particularly stipend disbursements of approximately \$3.0 million in fiscal year 2025 compared with approximately \$2.0 million in fiscal year 2024. Changes in payroll-related costs and the reclassification of certain expenses between operating and nonoperating categories upon implementation of GASB Statement No. 103 also contributed to the year-over-year change.

During the year ended June 30, 2026, noncapital subsidies increased by \$894 thousand, from \$197 thousand in fiscal year 2025 to \$1.1 million in fiscal year 2026. The increase primarily resulted from the transfer of grant-funded assets to the University upon closeout of the related federal awards. These nonexchange transfers were classified as subsidies under GASB Statement No. 103. The Organization implemented GASB Statement No. 103 during fiscal year 2026, which changed the presentation of capital-related and noncapital transfers. Prior-year amounts were reclassified to conform to the current-year presentation.

Currently Known Facts, Decisions or Conditions

Several federal awards administered by the Organization ended as scheduled during or shortly after fiscal year 2026, resulting in an anticipated reduction in the related grant revenue and program expenditures as reflected in the financial statements. To offset these losses, the Organization recently was awarded two significant grants, one federal and one state. These awards provide significant multi-year support and are expected to have a positive effect on future grant revenue and program activity for the fiscal year 2027, while partially offsetting revenue associated with awards that have ended.

The Organization currently has under review several significant federal competitive grant proposals that, if awarded, could further offset the loss of revenue felt in the fiscal year 2026. Management is cautiously optimistic regarding these opportunities; however, the proposals remain subject to federal agency review and funding availability. Given the continuing uncertainty surrounding federal appropriations, agency priorities, and award decisions, management cannot provide assurance that the pending proposals will be funded. Accordingly, anticipated awards have not been included as confirmed funding for financial planning purposes. In planning for fiscal year 2027, management considered only the new federal and state awards along with its continuing existing awards, in planning for expenditures, staffing, and program activities. Expenditures will continue to be aligned with confirmed funding. Overall, management expects the new awards to strengthen the Organization's grant portfolio and mitigate a portion of the anticipated decline, while recognizing that future grant revenue and operating results will depend in part on federal funding decisions that remain outside the Organization's control.

Request for Information and Contacting the Organization's Financial Management

The Organization's financial report is designed to provide the Organization's Board of Directors, management, legislative and oversight agencies, citizens, and customers with an overview of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's finances, and to demonstrate its accountability for funds received. For additional information about this report, please contact Heather Macaulay, Associate Vice President and Chief Accounting Officer, California State University, Bakersfield at 9001 Stockdale Highway, ADM 109, Bakersfield, California 93311.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Statements of Net Position

June 30, 2026 and 2025

	2026	2025
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,777,122	\$ 1,616,360
Accounts receivable	2,631,402	2,815,146
Due from related parties	54,542	2,140
Prepaid expenses	56,630	65,559
Total Current Assets	4,519,696	4,499,205
Non-Current Assets:		
Capital assets, net	808,740	1,451,767
Total Assets	\$ 5,328,436	\$ 5,950,972
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	\$ 45,886	\$ 64,180
Due to related parties	692,078	976,684
Accrued expenses	1,085,433	978,991
Unearned revenue	1,305,563	1,272,172
Compensated absences	54,661	89,576
Total Liabilities	3,183,621	3,381,603
Net Position:		
Net investment in capital assets	808,740	1,451,767
Unrestricted	1,336,075	1,117,602
Total Net Position	2,144,815	2,569,369
Total Liabilities and Net Position	\$ 5,328,436	\$ 5,950,972

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2026 and 2025

	2026	2025
Operating Revenue and Other Support:		
Grants:		
Federal	\$ 7,798,394	\$ 10,211,197
State	3,575,657	3,260,809
Nongovernmental	469,524	614,471
Local	35,220	60,000
University contract services	2,199,489	2,250,518
Total Operating Revenue and Other Support	14,078,284	16,396,995
Operating Expenses:		
Instruction	847,597	1,486,776
Research	4,030,463	4,592,742
Public service	1,529,717	1,580,362
Academic support	811,632	579,045
Student services	2,872,659	3,799,702
Institutional support	2,770,234	2,886,428
Operation and maintenance of plant	7,001	94,820
Depreciation	161,117	152,111
Total Operating Expenses	13,030,420	15,171,986
Operating Income	1,047,864	1,225,009
Noncapital Subsidies:		
Transfers in	-	25,042
Transfers out	(1,090,309)	(221,678)
Total Noncapital Subsidies	(1,090,309)	(196,636)
Operating Income (Loss) and Noncapital Subsidies	(42,445)	1,028,373
Other Non-Operating Revenues (Expenses):		
Other	(7,109)	1,200
Indirect cost distribution	(375,000)	-
Total Other Non-Operating Revenues (Expenses)	(382,109)	1,200
Change in Net Position	(424,554)	1,029,573
Net Position, beginning	2,569,369	1,539,796
Net Position, ending	\$ 2,144,815	\$ 2,569,369

See accompanying notes to financial statements.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Statements of Cash Flows

Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Cash Flows from Operating Activities:		
Grant revenue receipts	\$ 12,036,419	\$ 14,027,152
Payments to suppliers	(6,311,214)	(6,417,171)
Payments to employees	<u>(5,264,952)</u>	<u>(6,568,807)</u>
Net Cash Provided by Operating Activities	460,253	1,041,174
Cash Flows from Capital and Related Financing Activities:		
Acquisitions of capital assets	<u>(299,491)</u>	<u>(637,244)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(299,491)</u>	<u>(637,244)</u>
Net Increase in Cash and Cash Equivalents	160,762	403,930
Cash and Cash Equivalents, beginning of year	<u>1,616,360</u>	<u>1,212,430</u>
Cash and Cash Equivalents, end of year	<u>\$ 1,777,122</u>	<u>\$ 1,616,360</u>
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities:		
Change in net position	\$ (424,554)	\$ 1,029,573
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation	161,117	152,111
Transfer of capital assets to a related party	781,401	94,859
Changes in operating assets and liabilities:		
Accounts receivable	183,744	(111,623)
Due from related parties	(52,402)	11,546
Prepaid expenses	8,929	69,298
Accounts payable	(18,294)	23,991
Due to related parties	(284,606)	(231,725)
Accrued expenses	106,442	18,230
Unearned revenue	33,391	(20,448)
Compensated absences	<u>(34,915)</u>	<u>5,362</u>
Net Cash Provided by Operating Activities	<u>\$ 460,253</u>	<u>\$ 1,041,174</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (the Organization) was incorporated in the State of California on August 28, 2009. The Organization was formed and operated solely for the benefit of California State University, Bakersfield (University) as a non-profit auxiliary organization. The Organization 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.

Basis of Presentation

The accompanying basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Use of Estimates

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

Income Taxes

The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Organization follows U.S. GAAP related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statements of revenues, expenses, and changes in net position, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2026 and 2025, therefore no amounts have been accrued.

Cash and Cash Equivalents

The Organization's cash and cash equivalents are considered to be cash on hand, and demand deposits.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year-end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. A provision for doubtful accounts has not been established as management considers all accounts to be collectible based upon a favorable history over a substantial period of time.

Capital Assets

The Organization capitalizes all expenditures for capital assets in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of three to ten years.

Unearned Revenue

Unearned revenue represents grant payments received in advance of grant earnings.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Compensated Absences

The Organization recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The Organization's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The Organization's policy permits employees to accumulate earned but unused sick leave. All unused sick leave lapses upon an employee's separation from service, and no monetary obligation is incurred. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in compensated absences liabilities.

Net Position

The Organization'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.
- Unrestricted: All other categories of net position.

Subsequent Events

The Organization has evaluated subsequent events through September 17, 2026, which is the date the financial statements were available to be issued and has determined that there were no subsequent events to recognize in these financial statements.

Implementation of New Accounting Standard

Effective July 1, 2025, the Organization adopted GASB Statement No. 103, Financial Reporting Model Improvements. This statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Management has analyzed the provisions contained in the Statement and updated the financial statements accordingly. Certain items in the 2025 financial statements have been reclassified to conform to current year classifications. Specifically, certain items previously reported as operating expenses were reclassified to noncapital subsidies, in the amount of \$196,636. The adoption of this Statement had no effect on previously reported net position or changes in net position.

Effective July 1, 2025, the Organization adopted GASB Statement No. 104, Disclosures of Certain Capital Assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and requires additional disclosures for capital assets held for sale. Management has analyzed the provisions contained in the Statement and determined that there is no impact on the financial statements from the adoption of the new Statement.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 2 - Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. The balances at times may exceed FDIC limits. The Organization manages this risk by using high-quality financial institutions.

Note 3 - Capital Assets

Changes in capital assets consist of the following as of June 30, 2026:

	Balance June 30, 2025	Additions	Transfers	Balance June 30, 2026
Equipment	\$ 1,720,352	\$ 299,491	\$ (1,037,716)	\$ 982,127
Less accumulated depreciation	(268,585)	(161,117)	256,315	(173,387)
	<u>\$ 1,451,767</u>	<u>\$ 138,374</u>	<u>\$ (781,401)</u>	<u>\$ 808,740</u>

Changes in capital assets consist of the following as of June 30, 2025:

	Balance June 30, 2024	Additions	Transfers	Balance June 30, 2025
Equipment	\$ 1,187,532	\$ 637,244	\$ (104,424)	\$ 1,720,352
Less accumulated depreciation	(126,039)	(152,111)	9,565	(268,585)
	<u>\$ 1,061,493</u>	<u>\$ 485,133</u>	<u>\$ (94,859)</u>	<u>\$ 1,451,767</u>

Note 4 - University Contract Services

The Organization utilizes University employees to provide direct programming and supporting services for the Organization including managing and overseeing grant activities. Additionally, University employees provide indirect services on behalf of the Organization including accounting, human resources, facility management, information technology, and other administrative services as appropriate. Services provided to the Organization by employees of the University are recognized as revenue equal to the University's estimate of the employee cost incurred to provide those services. The total estimated employee cost for the years ended June 30, 2026 and 2025 was \$2,042,889 and \$2,093,918, respectively, and has been recognized as University contract services revenue and as an operating expense in the statements of revenues, expenses, and changes in net position.

The Organization utilizes University facilities to conduct its services. The Organization has recognized revenue equal to the fair value of this rent for similar facilities. The total estimated fair value of this rent for the years ended June 30, 2026 and 2025 was \$156,600 and has been recognized as University contract services revenue and as an operating expense in the statements of revenues, expenses, and changes in net position.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 5 - Related Party Transactions

The Organization functions to benefit the University by accomplishing certain objectives, including faculty and staff research and educational projects, that require financial support not provided by the State. The University collects funds on behalf of the Organization related to draw downs on their various grants. These amounts are reported as payments received from the University. The University incurs payroll and other administrative cost to support the Organization's program services which are reimbursed by the Organization and included as payments to the University.

California State University, Bakersfield Foundation (Foundation) functions to the benefit of the University by fundraising for University programs and activities. Payments received from Foundation are for the reimbursement of expenses incurred by the Organization on behalf of Foundation. Payments to Foundation include reimbursements for expenses paid by Foundation on behalf of the Organization.

California State University, Bakersfield, Student-centered Enterprises, Inc. (Student-centered Enterprises) operates various campus programming facilities. Payments to Student-centered Enterprises are for the use of the related party's facilities and equipment.

Related party transactions as of and for the years ended June 30, 2026 and 2025 are as follows:

	<u>2026</u>	<u>2025</u>
Payments received from:		
University	\$ 101,936	\$ 12,850
Foundation	<u>1,099</u>	<u>755</u>
	<u>\$ 103,035</u>	<u>\$ 13,605</u>
Payments to:		
University	\$ 6,562,073	\$ 6,083,713
Foundation	13,957	8,024
Student-centered Enterprises	<u>5,435</u>	<u>13,783</u>
	<u>\$ 6,581,465</u>	<u>\$ 6,105,520</u>
Due from:		
University	<u>\$ 54,542</u>	<u>\$ 2,140</u>
Due to:		
University	\$ 689,122	\$ 971,888
Foundation	1,006	2,927
Student-centered Enterprises	<u>1,950</u>	<u>1,869</u>
	<u>\$ 692,078</u>	<u>\$ 976,684</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 6 - Compensated Absences

A summary of the changes in compensated absences as of June 30, 2026 and 2025 are as follows:

	Balance June 30, 2025	Net Additions (Reductions)	Balance June 30, 2026	Current Portion
Compensated absences	\$ <u>89,576</u>	\$ <u>(34,915)</u>	\$ <u>54,661</u>	\$ <u>54,661</u>
	Balance June 30, 2024	Net Additions	Balance June 30, 2025	Current Portion
Compensated absences	\$ <u>84,214</u>	\$ <u>5,362</u>	\$ <u>89,576</u>	\$ <u>89,576</u>

SUPPLEMENTAL INFORMATION

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Net Position

June 30, 2026

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 1,777,122
Short-term investments	—
Accounts receivable, net	2,685,944
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net, current portion	—
Prepaid expenses and other current assets	56,630

Total current assets

4,519,696

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Lease receivable, net of current portion	—
P3 receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	808,740
Other assets	—

Total noncurrent assets

808,740

Total assets

5,328,436

Deferred outflows of resources:

Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Leases	—
P3	—
Others	—

Total deferred outflows of resources

—

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Net Position

June 30, 2026

(for inclusion in the California State University)

Liabilities:

Current liabilities:

Accounts payable	\$	737,964
Accrued salaries and benefits payable		304,843
Accrued compensated absences - current portion		54,661
Unearned revenues		1,305,563
Lease Liabilities - current portion		—
SBITA liabilities - current portion		—
P3 liabilities - current portion		—
Long-term debt obligations - current portion		—
Claims liability for losses and loss adjustment expenses, current portion		—
Depository accounts - current portion		—
Other liabilities, current		780,590
Total current liabilities	\$	3,183,621

Noncurrent liabilities:

Accrued compensated absences, net of current portion		—
Unearned revenues		—
Grants refundable		—
Lease liabilities, net of current portion		—
SBITA liabilities, net of current portion		—
P3 liabilities, net of current portion		—
Long-term debt obligations, net of current portion		—
Claims liability for losses and loss adjustment expenses, net of current portion		—
Depository accounts		—
Net other postemployment benefits liability		—
Net pension liability		—
Other liabilities		—
Total noncurrent liabilities		—
Total liabilities		3,183,621

Deferred inflows of resources:

Service concession arrangements		—
Net pension liability		—
Net OPEB liability		—
Unamortized gain on debt refunding(s)		—
Nonexchange transactions		—
Leases		—
P3		—
Others		—
Total deferred inflows of resources		—

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Net Position

June 30, 2026

(for inclusion in the California State University)

Net position:

Net investment in capital assets	808,740
Restricted for:	
Endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	1,336,075
Total net position	<u>2,144,815</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2026

(for inclusion in the California State University)

Revenues:

Operating revenues:

Student Tuition & Fees, gross	\$	—
Scholarship allowances, enter as negative		—

Student Financial Aid Grants:

Federal Financial Aid Grants	—
State Financial Aid Grants	—
Local Financial Aid Grants	—
Nongovernmental and Other Financial Aid Grants	—

Grants and contracts, noncapital:

Federal	7,798,394
State	3,575,657
Local	35,220
Nongovernmental	469,524
Sales and services of Educational Activities	—
Sales and services Auxiliary Enterprises, gross	—
Scholarship allowances for sales of auxiliary enterprises	—
Other operating revenues	2,199,489
Total operating revenues	14,078,284

Expenses:

Operating expenses:

Instruction	847,597
Research	4,030,463
Public service	1,529,717
Academic support	811,632
Student services	2,872,659
Institutional support	2,770,234
Operation and maintenance of plant	7,001
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	161,117
Total operating expenses	13,030,420

See independent auditor's report.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2026

(for inclusion in the California State University)

NonCapital Subsidies:	
State appropriations	—
Gifts	—
Other Noncapital Subsidies received/(provided)	(306,884)
Federal Noncapital Subsidies received/(provided)	(783,425)
Total NonCapital Subsidies Provided:	<u>(1,090,309)</u>
Operating Income (Loss) and NonCapital Subsidies:	(42,445)
Nonoperating revenues (expenses):	
Federal Subsidies, capital received/(provided)	—
State appropriations, capital	—
Nonoperating Subsidies received/(provided)	(375,000)
Grants and gifts, capital	—
Investment income (loss), net	(7,109)
Endowment income (loss), net	—
Interest Revenue	—
Interest Expense	—
Gains or losses on capital assets	—
Additions/reductions to permanent endowments	—
Total nonoperating revenues (expenses)	<u>(382,109)</u>
Increase (decrease) in net position	<u>(424,554)</u>
Net position:	
Net position at beginning of year	<u>2,569,369</u>
Net position at end of year	<u><u>2,144,815</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2026

(for inclusion in the California State University)

1. Cash and cash equivalents

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	1,777,122
Total	\$ 1,777,122

2.1 Composition of investments: Not Applicable

2.2 Fair value hierarchy in investments: Not Applicable

2.3 Investments held by the University under contractual agreements: Not Applicable

3.1 Capital Assets

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2025 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Non-depreciable/non-amortizable capital assets:									
Land and land improvements	\$ -	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	1,720,352	-	-	-	1,720,352	299,491	(1,037,716)	-	982,127
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	1,720,352	-	-	-	1,720,352	299,491	(1,037,716)	-	982,127
Total capital assets	\$ 1,720,352	\$ -	\$ -	\$ -	\$ 1,720,352	\$ 299,491	\$ (1,037,716)	\$ -	\$ 982,127

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2026

(for inclusion in the California State University)

Less accumulated depreciation/amortization: (enter as negative number, except for										
Buildings and building improvements	-	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-
Personal property:										
Equipment	(268,585)	-	-	-	(268,585)	(161,117)	256,315	-	-	(173,387)
Library books and materials	-	-	-	-	-	-	-	-	-	-
Intangible assets:										
Software and websites	-	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Other intangible assets:										
Total Other intangible assets	-	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(268,585)	-	-	-	(268,585)	(161,117)	256,315	-	-	(173,387)
Total capital assets, net excluding ROU assets	\$ 1,451,767	\$ -	\$ -	\$ -	\$ 1,451,767	\$ 138,374	\$ (781,401)	\$ -	\$ -	\$ 808,740
Capital Assets - Right of Use, net										
Composition of capital assets - Lease ROU, net:										
	Balance June 30, 2025	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026	
Non-depreciable/Non-amortizable lease assets:										
Land and land improvements	-	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:										
Land and land improvements	-	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-
Personal property:										
Equipment	-	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable lease assets	-	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization: (enter as negative number, except for										
Land and land improvements	-	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-
Personal property:										
Equipment	-	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-	-
Total capital assets - lease ROU, net	-	-	-	-	-	-	-	-	-	-

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2026

(for inclusion in the California State University)

Composition of capital assets - SBITA ROU, net	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Depreciable/Amortizable SBITA assets:									
Software	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	-	-	-	-	-	-	-	-	-
Composition of capital assets - P3 ROU, net:									
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	-	-	-	-	-	-	-	-	-
Total capital assets, net including ROU assets									<u>\$ 808,740</u>
3.2 Detail of depreciation and amortization expense									
Depreciation and amortization expense related to capital assets	\$ 161,117								
Amortization expense - Leases ROU	-								
Amortization expense - SBITA ROU	-								
Amortization expense - P3 ROU	-								
Depreciation and Amortization expense - Others	-								
Total depreciation and amortization	<u>\$ 161,117</u>								

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2026

(for inclusion in the California State University)

4. Long-term liabilities

	Balance June 30, 2025	Prior Period Adjustments/ Reclassifications	Balance June 30, 2025 (Restated)	Additions	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 89,576	\$ -	\$ 89,576	\$ (34,915)	\$ -	\$ 54,661	\$ 54,661	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:								
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
5. Lease, SBITA, P3 liabilities:								
Lease liabilities	-	-	-	-	-	-	-	-
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	-	-	-	-	-	-	-	-
Total long-term liabilities						\$ 54,661	\$ 54,661	\$ -

5. Future minimum payments schedule - leases, SBITA, P3: Not Applicable

6. Future minimum payments schedule - Long-term debt obligations: Not Applicable

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2026

(for inclusion in the California State University)

7. Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$	2,355,991
Payments to University for other than salaries of University personnel		4,206,082
Payments received from University for services, space, and programs		101,936
Gifts-in-kind to the University from discretely presented component units		-
Gifts (cash or assets) to the University from discretely presented component units		-
Accounts (payable to) University		(689,122)
Other amounts (payable to) University		-
Accounts receivable from University		54,542
Other amounts receivable from University		-

8. Restatements: Not Applicable

9. Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ 272,684	\$ 32,545	\$ -	\$ -	\$ -	\$ 542,368	\$ -	\$ 847,597
Research	1,899,469	291,825	-	-	-	1,839,169	-	4,030,463
Public service	567,214	139,317	-	-	-	823,186	-	1,529,717
Academic support	456,830	162,841	-	-	-	191,961	-	811,632
Student services	1,150,873	285,739	-	-	-	1,436,047	-	2,872,659
Institutional support	1,244,263	798,626	-	-	-	727,345	-	2,770,234
Operation and maintenance of plant	-	-	-	-	-	7,001	-	7,001
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	161,117	161,117
Total operating expenses	\$ 5,591,333	\$ 1,710,893	\$ -	\$ -	\$ -	\$ 5,567,077	\$ 161,117	\$ 13,030,420

No pension plan reported

N/A

10. Deferred outflows/inflows of resources: Not Applicable

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

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, the financial statements of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (a nonprofit organization), which comprise the statement of net position as of June 30, 2026, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered California State University, Bakersfield, Auxiliary for Sponsored Programs Administration'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration'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 the entity'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 California State University, Bakersfield, Auxiliary for Sponsored Programs Administration'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*.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, CONTINUED

INDEPENDENT AUDITOR'S REPORT, CONTINUED

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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 17, 2026

California State University, Bakersfield Foundation

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Years Ended June 30, 2026 and 2025



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Financial Statements and Supplemental Information

Years Ended June 30, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
California State University, Bakersfield Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of California State University, Bakersfield Foundation, which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of California State University, Bakersfield Foundation as of June 30, 2026 and 2025, and the 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California State University, Bakersfield Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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 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 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements, continued

In performing an audit in accordance with 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 California State University, Bakersfield 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 California State University, Bakersfield 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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on pages 31-41 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the 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 18, 2026, on our consideration of California State University, Bakersfield 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 California State University, Bakersfield 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 California State University, Bakersfield Foundation's internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
September 18, 2026

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Statements of Financial Position**

June 30, 2026 and 2025

	2026	2025
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 17,552,389	\$ 17,356,052
Current portion of promises to give	370,750	736,455
Due from related parties	74,195	33,381
Accounts receivable, net of allowance for credit losses	8,839	708
Other current assets	-	100
Total Current Assets	18,006,173	18,126,696
Non-Current Assets:		
Investments	52,367,505	46,041,535
Promises to give, net of discount and current portion	1,086,687	1,107,661
Property and equipment, net of accumulated depreciation	4,029	21,542
Collections	35,000	82,170
Total Non-Current Assets	53,493,221	47,252,908
Total Assets	\$ 71,499,394	\$ 65,379,604
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 148,220	\$ 190,271
Due to related parties	217,078	150,342
Deposits, events	5,594	9,187
Revenue collected in advance	65,142	5,617
Current portion of accrued post-employment benefits other than pensions	79,613	72,134
Total Current Liabilities	515,647	427,551
Non-Current Liabilities:		
Accrued post-employment benefits other than pensions, net of current portion	884,367	831,110
Total Liabilities	1,400,014	1,258,661
Net Assets:		
Without donor restrictions:		
Operating	(2,145,893)	(1,749,872)
Board designated endowments	6,353,137	5,508,507
	4,207,244	3,758,635
With donor restrictions:		
Purpose restricted	19,678,950	19,361,217
Endowments - accumulated investment gains	13,927,411	9,693,401
Endowments - perpetual in nature	32,285,775	31,307,690
	65,892,136	60,362,308
Total Net Assets	70,099,380	64,120,943
Total Liabilities and Net Assets	\$ 71,499,394	\$ 65,379,604

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Statement of Activities**

Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 78,555	\$ 4,018,788	\$ 4,097,343
Investment income	1,378,671	5,935,884	7,314,555
Contributed nonfinancial assets (Note 11)	2,471,900	45,341	2,517,241
Other	689,571	178,715	868,286
Transfers from related parties (Note 12)	-	18,705	18,705
Net assets released from restriction	4,667,605	(4,667,605)	-
Total Revenue and Other Support	9,286,302	5,529,828	14,816,130
Expenses:			
Program services:			
Alumni engagement	158,957	-	158,957
Athletics	1,039,914	-	1,039,914
Scholarships and academic support	3,551,514	-	3,551,514
Supporting services:			
General and administrative	1,963,561	-	1,963,561
Fundraising	1,928,043	-	1,928,043
Total Operating Expenses	8,641,989	-	8,641,989
Income from Operations	644,313	5,529,828	6,174,141
Non-Operating Expenses:			
Change in post-employment benefits other than pensions	(134,878)	-	(134,878)
Loss on disposal of property and equipment and collections	(60,826)	-	(60,826)
Total Non-Operating Expenses	(195,704)	-	(195,704)
Change in Net Assets	448,609	5,529,828	5,978,437
Net Assets, beginning	3,758,635	60,362,308	64,120,943
Net Assets, ending	\$ 4,207,244	\$ 65,892,136	\$ 70,099,380

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Statement of Activities**

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 72,985	\$ 3,280,186	\$ 3,353,171
Investment income	1,114,860	4,252,327	5,367,187
Contributed nonfinancial assets (Note 11)	2,572,414	97,404	2,669,818
Other	717,900	196,660	914,560
Transfers from related parties (Note 12)	-	28,212	28,212
Net assets released from restriction	5,143,705	(5,143,705)	-
Total Revenue and Other Support	9,621,864	2,711,084	12,332,948
Expenses:			
Program services:			
Alumni engagement	148,827	-	148,827
Athletics	1,713,159	-	1,713,159
Scholarships and academic support	3,223,092	-	3,223,092
Supporting services:			
General and administrative	1,907,460	-	1,907,460
Fundraising	1,859,446	-	1,859,446
Total Operating Expenses	8,851,984	-	8,851,984
Income from Operations	769,880	2,711,084	3,480,964
Non-Operating Revenues (Expenses):			
Transfers from related parties (Note 12)	1,326,423	-	1,326,423
Prior year contribution returned to donor	(1,500,000)	-	(1,500,000)
Change in post-employment benefits other than pensions	(191,466)	-	(191,466)
Total Non-Operating Revenues (Expenses)	(365,043)	-	(365,043)
Change in Net Assets	404,837	2,711,084	3,115,921
Net Assets, beginning	3,353,798	57,651,224	61,005,022
Net Assets, ending	\$ 3,758,635	\$ 60,362,308	\$ 64,120,943

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Statement of Functional Expenses

Year Ended June 30, 2026

	Program Services				Supporting Services			Total
	Alumni Engagement	Athletics	Scholarships and Academic Support	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Operating Expenses:								
University contract services (Note 11)	\$ 115,364	\$ -	\$ -	\$ 115,364	\$ 1,175,505	\$ 1,181,031	\$ 2,356,536	\$ 2,471,900
Scholarships	-	265,993	1,051,264	1,317,257	-	-	-	1,317,257
Salaries and wages	-	145,132	780,277	925,409	825	-	825	926,234
Transfers to related parties (Note 12)	-	60,500	592,783	653,283	-	-	-	653,283
Supplies and services	17,413	31,791	406,515	455,719	6,600	121,181	127,781	583,500
Employee benefits	-	15,776	184,991	200,767	338,693	-	338,693	539,460
Contractual services	-	189,750	225,551	415,301	9,481	-	9,481	424,782
Travel	3,711	242,259	99,762	345,732	6,757	24,255	31,012	376,744
Events	-	-	2,760	2,760	-	332,911	332,911	335,671
Information technology	-	145	7,819	7,964	27,109	158,456	185,565	193,529
Office expense	9,081	14,751	53,088	76,920	22,561	52,918	75,479	152,399
Services from other agencies	-	-	-	-	122,500	-	122,500	122,500
Conference, conventions, and meetings	9,300	11,782	40,455	61,537	6,754	48,078	54,832	116,369
Advertising and promotion	-	19,120	22,649	41,769	44,632	3,676	48,308	90,077
Bank and credit card fees	-	-	-	-	71,498	-	71,498	71,498
Insurance	3,239	6,297	26,940	36,476	22,160	565	22,725	59,201
Accounting	-	-	-	-	56,890	-	56,890	56,890
Dues and subscriptions	-	6	14,569	14,575	32,818	4,566	37,384	51,959
Occupancy	849	-	35,963	36,812	5,810	250	6,060	42,872
Minor equipment	-	28,329	2,221	30,550	3,960	156	4,116	34,666
Contributed nonfinancial asset	-	5,233	3,907	9,140	-	-	-	9,140
Legal	-	-	-	-	8,201	-	8,201	8,201
Depreciation	-	3,050	-	3,050	807	-	807	3,857
Total operating expenses	\$ 158,957	\$ 1,039,914	\$ 3,551,514	\$ 4,750,385	\$ 1,963,561	\$ 1,928,043	\$ 3,891,604	\$ 8,641,989

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services				Supporting Services			Total
	Alumni Engagement	Athletics	Scholarships and Academic Support	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Operating Expenses:								
University contract services (Note 11)	\$ 112,925	\$ -	\$ -	\$ 112,925	\$ 1,235,840	\$ 1,223,649	\$ 2,459,489	\$ 2,572,414
Scholarships	-	456,511	1,032,393	1,488,904	-	-	-	1,488,904
Salaries and wages	-	448,745	595,018	1,043,763	1,600	-	1,600	1,045,363
Transfers to related parties (Note 12)	-	73,994	587,385	661,379	19,110	-	19,110	680,489
Supplies and services	15,433	131,390	402,816	549,639	28,229	70,066	98,295	647,934
Travel	555	416,504	83,487	500,546	7,830	31,152	38,982	539,528
Employee benefits	-	61,961	109,857	171,818	308,163	-	308,163	479,981
Events	-	-	5,460	5,460	-	254,811	254,811	260,271
Information technology	-	756	51,535	52,291	29,166	148,828	177,994	230,285
Office expense	7,249	3,048	68,569	78,866	26,542	65,139	91,681	170,547
Contractual services	-	-	122,748	122,748	6,750	10,225	16,975	139,723
Conference, conventions, and meetings	5,135	31,895	54,095	91,125	3,769	44,319	48,088	139,213
Bank and credit card fees	-	-	-	-	60,623	-	60,623	60,623
Dues and subscriptions	-	5,218	28,588	33,806	20,977	4,483	25,460	59,266
Accounting	-	-	-	-	53,700	-	53,700	53,700
Minor equipment	-	29,934	19,249	49,183	614	-	614	49,797
Advertising and promotion	59	2,554	2,001	4,614	39,757	5,284	45,041	49,655
Bad debt	-	-	-	-	38,441	-	38,441	38,441
Occupancy	4,388	81	26,698	31,167	5,285	1,155	6,440	37,607
Contributed nonfinancial asset	-	19,425	17,645	37,070	-	-	-	37,070
Insurance	3,083	3,860	14,198	21,141	14,254	335	14,589	35,730
Miscellaneous	-	24,233	1,350	25,583	-	-	-	25,583
Depreciation	-	3,050	-	3,050	3,702	-	3,702	6,752
Legal	-	-	-	-	3,108	-	3,108	3,108
Total operating expenses	\$ 148,827	\$ 1,713,159	\$ 3,223,092	\$ 5,085,078	\$ 1,907,460	\$ 1,859,446	\$ 3,766,906	\$ 8,851,984

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Statements of Cash Flows**

Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 5,978,437	\$ 3,115,921
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	3,857	6,752
Loss on disposal of property and equipment and collections	60,826	-
Gain on investments	(7,120,488)	(5,072,183)
Endowment contributions	(820,664)	(327,389)
Changes in operating assets and liabilities:		
Promises to give, net	386,679	1,380,553
Accounts receivable, net	(48,945)	(16,797)
Other current assets	100	3,403
Accounts payable and accrued expenses	24,685	(117,453)
Other current liabilities	55,932	(2,081)
Accrued post-employment benefits other than pensions	60,736	124,578
Net Cash Used by Operating Activities	(1,418,845)	(904,696)
Cash Flows from Investing Activities:		
Purchases of investments	(8,549,969)	(18,618,950)
Proceeds from sale of investments	9,344,487	19,658,440
Net Cash Provided by Investing Activities	794,518	1,039,490
Cash Flows Provided by Financing Activities:		
Endowment contributions	820,664	327,389
Net Increase in Cash and Cash Equivalents	196,337	462,183
Cash and Cash Equivalents, beginning	17,356,052	16,893,869
Cash and Cash Equivalents, ending	\$ <u>17,552,389</u>	\$ <u>17,356,052</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

The California State University, Bakersfield Foundation (the Foundation), was incorporated in the State of California in 1969. The Foundation was formed and operates as a nonprofit auxiliary organization of California State University, Bakersfield (CSU Bakersfield or the University), which is located in Bakersfield, California. The Foundation supports the University by advocating on behalf of the University, fundraising for University programs and activities, and managing the finances of the Foundation and the University endowment.

Financial Statement Presentation

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which requires the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Reclassifications

Certain items in the 2025 financial statements have been reclassified to conform to current year classifications. Specifically, certain expenses were reclassified among salaries and wages, supplies and services, employee benefits, office expense, bank and credit card fees, and miscellaneous in the statement of functional expenses. Such reclassifications had no effect on previously reported changes in net assets.

Use of Estimates

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

Income Taxes

The Foundation is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Foundation remains subject to taxes on any net income which is derived from a trade or business, regularly carried on, and unrelated to its exempt purpose. The Foundation is not a private foundation.

The Foundation follows U.S. GAAP related to the recognition of uncertain tax positions. The Foundation recognizes accrued interest and penalties associated with uncertain tax positions as part of the statements of activities, when applicable. Management has determined that the Foundation has no uncertain tax positions at June 30, 2026 and 2025, and therefore, no amounts have been accrued.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

Promises to Give

Promises that are expected to be collected within one year are recorded at their net realizable value. Promises that are expected to be collected in future years are discounted to their estimated net present value. After promises are originally recorded, an allowance for uncollectible promises may be established based on specific circumstances.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Accounts Receivable

Accounts receivable arise in the normal course of operations. Accounts receivable are recorded at unpaid balances, less any allowance for credit losses using a forward-looking expected credit loss model. The expected credit loss model requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and forecasts affecting collectability. For the years ended June 30, 2026 and 2025, the allowance for credit losses was \$0 and \$8,425, respectively.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. The fair value is determined using quoted market prices. Alternative investments, for which quoted market prices are not readily available, are valued at fair value by the investment manager based on factors deemed relevant by the manager including, but not limited to, market conditions, purchase price, estimated liquidation value, restrictions on transfer and meaningful third party transactions in the private market. Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material. Purchases and sales of securities are recorded on the basis at which traded on that date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in investment income reported in the statements of activities.

Property and Equipment

The Foundation capitalizes all expenditures for property and equipment in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift, if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of 3 to 30 years.

Collections

The Foundation capitalizes its collections at cost, if purchased, and at appraised or fair value at the date of acquisition, if donated. There were no acquisitions for the years ended June 30, 2026 and 2025. Capitalized collections are not depreciated. The University Policy on the Collection and Installation of Art requires funds realized from deaccession sales be used to benefit the University art collection. In the event that the Foundation disposed of collection items, proceeds could be used for the acquisition of new collection items or direct care of existing collections. Direct care of existing collections includes, but is not limited to, costs that enhance the life, usefulness, or quality of the collection.

Revenue Recognition

Contributions – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

Contributed Nonfinancial Assets – Contributions of services and tangible assets are recognized at fair market value when received. Contributed nonfinancial assets are recognized as net assets without donor restrictions unless donor stipulation requires them to be recognized as net assets with donor restrictions.

Other Revenue – Other revenue is primarily composed of sponsorships, athletics game guarantees, ticket sales, and administrative fees. Sponsorships, athletic game guarantees, and ticket sales are recognized at a point in time when performance obligations are satisfied. Administrative fees are recognized when payments on contributions are received.

Functional Allocation of Expenses

The Foundation's accounting system is established to record expenses by fund, department and natural expense. Expense function is determined by either fund alone or by a combination of fund and department. Some funds are used to accumulate expenses considered to be either general and administrative or fundraising in nature. Within those funds, the department determines whether the expense is general and administrative or fundraising in nature. The remaining funds accumulate expenses considered to be programmatic in nature. Certain costs initially captured within the program funds, such as fundraising event expenses and bad debt, are presented as general and administrative and fundraising costs instead of program costs.

Advertising

The Foundation follows the policy of charging the costs of advertising to expenses as incurred.

Fair Value Measurements

The Foundation defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Foundation applies fair value measurements to assets and liabilities that are required to be recorded at fair value under U.S. GAAP. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs.

The three levels are defined as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Certain financial instruments may be valued using net asset value (NAV) per share. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, divided by the number of shares outstanding or percentage ownership.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Fair Value Measurements, continued

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2026 and 2025.

Corporate bonds and government securities – Valued using pricing models maximizing the use of observable inputs for similar securities.

Mutual funds, common stock, and exchange traded funds – Valued at the closing price reported on the active market on which the individual securities are traded.

Hedge funds – Valued at the partner's reported capital account balance, which approximates fair value.

Private equity and private real estate – Valued at net asset value per share.

Subsequent Events

The Foundation has evaluated subsequent events through September 18, 2026, which is the date the financial statements were available to be issued. No subsequent events requiring recognition in the financial statements were identified.

On August 11, 2026, the Foundation entered into escrow to purchase the Shafter Research Center. The purchase price will be \$100,000 with a fair market value of \$2,561,000.

Note 2 - Liquidity and Availability

The following reflects the Foundation's financial assets plus amounts anticipated to be distributed within one year of the statement of financial position date, reduced by amounts not available for general use because of contractual obligations within one year of the statement of financial position date.

	<u>2026</u>	<u>2025</u>
Cash and cash equivalents	\$ 17,552,389	\$ 17,356,052
Promises to give, net	1,457,437	1,844,116
Due from related parties	74,195	33,381
Accounts receivable, net	8,839	708
Other current assets	-	100
Investments	52,367,505	46,041,535
Anticipated distributions from endowments	<u>1,733,391</u>	<u>1,601,104</u>
Total financial assets	73,193,756	66,876,996
Less amounts not available to be used within one year:		
Restricted by donor with time or purpose restrictions	(65,892,136)	(60,362,308)
Board designations: quasi-endowment fund, primarily for long-term investing	<u>(6,353,137)</u>	<u>(5,508,507)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 948,483</u>	<u>\$ 1,006,181</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 2 - Liquidity and Availability, continued

The Foundation is substantially supported by donor-restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At June 30, 2026, the Foundation had a quasi-endowment of \$6,353,137, of which \$2,767,602 was designated for general operations. At June 30, 2025, the Foundation had a quasi-endowment of \$5,508,507, of which \$2,507,538 was designated for general operations. Although the Foundation does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual appropriation process, amounts from its quasi-endowment could be made available, if necessary, by an action voted on by the board of directors.

Note 3 - Concentrations of Credit Risk

The Foundation maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. The balances at times may exceed FDIC limits. The Foundation manages this risk by using high-quality financial institutions.

The Foundation invests in various types of money market funds, corporate bonds, and mutual funds. The Foundation has established guidelines relative to diversification and maturities that target certain safety and liquidity risk levels. These guidelines are periodically reviewed and modified.

The Foundation also invests in various investment securities. Investment securities, in general, are subject to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that the changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

Three donors comprised 57% and four donors comprised 62% of promises to give at June 30, 2026 and 2025, respectively. Two donors comprised 37% and 35% of contributions for the years ended June 30, 2026 and 2025, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 4 - Investments and Fair Value Measurement

Investments consist of the following as of June 30, 2026:

	Level 1	Level 2	Level 3	NAV	Total
Common stock	\$ 13,485,994	\$ -	\$ -	\$ -	\$ 13,485,994
Corporate bonds	-	1,534,796	-	-	1,534,796
Government securities:					
U.S. Treasury securities	1,679,684	-	-	-	1,679,684
U.S. Agency securities	-	438,558	-	-	438,558
Sovereign securities	-	61,877	-	-	61,877
Mutual funds:					
Nontraditional	840,395	-	-	-	840,395
Emerging markets	1,001,715	-	-	-	1,001,715
Fixed income	2,192,574	-	-	-	2,192,574
Exchange traded funds	19,445,485	-	-	-	19,445,485
Alternative investments:					
Hedge funds	-	-	-	5,557,968	5,557,968
Private equity	-	-	-	3,286,826	3,286,826
Private real estate	-	-	-	2,841,633	2,841,633
	<u>\$ 38,645,847</u>	<u>\$ 2,035,231</u>	<u>\$ -</u>	<u>\$ 11,686,427</u>	<u>\$ 52,367,505</u>

Commitments and redemptions schedule for those investments valued based on NAV as of June 30, 2026:

	Fair Value June 30, 2026	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Ironwood Inst MS Hedge Fund [a]	\$ 1,005,079	none	semi-annually	95 calendar days
Hamilton Lane PMOF I [b]	1,107,167	184,191	none	none
Blackstone BREIT [c]	960,240	none	monthly	T-3 business days
Coatue Offshore Fund, Ltd. [d]	895,961	none	quarterly	45 calendar days
Schonfeld Fundamental Equity Fund [e]	1,392,809	none	quarterly	45 days
HarbourVest Co-Investment VI LP [f]	724,982	97,500	none	none
Bridge Workforce & Affordable Housing [g]	509,521	40,447	none	none
PE Premier Lexington CP X Offshore [h]	439,141	319,424	none	none
Coller International Partners IX - F, LP [i]	297,768	383,010	none	none
Apollo Debt Solutions BDC [j]	918,085	none	quarterly	tender window
KKR Infrastructure Conglomerate LLC [k]	943,596	none	quarterly	tender window
AlpInvest Co-Investment IX [l]	524,787	511,017	none	none
Clearlake Capital Partners VIII Offshore [m]	127,466	322,932	none	none
Verition International Multi-Strategy Fund [n]	1,222,770	none	quarterly	45 days

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 4 - Investments and Fair Value Measurement, continued

	Fair Value June 30, 2026	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
HedgePremier/Millennium International II [o]	123,264	110,687	none	90 calendar + 5 business days
Ridgewood Water & Strategic Infrastructure [p]	168,803	118,044	none	none
Grain Communications Opportunity IV [q]	124,981	170,960	none	none
Rialto Real Estate Fund V – Debt [r]	134,392	186,135	none	none
Adams Street (HNW Offshore) Co-Investment Fund VI [s]	65,515	340,000	none	none
ASF IX Infrastructure EU [t]	100	999,900	none	none

[a] Ironwood Inst MS Hedge Fund is a fund of hedge funds which are relative value and event driven, equity market neutral, distressed securities and credit opportunities.

[b] Hamilton Lane PMOF I is a diversified private equity fund of funds. Liquidity occurs as underlying private equity investments are sold.

[c] Blackstone BREIT is a 1933 Act non-traded perpetual life real estate investment trust (REIT). The fund focuses on investing in stabilized, income-generating commercial real estate in the U.S. and is diversified across property types.

[d] Coatue Offshore Fund, Ltd. is a long/short hedge fund, focused on the technology, media and telecommunications sectors.

[e] Schonfeld Fundamental Equity Fund is a multi-manager platform equity market neutral hedge fund that invests with the majority of Schonfeld Strategic Advisors LLC's fundamental discretionary PMs and a subset of its tactical strategy managers.

[f] HarbourVest Co-Investment VI LP is a global private equity fund of direct co-investments primarily in the buyout and growth equity spaces.

[g] Bridge Workforce & Affordable Housing Fund II LP is a value-add private real estate fund that focuses on the multi-family sector. Their investments seek to preserve, rehabilitate and develop workforce and affordable housing assets in high-growth U.S. markets.

[h] PE Premier Lexington CP X Offshore LP will seek to construct a globally diversified portfolio of secondary interests in established private investment funds across buyout, growth, and venture capital strategies at attractive discounts to market value while preserving capital and generating early and frequent cash distributions.

[i] Collier International Partners IX - F, LP seeks to execute on secondary transactions from across the secondary market, ranging from diversified LP-led transactions to complex direct and GP-led transactions.

[j] Apollo Debt Solutions BDC is a perpetual Non-Traded Business Development Company ("BDC"), whose securities are registered under the Securities Exchange Act of 1933 and elects to be regulated as a BDC under the Investment Company Act of 1940. The fund seeks to generate current income and, to a lesser extent, long-term capital appreciation by investing primarily in private loans and securities, mainly to large cap, private U.S. companies, and to a lesser extent, middle market U.S. and international companies.

[k] KKR Infrastructure Conglomerate LLC is a continuously offered U.S. Operating Company that seeks to acquire, own and control infrastructure assets through joint ventures across different infrastructure sectors in North America, Western Europe and Asia Pacific.

[l] Alpinvest Co-Investment Fund IX, LP is a global private equity fund that seeks to construct a portfolio of 60-80 co-investments alongside primarily buyout financial sponsors diversified by geographies, industries, company stage (growth and mature), deal types (co-sponsor and syndicated) and buyout market segments (large and middle-market).

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 4 - Investments and Fair Value Measurement, continued

[m] Clearlake Capital Partners VIII Offshore (M), LP is a private equity fund focused on large-cap buyout investments in technology, industrials, and financial services. The fund will have a flexible mandate to invest across the capital structure but will primarily invest across three investment types: control buyout, structured equity, and special situations.

[n] Verition International Multi-Strategy Fund is a multi-manager, relative value hedge fund and has exposure to roughly 95 strategies split across Equity L/S, Fixed Income/Macro, Credit, Event-Driven, Convertible/Volatility and Quantitative Strategies. The portfolio is built from the bottom-up with each PM managing their allocated capital within pre-defined risk parameters. Verition seeks out niche strategies that exhibit low correlations to the markets and each other.

[o] HedgePremier/Millennium International II Ltd. is a multi-strategy hedge fund that seeks to generate attractive returns through a diversified, multi-manager trading platform utilizing five core strategies: equity long/short, quantitative/statistical arbitrage, fixed income relative value, risk arbitrage/event driven and commodities.

[p] Ridgewood Water & Strategic Infrastructure Fund II, LP is a private infrastructure fund that invests in essential infrastructure in the U.S. lower middle market with a focus on sectors including Water, Energy Transition, Transport, and Utilities. The fund targets assets and businesses providing critical services and generating inflation-linked cash flows and uses a repeatable and controllable, operationally oriented value-creation with the goal to create core infrastructure assets and businesses with growth that are desired by a broad universe of potential buyers.

[q] Grain Communications Opportunity IV is a private infrastructure fund that invests across Grain's key telecom subsectors: fiber, spectrum, managed and infrastructure services, data centers, towers & communication sites. The fund's strategy aims to focus on businesses/assets exhibiting strong growth potential, execute a data-driven operator approach to private equity investing in the infrastructure space, and invest in non-correlated assets that have historically shown resilience to private market volatility.

[r] Rialto Real Estate Fund V – Debt, LP is a private real estate fund that looks to take advantage of market dislocation in the commercial real estate ("CRE") debt markets which is generating opportunities for yields at cyclical highs across CRE direct lending, bank CRE loan portfolios, and CRE debt securities.

[s] Adams Street Co-Investment Fund VI is a private equity fund that intends to make 40-50 co-investments alongside private equity fund sponsors. The Fund will primarily focus on small and mid-cap buyout but will allocate capital to large cap buyout and growth equity. Fund VI is expected to be diversified by geography and sectors.

[t] ASF IX Infrastructure will be Ardian's fourth fund focused exclusively on secondary infrastructure transactions. The strategy focuses on acquiring cash flowing assets, primarily in North America and Western Europe.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 4 - Investments and Fair Value Measurement, continued

Investments consist of the following as of June 30, 2025:

	Level 1	Level 2	Level 3	NAV	Total
Common stock	\$ 11,692,547	\$ -	\$ -	\$ -	\$ 11,692,547
Corporate bonds	-	1,158,756	-	-	1,158,756
Government securities:					
U.S. Treasury securities	1,732,284	-	-	-	1,732,284
U.S. Agency securities	-	425,063	-	-	425,063
Sovereign securities	-	55,351	-	-	55,351
Mutual funds:					
Nontraditional	754,414	-	-	-	754,414
Emerging markets	889,948	-	-	-	889,948
Fixed income	1,966,103	-	-	-	1,966,103
Exchange traded funds	17,381,320	-	-	-	17,381,320
Alternative investments:					
Hedge funds	-	-	-	4,744,357	4,744,357
Private equity	-	-	-	2,747,753	2,747,753
Private real estate	-	-	-	2,493,639	2,493,639
	<u>\$ 34,416,616</u>	<u>\$ 1,639,170</u>	<u>\$ -</u>	<u>\$ 9,985,749</u>	<u>\$ 46,041,535</u>

Commitments and redemptions schedule for those investments valued based on NAV as of June 30, 2025:

	Fair Value June 30, 2025	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Ironwood Inst MS Hedge Fund [a]	\$ 863,552	none	semi-annually	95 calendar days
Hamilton Lane PMOF I [b]	1,219,248	211,039	none	none
Blackstone BREIT [c]	876,325	none	monthly	T-3 business days
Coatue Offshore Fund, Ltd. [d]	680,891	none	quarterly	45 calendar days
Starboard Value and Opportunity Fund [e]	28,825	none	quarterly	90 days
Schonfeld Fundamental Equity Fund [f]	1,135,977	none	none	45 days
HarbourVest Co-Investment VI LP [g]	696,631	97,500	none	none
Bridge Workforce & Affordable Housing [h]	511,510	60,194	none	none
PE Premier Lexington CP X Offshore [i]	368,234	316,076	none	none
Coller International Partners IX - F, LP [j]	209,382	451,392	quarterly	none
Apollo Debt Solutions BDC [k]	864,501	none	quarterly	tender window
KKR Infrastructure Conglomerate LLC [l]	864,921	none	none	purchase date
AlpInvest Co-Investment IX [m]	229,351	760,492	none	none
Clearlake Capital Partners VIII Offshore [n]	24,907	424,000	quarterly	none

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 4 - Investments and Fair Value Measurement, continued

	Fair Value June 30, 2025	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Verition International Multi-Strategy Fund [o]	1,103,545	none	quarterly	45 days
HedgePremier/Millennium International II [p]	67,066	156,527	none	90 calendar + 5 business days
Ridgewood Water & Strategic Infrastructure [q]	76,452	196,309	none	none
Grain Communications Opportunity IV [r]	77,342	220,888	none	none
Rialto Real Estate Fund V – Debt [s]	87,089	226,300	none	none

[a] Ironwood Inst MS Hedge Fund is a fund of hedge funds which are relative value and event driven, equity market neutral, distressed securities and credit opportunities.

[b] Hamilton Lane PMOF I is a diversified private equity fund of funds. Liquidity occurs as underlying private equity investments are sold.

[c] Blackstone BREIT is a 1933 Act non-traded perpetual life real estate investment trust (REIT). The fund focuses on investing in stabilized, income-generating commercial real estate in the U.S. and is diversified across property types.

[d] Coatue Offshore Fund, Ltd. is a long/short hedge fund, focused on the technology, media and telecommunications sectors.

[e] Starboard Value and Opportunity Fund Ltd. is an event-driven hedge fund that seeks to invest in undervalued companies and actively engage with management teams and boards of directors to identify and execute on opportunities to unlock value.

[f] Schonfeld Fundamental Equity Fund is a multi-manager platform equity market neutral hedge fund that invests with the majority of Schonfeld Strategic Advisors LLC's fundamental discretionary PMs and a subset of its tactical strategy managers.

[g] HarbourVest Co-Investment VI LP is a global private equity fund of direct co-investments primarily in the buyout and growth equity spaces.

[h] Bridge Workforce & Affordable Housing Fund II LP is a value-add private real estate fund that focuses on the multi-family sector. Their investments seek to preserve, rehabilitate and develop workforce and affordable housing assets in high-growth U.S. markets.

[i] PE Premier Lexington CP X Offshore LP will seek to construct a globally diversified portfolio of secondary interests in established private investment funds across buyout, growth, and venture capital strategies at attractive discounts to market value while preserving capital and generating early and frequent cash distributions.

[j] Collier International Partners IX - F, LP seeks to execute on secondary transactions from across the secondary market, ranging from diversified LP-led transactions to complex direct and GP-led transactions.

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[m] Alpinvest Co-Investment Fund IX, LP is a global private equity fund that seeks to construct a portfolio of 60-80 co-investments alongside primarily buyout financial sponsors diversified by geographies, industries, company stage (growth and mature), deal types (co-sponsor and syndicated) and buyout market segments (large and middle-market).

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 4 - Investments and Fair Value Measurement, continued

[n] Clearlake Capital Partners VIII Offshore (M), LP is a private equity fund focused on large-cap buyout investments in technology, industrials, and financial services. The fund will have a flexible mandate to invest across the capital structure but will primarily invest across three investment types: control buyout, structured equity, and special situations.

[o] Verition International Multi-Strategy Fund is a multi-manager, relative value hedge fund and has exposure to roughly 95 strategies split across Equity L/S, Fixed Income/Macro, Credit, Event-Driven, Convertible/Volatility and Quantitative Strategies. The portfolio is built from the bottom-up with each PM managing their allocated capital within pre-defined risk parameters. Verition seeks out niche strategies that exhibit low correlations to the markets and each other.

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[r] Grain Communications Opportunity IV is a private infrastructure fund that invests across Grain's key telecom subsectors: fiber, spectrum, managed and infrastructure services, data centers, towers & communication sites. The fund's strategy aims to focus on businesses/assets exhibiting strong growth potential, execute a data-driven operator approach to private equity investing in the infrastructure space, and invest in non-correlated assets that have historically shown resilience to private market volatility.

[s] Rialto Real Estate Fund V – Debt, LP is a private real estate fund that looks to take advantage of market dislocation in the commercial real estate ("CRE") debt markets which is generating opportunities for yields at cyclical highs across CRE direct lending, bank CRE loan portfolios, and CRE debt securities.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Notes to Financial Statements**

Years Ended June 30, 2026 and 2025

Note 5 - Promises to Give

Promises to give consist of the following:

	2026	2025
Due in less than one year	\$ 370,750	\$ 736,455
Due in one to five years	545,500	533,250
Due in more than five years	<u>715,000</u>	<u>766,000</u>
Gross promises to give	1,631,250	2,035,705
Less:		
Discount on promises to give (average imputed rate of 3%)	<u>(173,813)</u>	<u>(191,589)</u>
Promises to give, net	<u>\$ 1,457,437</u>	<u>\$ 1,844,116</u>

Promises to give consist of the following on the statements of financial position:

	2026	2025
Current	\$ 370,750	\$ 736,455
Non-current	<u>1,086,687</u>	<u>1,107,661</u>
	<u>\$ 1,457,437</u>	<u>\$ 1,844,116</u>

Note 6 - Property and Equipment

Property and equipment consist of the following:

	2026	2025
Equipment	\$ 1,445,608	\$ 1,562,423
Leasehold improvements	170,200	232,323
Improvements, other than buildings	-	72,963
Buildings and building improvements	<u>6,152</u>	<u>12,127</u>
	1,621,960	1,879,836
Less accumulated depreciation	<u>(1,621,070)</u>	<u>(1,861,433)</u>
	890	18,403
Land	<u>3,139</u>	<u>3,139</u>
	<u>\$ 4,029</u>	<u>\$ 21,542</u>

Note 7 - Defined Benefit Pension Plan

In previous years, the Foundation contributed to the Public Employees' Retirement System of the State of California (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public agencies in California. During the years ended June 30, 2026 and 2025, the benefit obligation contribution was made by CSU Bakersfield.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Notes to Financial Statements**

Years Ended June 30, 2026 and 2025

Note 8 - Post-Employment Benefits Other Than Pensions

The Foundation no longer has direct employees that qualify for postretirement health care benefits through CalPERS and instead utilizes services from the University to fulfill its needs. However, these benefits are provided to previous direct employees of the Foundation who retired prior to this operational change. Continued participation in the existing health and dental plans is offered. Once the individual is eligible for Medicare, coverage may be continued in the CalPERS health plan by enrolling in a supplement to Medicare or a Managed Medicare Plan. The following information is based on actuarial studies performed as of June 30, 2026 and 2025:

Net periodic postretirement benefit cost included the following components:

	2026	2025
Service cost	\$ -	\$ -
Interest cost	45,503	39,196
Amortization net gain	(79,393)	(105,150)
Net periodic postretirement benefit income	<u>\$ (33,890)</u>	<u>\$ (65,954)</u>

The net periodic postretirement benefit cost was determined using the following weighted average assumptions:

	2026	2025
Discount rate	5.25%	5.25%
Expected long-term rate of return	N/A	N/A
Health care cost trend rate:		
Present rate before 65	8.00%	8.00%
Present rate 65 and older	6.50%	6.50%
Ultimate rate before age 65 (year reached)	4.50%	4.50%
Ultimate rate age 65 and older (year reached)	4.50%	4.50%

	2026	2025
Total accumulated postretirement and projected benefit obligation	<u>\$ 963,980</u>	<u>\$ 903,244</u>

Changes in the total postretirement benefit obligation:

	2026	2025
Beginning accrued postretirement benefit obligation	\$ 903,244	\$ 778,666
Actuarial loss	169,155	257,032
Retiree contributions:		
Net periodic postretirement income	(33,890)	(65,954)
Estimated benefit payments	<u>(74,529)</u>	<u>(66,500)</u>
Ending accrued postretirement benefit obligation	<u>\$ 963,980</u>	<u>\$ 903,244</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Notes to Financial Statements**Years Ended June 30, 2026 and 2025

Note 8 - Post-Employment Benefits Other Than Pensions, continued

The projected accrued postretirement benefit obligation was determined using the following weighted average assumptions:

	<u>2026</u>	<u>2025</u>
Discount rate	5.50%	5.25%
Health care cost trend rate:		
Present rate before 65	8.50%	8.00%
Present rate 65 and older	7.00%	6.50%
Ultimate rate before age 65 (year reached)	4.50%	4.50%
Ultimate rate age 65 and older (year reached)	4.50%	4.50%

The expected net periodic postretirement benefit cost for fiscal year ending June 30, 2027:

Service cost	\$	-
Interest cost		50,800
Amortization of unrecognized net gain		<u>(67,617)</u>
Net periodic postretirement benefit costs	\$	<u><u>(16,817)</u></u>

The expected contribution for the next 10 years:

2027	\$	81,773
2028		84,609
2029		75,923
2030		77,048
2031		77,705
2032-2036		381,414

An actuarial study is completed annually. The schedule presented above is based on the study completed on July 15, 2026, as of and for the year then ended June 30, 2026.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Notes to Financial Statements**Years Ended June 30, 2026 and 2025

Note 9 - Net Assets

Net assets without donor restrictions on the statement of financial position include net operating deficits due to postretirement benefit liabilities.

Net assets with donor restrictions consist of the following:

	<u>2026</u>	<u>2025</u>
Purpose restrictions:		
Promises to give:		
Athletic programs	\$ 387,420	\$ 381,128
Academic programs	335,754	528,728
Scholarships	39,575	131,611
Academic programs	16,263,850	15,878,051
Athletic programs	1,731,921	1,269,005
Scholarships	<u>920,430</u>	<u>1,172,694</u>
	19,678,950	19,361,217
Endowments:		
Promises to give:		
Academic programs	401,832	503,802
Athletic programs	210,612	207,523
Scholarships	82,244	91,324
Academic programs	24,316,682	21,757,490
Scholarships	20,319,996	17,641,151
Athletic programs	<u>881,820</u>	<u>799,801</u>
	<u>46,213,186</u>	<u>41,001,091</u>
	<u>\$ 65,892,136</u>	<u>\$ 60,362,308</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	<u>2026</u>	<u>2025</u>
Satisfaction of time and purpose restrictions:		
Academic programs	\$ 3,170,608	\$ 2,666,921
Scholarships	1,224,828	1,324,721
Athletic programs	<u>272,169</u>	<u>1,150,063</u>
	4,667,605	5,141,705
Satisfaction of time restrictions:		
General use	<u>-</u>	<u>2,000</u>
	<u>\$ 4,667,605</u>	<u>\$ 5,143,705</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 10 - Endowments

The Foundation has adopted the guidance on net classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and also requires disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Foundation's endowments consist of funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the donor-restricted endowment fund
- 2) The purposes of the Foundation and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation or deflation
- 5) The expected total return from income and the appreciation of investment assets
- 6) Other resources of the Foundation
- 7) The investment policy statement of the Foundation

Spending policy: The Foundation's spending policy allocates total earnings from the portfolio between current spending and reinvestment for future earnings and has been designed with three objectives in mind: (a) provide current programs with a predictable, stable stream of revenues; (b) ensure that the purchasing power of real value of this revenue stream does not decline over time; and (c) ensure that the purchasing power or real value of the endowment assets does not decline over time. The cost of current operating programs will likely increase over time at least as fast as inflation.

The policy also ensures that the competing needs of current and future generations of students and faculty are in financial equilibrium. The Foundation has adopted an annual spend amount equal to 4.00% based upon the spend formula, in addition to the Foundation's 1.00% investment management fee. The spend formula is computed based on the historical three-year rolling average of the endowment's fiscal year-end market value, one year before the fiscal year in which the spend is available commencing July 1.

Investment policy: The objective is to promote growth in the investment funds sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant-dollar value and purchasing power of the funds for future generations, and to preserve the principal of operating cash and reserves while producing market-level income. The total annualized rate of return objective for the full portfolio shall be, net of all investment asset expenses, 5.00% greater than the rate of inflation, as measured by the Consumer Price Index.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Notes to Financial Statements**

Years Ended June 30, 2026 and 2025

Note 10 - Endowments, continued

The endowment net assets composition by type of fund consisted of the following as of June 30, 2026:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 6,353,137	\$ -	\$ 6,353,137
Donor designated funds:			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	-	32,285,775	32,285,775
Accumulated investment gains	-	13,927,411	13,927,411
	<u>\$ 6,353,137</u>	<u>\$ 46,213,186</u>	<u>\$ 52,566,323</u>

The endowment net assets composition by type of fund consisted of the following as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 5,508,507	\$ -	\$ 5,508,507
Donor designated funds:			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	-	31,307,690	31,307,690
Accumulated investment gains	-	9,693,401	9,693,401
	<u>\$ 5,508,507</u>	<u>\$ 41,001,091</u>	<u>\$ 46,509,598</u>

The changes in endowment net assets for the year ended June 30, 2026, consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 5,508,507	\$ 41,001,091	\$ 46,509,598
Contributions	-	820,664	820,664
Reinvestments and transfers	-	157,421	157,421
Appropriated expenditures	(144,030)	(1,701,907)	(1,845,937)
Investment return, net	988,660	5,935,917	6,924,577
Endowment net assets, end of year	<u>\$ 6,353,137</u>	<u>\$ 46,213,186</u>	<u>\$ 52,566,323</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 10 - Endowments, continued

The changes in endowment net assets for the year ended June 30, 2025, consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,965,707	\$ 37,769,522	\$ 42,735,229
Contributions	-	327,389	327,389
Reinvestments and transfers	19,218	195,025	214,243
Appropriated expenditures	(113,240)	(1,543,041)	(1,656,281)
Investment return, net	636,822	4,252,196	4,889,018
Endowment net assets, end of year	<u>\$ 5,508,507</u>	<u>\$ 41,001,091</u>	<u>\$ 46,509,598</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations. Deficiencies of this nature did not exist as of June 30, 2026. Deficiencies of this nature existed in one donor designated endowment fund, which had an original gift value of \$160,550, a current fair value of \$157,837, and a deficiency of \$2,713 as of June 30, 2025.

The Foundation has interpreted UPMIFA to permit spending from underwater donor-restricted endowment funds in accordance with prudent measures required under law. The governing board appropriated for expenditures of \$0 and \$5,795 from underwater endowment funds during the years ended June 30, 2026 and 2025, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 11 - Contributed Nonfinancial Assets

For the years ended June 30, 2026 and 2025, contributed nonfinancial assets recognized within the statements of activities include:

	2026	2025
University contract services:		
University employee services:		
Fundraising services	\$ 1,147,326	\$ 1,193,325
General and administrative services	1,141,800	1,205,213
Alumni	115,364	110,127
Rent of University facilities:		
General and administrative services	33,705	30,626
Fundraising services	33,705	30,325
Alumni	-	2,798
	<u>2,471,900</u>	<u>2,572,414</u>
Other supplies and services:		
Maintenance	15,588	11,276
Auction items	15,070	8,598
Supplies	14,683	63,930
Services	-	12,000
Gift cards	-	1,600
	<u>45,341</u>	<u>97,404</u>
Total contributed nonfinancial assets	\$ <u>2,517,241</u>	\$ <u>2,669,818</u>

The Foundation recognized contributed nonfinancial assets within revenue, including University contract services for employee services and facilities rented that the University provides to support the operations of the Foundation. Contributed nonfinancial assets also include contributions for maintenance, auction items, supplies, services, and gift cards. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

University contract services include facilities and University employees who provide direct supporting services for the Foundation. University employees provide services such as fundraising, accounting, and general and administrative services as appropriate. These services are valued at the estimated fair value in the financial statements based on the estimated employee cost incurred to provide those services. The Foundation uses University facilities to provide space for the University employees who provide direct supporting services on behalf of the Foundation. The Foundation has recognized a contributed nonfinancial asset equal to the fair market value of this rent for similar facilities.

Contributed nonfinancial assets identified as other supplies and services contributions were utilized by the Athletics, Academic Support, and Alumni programs. In valuing maintenance, auction items, supplies, and gift cards, the Foundation estimated fair value on the basis of comparable sales prices.

Contributed nonfinancial assets also include contributions related to medic standby services from an ambulance company utilized by the Athletics program. These services are valued and reported at the estimated fair value based on current rates for similar professional services.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 12 - Transactions with Related Parties

The Foundation functions to benefit the University by fundraising and supporting University programs and activities. Payments received from the University are for refunds of capital project funding and transfers of funds when receipts are received by the University on behalf of the Foundation, or an expense is incurred by the Foundation on behalf of the University. The Foundation provides scholarships to students and funding for capital projects, which are recognized as payments to the University. Additionally, the Foundation reimburses the University for various administrative services incurred to carry out the mission of the Foundation.

California State University, Bakersfield Auxiliary for Sponsored Programs Administration (Sponsored Programs Administration) functions to benefit the student body of the University by operating various grant and research programs. Payments received from Sponsored Programs Administration include reimbursements to Foundation for expenses paid on behalf of Sponsored Programs Administration. Payments to Sponsored Programs Administration are for the reimbursement of expenses incurred by Sponsored Programs Administration on behalf of the Foundation.

Associated Students, California State University, Bakersfield, Inc. (Associated Students) functions to benefit the student body of the University by operating various student-led programs. Payments received from Associated Students are for fundraising activities benefiting University programs and activities. Payments to Associated Students include reimbursement for scholarship payments and support for Associated Students programs and services.

California State University, Bakersfield Student-centered Enterprises, Inc. (Student-centered Enterprises) functions to benefit the student body of the University by operating various student enterprise programs. Payments received from Student-centered Enterprises are for fundraising activities benefiting University programs and activities and use of Foundation programming facilities and equipment. Payments to Student-centered Enterprises are for the use of Student-centered Enterprises programming facilities and equipment, and the general support of programming activities.

Transfers with related parties for the years ended June 30, 2026 and 2025, are reflected in the accompanying financial statements as follows:

	<u>2026</u>	<u>2025</u>
Transfers from:		
University	\$ <u>18,705</u>	\$ <u>1,354,635</u>
Transfers to:		
University	\$ 653,283	\$ 680,251
Associated Students	<u>-</u>	<u>238</u>
	\$ <u>653,283</u>	\$ <u>680,489</u>

For the year ended June 30, 2025, the Foundation recorded \$1,326,423 as a transfer from the University as non-operating revenues on the statement of activities. This transfer related to a prior year contribution for a capital project. Unspent funds were transferred back to Foundation and refunded to the donor during the year ended June 30, 2025.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Notes to Financial Statements**Years Ended June 30, 2026 and 2025

Note 12 - Transactions with Related Parties, continued

Total payments to and from related parties for the years ended June 30, 2026 and 2025 are reflected in the schedule below. The above transfers with related parties are included in the following schedule unless the activity is a result of a non-exchange capital asset transfer.

	<u>2026</u>	<u>2025</u>
Payments from:		
University	\$ 208,252	\$ 1,455,019
Sponsored Programs Administration	13,957	8,024
Associated Students	61,402	28,063
Student-centered Enterprises	<u>1,550</u>	<u>2,810</u>
	<u>\$ 285,161</u>	<u>\$ 1,493,916</u>
Payments to:		
University	\$ 3,451,321	\$ 3,673,600
Sponsored Programs Administration	1,099	755
Associated Students	154,751	121,250
Student-centered Enterprises	<u>10,425</u>	<u>18,458</u>
	<u>\$ 3,617,596</u>	<u>\$ 3,814,063</u>

For the years ended June 30, 2026 and 2025, the Foundation also recorded University contract services revenue and expense in the amount of \$2,471,900 and \$2,572,414, respectively (see Note 11).

Amounts reported in the statements of financial position at June 30, 2026 and 2025 as due from and due to related parties include the following:

	<u>2026</u>	<u>2025</u>
Due from related parties:		
University	\$ 73,039	\$ 4,953
Sponsored Programs Administration	1,006	2,927
Associated Students	-	25,501
Student-centered Enterprises	<u>150</u>	<u>-</u>
	<u>\$ 74,195</u>	<u>\$ 33,381</u>
Due to related parties:		
University	\$ 211,388	\$ 138,235
Student-centered Enterprises	<u>5,690</u>	<u>12,107</u>
	<u>\$ 217,078</u>	<u>\$ 150,342</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 13 - Conditional Contributions

Conditional contributions consisted of the following at June 30, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Other programs	\$ <u>1,224,527</u>	\$ <u>781,344</u>

Conditional contributions received for other programs are conditional on the substantial completion of various program objectives.

A conditional contribution does not meet the standard for revenue recognition. As such, collectively, the \$1,224,527 and \$781,344 conditional portions of contributions have not been recognized in the statements of activities for the years ended June 30, 2026 and 2025, respectively.

As of June 30, 2026 and 2025, \$65,142 and \$5,617, respectively, of conditional contributions have been collected in advance, and are reported as revenue collected in advance on the statements of financial position. The Foundation expects all conditions to be met within the next fiscal year.

The Foundation receives bequests, intentions, and other types of planned gift communications from donors which are conditional due to dependence upon a future event. Neither the timing nor the amount of the promise is clearly determinable. These gifts are not recognized as contributions until they become unconditional promises to give, as present value cannot be determined.

Note 14 – Guarantee and Indemnification

In May 2026, the Foundation entered into an indemnification agreement with a third party related to the procurement of battery equipment for a University solar photovoltaic and battery energy storage microgrid project. The agreement requires the Foundation to indemnify the third party for certain losses arising from the procurement, including losses resulting from cancellation or delay of the project, failure of a future power purchase agreement provider to assume or reimburse the procurement, inability to accept delivery, and certain other procurement-related obligations.

The aggregate amount of the underlying battery procurement is approximately \$4.5 million. However, the Foundation's obligations under the agreement are not subject to a stated maximum dollar limitation and may include additional covered costs, including procurement, termination, storage, legal, and other related expenses, as well as an 8% annual carrying cost on amounts advanced by the third party. Accordingly, the Foundation is unable to reasonably estimate the maximum potential future payments, which will depend on the nature and extent of any future covered losses and other amounts payable under the agreement.

The agreement remains in effect until the third party is fully reimbursed and released from the applicable battery procurement obligations and no further related liability can be asserted.

In accordance with ASC 460, the Foundation evaluated the guarantee and estimated the fair value of its stand-ready obligation using an expected cash flow approach. Management concluded that the resulting guarantee liability and any related contingent loss under ASC 450 were immaterial to the Foundation's financial statements as of June 30, 2026. As a result, no guarantee liability and no loss contingency have been recorded in the accompanying financial statements.

SUPPLEMENTAL INFORMATION

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Schedule of Net Position**

June 30, 2026

(for inclusion in the California State University)

Assets:**Current assets:**

Cash and cash equivalents	17,552,389
Short-term investments	—
Accounts receivable, net	83,034
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net, current portion	370,750
Prepaid expenses and other current assets	—
Total current assets	18,006,173

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Lease receivable, net of current portion	—
P3 receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	1,086,687
Endowment investments	51,232,017
Other long-term investments	1,135,488
Capital assets, net	39,029
Other assets	—
Total noncurrent assets	53,493,221
Total assets	71,499,394

Deferred outflows of resources:

Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Leases	—
P3	—
Others	—
Total deferred outflows of resources	—

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Schedule of Net Position**

June 30, 2026

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	365,298
Accrued salaries and benefits payable	—
Accrued compensated absences - current portion	—
Unearned revenues	65,142
Lease Liabilities - current portion	—
SBITA liabilities - current portion	—
P3 liabilities - current portion	—
Long-term debt obligations - current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts - current portion	—
Other liabilities, current	5,594
Total current liabilities	436,034

Noncurrent liabilities:

Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Lease liabilities, net of current portion	—
SBITA liabilities, net of current portion	—
P3 liabilities, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Net other postemployment benefits liability	963,980
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	963,980
Total liabilities	1,400,014

Deferred inflows of resources:

Service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding(s)	—
Nonexchange transactions	—
Leases	—
P3	—
Others	—
Total deferred inflows of resources	—

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Schedule of Net Position, continued**

June 30, 2026

(for inclusion in the California State University)

Net position:

Net investment in capital assets	39,029
Restricted for:	
Endowments	32,285,775
Expendable:	
Scholarships and fellowships	8,066,167
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	25,536,165
Unrestricted	<u>4,172,244</u>
Total net position	<u><u>70,099,380</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Schedule of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2026

(for inclusion in the California State University)

Revenues:**Operating revenues:**

Student Tuition & Fees, gross	—
Scholarship allowances, enter as negative	—

Student Financial Aid Grants:

Federal Financial Aid Grants	—
State Financial Aid Grants	—
Local Financial Aid Grants	—
Nongovernmental and Other Financial Aid Grants	—

Grants and contracts, noncapital:

Federal	—
State	—
Local	—
Nongovernmental	—
Sales and services of Educational Activities	—
Sales and services Auxiliary Enterprises, gross	—
Scholarship allowances for sales of auxiliary enterprises	—
Other operating revenues	3,358,891
Total operating revenues	3,358,891

Expenses:**Operating expenses:**

Instruction	—
Research	—
Public service	—
Academic support	2,500,250
Student services	905,749
Institutional support	4,049,754
Operation and maintenance of plant	—
Student grants and scholarships	1,317,257
Auxiliary enterprise expenses	—
Depreciation and amortization	3,857
Total operating expenses	8,776,867

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION
Schedule of Revenues, Expenses, and Changes in Net Position, continued
Year Ended June 30, 2026
(for inclusion in the California State University)

NonCapital Subsidies:

State appropriations	—
Gifts	2,593,974
Other Noncapital Subsidies received/(provided)	—
Federal Noncapital Subsidies received/(provided)	—
Total NonCapital Subsidies Received:	<u>2,593,974</u>

Operating Income (Loss) and NonCapital Subsidies:	(2,824,002)
--	-------------

Nonoperating revenues (expenses):

Federal Subsidies, capital received/(provided)	—
State appropriations, capital	—
Capital Subsidies received/(provided)	—
Grants and gifts, capital	728,046
Investment income (loss), net	389,978
Endowment income (loss), net	6,924,577
Interest Revenue	—
Interest Expense	—
Gains or losses on capital assets	(60,826)
Additions/reductions to permanent endowments	820,664
Total nonoperating revenues (expenses)	<u>8,802,439</u>
Increase (decrease) in net position	<u>5,978,437</u>

Net position:

Net position at beginning of year, as previously reported	64,120,943
Restatements	—
Net position at beginning of year, as restated	<u>64,120,943</u>
Net position at end of year	<u><u>70,099,380</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information

June 30, 2026

(for inclusion in the California State University)

1. Cash and cash equivalents

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

Noncurrent restricted cash and cash equivalents

Current cash and cash equivalents

Total

-
-
-
17,552,389
<u>\$ 17,552,389</u>

2.1 Composition of investments

Investment Type	Current	Noncurrent	Total
Money market funds	-	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	438,558	438,558
U.S. treasury securities	-	1,679,684	1,679,684
Municipal bonds	-	-	-
Corporate bonds	-	1,534,796	1,534,796
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	-	4,034,684	4,034,684
Exchange traded funds	-	19,445,485	19,445,485
Equity securities	-	13,485,994	13,485,994
Alternative investments:	-	-	-
Private equity (including limited partnerships)	-	3,286,826	3,286,826
Hedge funds	-	4,639,883	4,639,883
Managed futures	-	-	-
Real estate investments (including REITs)	-	2,841,633	2,841,633
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment types	-	918,085	918,085
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:	-	-	-
Sovereign securities	-	61,877	61,877
Total other investments:	-	61,877	61,877
Total investments	-	52,367,505	52,367,505
Less endowment investments (enter as negative number)	-	(51,232,017)	(61,232,017)
Total investments, net of endowments	-	1,135,488	1,135,488

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2026

(for inclusion in the California State University)

2.2 Fair value hierarchy in investments

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	-	-	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	438,558	-	438,558	-	-
U.S. treasury securities	1,679,684	1,679,684	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	1,534,796	-	1,534,796	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	4,034,684	4,034,684	-	-	-
Exchange traded funds	19,445,485	19,445,485	-	-	-
Equity securities	13,485,994	13,485,994	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	3,286,826	-	-	-	3,286,826
Hedge funds	4,639,883	-	-	-	4,639,883
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	2,841,633	-	-	-	2,841,633
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	918,085	-	-	-	918,085
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
Sovereign securities	61,877	-	61,877	-	-
Total other investments:	61,877	-	61,877	-	-
Total investments	\$ 52,367,505	38,645,847	2,035,231	-	11,686,427

2.3 Investments held by the University under contractual agreements: Not Applicable

3.1 Capital Assets

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2025 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	3,139	-	-	-	3,139	-	-	-	3,139
Works of art and historical treasures	76,170	-	-	-	76,170	-	(41,170)	-	35,000
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Other intangible assets	6,000	-	-	-	6,000	-	(6,000)	-	-
Total Other intangible assets	6,000	-	-	-	6,000	-	(6,000)	-	-
Total intangible assets	6,000	-	-	-	6,000	-	(6,000)	-	-
Total non-depreciable/non-amortizable capital assets	85,309	-	-	-	85,309	-	(47,170)	-	38,139

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2026

(for inclusion in the California State University)

Depreciable/Amortizable capital assets:

Buildings and building improvements	12,127	-	-	-	12,127	-	(5,975)	-	6,152
Improvements, other than buildings	72,963	-	-	-	72,963	-	(72,963)	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	232,323	-	-	-	232,323	-	(62,123)	-	170,200
Personal property:									
Equipment	1,562,423	-	-	-	1,562,423	-	(116,815)	-	1,445,608
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Exhaustible Art	129,093	-	-	-	129,093	-	-	-	129,093
Total Other intangible assets	129,093	-	-	-	129,093	-	-	-	129,093
Total intangible assets	129,093	-	-	-	129,093	-	-	-	129,093
Total depreciable/amortizable capital assets	2,008,929	-	-	-	2,008,929	-	(257,876)	-	1,751,053
Total capital assets	2,094,238	-	-	-	2,094,238	-	(305,046)	-	1,789,192

Less accumulated depreciation/amortization: (enter as negative number, except for reductions)

Buildings and building improvements	(12,127)	-	-	-	(12,127)	-	5,975	-	(6,152)
Improvements, other than buildings	(69,130)	-	-	-	(69,130)	(760)	59,890	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(232,323)	-	-	-	(232,323)	-	62,123	-	(170,200)
Personal property:									
Equipment	(1,567,863)	-	-	-	(1,567,863)	(3,097)	116,232	-	(1,444,718)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Exhaustible Art	(129,093)	-	-	-	(129,093)	-	-	-	(129,093)
Total Other intangible assets	(129,093)	-	-	-	(129,093)	-	-	-	(129,093)
Total intangible assets	(129,093)	-	-	-	(129,093)	-	-	-	(129,093)
Total accumulated depreciation/amortization	(1,990,526)	-	-	-	(1,990,526)	(3,867)	244,220	-	(1,750,163)
Total capital assets, net excluding ROU assets	103,712	-	-	-	103,712	(3,867)	(60,826)	-	39,029

Does the component unit have any capital assets held for sale?

No

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2026

(for inclusion in the California State University)

Capital Assets - Right of Use, net

Composition of capital assets - Lease ROU, net:

Non-depreciable/Non-amortizable lease assets:

Land and land improvements

Total non-depreciable/non-amortizable lease assets

Depreciable/Amortizable lease assets:

Land and land improvements

Buildings and building improvements

Improvements, other than buildings

Infrastructure

Personal property:

Equipment

Total depreciable/amortizable lease assets

Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter

Land and land improvements

Buildings and building improvements

Improvements, other than buildings

Infrastructure

Personal property:

Equipment

Total accumulated depreciation/amortization

Total capital assets - lease ROU, net

	Balance June 30, 2025	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable lease assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - lease ROU, net	-	-	-	-	-	-	-	-	-

Composition of capital assets - SBITA ROU, net

Depreciable/Amortizable SBITA assets:

Software

Total depreciable/amortizable SBITA assets

Less accumulated depreciation/amortization:

Software

Total accumulated depreciation/amortization

Total capital assets - SBITA ROU, net

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

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2026

(for inclusion in the California State University)

Composition of capital assets - P3 ROU, net:	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	-	-	-	-	-	-	-	-	-
Total capital assets, net including ROU assets									39,029
3.2 Detail of depreciation and amortization expense									
Depreciation and amortization expense related to capital assets	\$	3,857							
Amortization expense - Leases ROU		-							
Amortization expense - SBITA ROU		-							
Amortization expense - P3 ROU		-							
Depreciation and Amortization expense - Others		-							
Total depreciation and amortization	\$	3,857							
4. Long-term liabilities: Not Applicable									
5. Future minimum payments schedule - leases, SBITA, P3: Not Applicable									
6. Future minimum payments schedule - Long-term debt obligations: Not Applicable									
7. Transactions with related entities:									
Payments to University for salaries of University personnel working on contracts, grants, and other programs		1,012,193							
Payments to University for other than salaries of University personnel		2,439,128							
Payments received from University for services, space, and programs		208,252							
Gifts-in-kind to the University from discretely presented component units		-							
Gifts (cash or assets) to the University from discretely presented component units		-							
Accounts (payable to) University (enter as negative number)		(211,388)							
Other amounts (payable to) University (enter as negative number)		-							
Accounts receivable from University (enter as positive number)		73,039							
Other amounts receivable from University (enter as positive number)		-							
8. Restatements: Not Applicable									

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2026

(for inclusion in the California State University)

9. Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	780,277	184,991	-	-	-	1,534,982	-	2,500,250
Student services	145,132	15,776	-	134,878	-	609,963	-	905,749
Institutional support	825	338,693	-	-	-	3,710,236	-	4,049,764
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	1,317,257	-	-	1,317,257
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	3,857	3,857
Total operating expenses	\$ 926,234	\$ 539,460	\$ -	\$ 134,878	\$ 1,317,257	\$ 5,855,181	\$ 3,857	\$ 8,776,867

No pension plan reported

N/A

OK

10. Deferred outflows/inflows of resources: Not Applicable

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

To the Audit Committee
California State University, Bakersfield Foundation

We have audited, in accordance with the 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, the financial statements of California State University, Bakersfield Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered California State University, Bakersfield 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield 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 the entity'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 California State University, Bakersfield 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*.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*, CONTINUED**

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 California State University, Bakersfield 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 California State University, Bakersfield Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 18, 2026

California State University, Bakersfield Student- Centered Enterprises, Inc.

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

Years Ended June 30, 2026 and 2025



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.
Financial Statements with Supplemental Information
Years Ended June 30, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
California State University, Bakersfield Student-centered Enterprises, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of California State University, Bakersfield Student-centered Enterprises, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2026 and 2025, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Bakersfield Student-centered Enterprises, Inc. as of June 30, 2026 and 2025, and the 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California State University, Bakersfield Student-centered Enterprises, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Bakersfield Student-centered Enterprises, Inc.'s ability to continue as a going concern one year after the date that the financial statements are available to be issued.

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 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 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements, continued

In performing an audit in accordance with 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 California State University, Bakersfield Student-centered Enterprises, Inc.'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 California State University, Bakersfield Student-centered Enterprises, Inc.'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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on pages 15-25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the 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 18, 2026, on our consideration of California State University, Bakersfield Student-centered Enterprises, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 California State University, Bakersfield Student-centered Enterprises, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California State University, Bakersfield Student-centered Enterprises, Inc.'s internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
September 18, 2026

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Statements of Financial Position**

June 30, 2026 and 2025

ASSETS	<u>2026</u>	<u>2025</u>
Current Assets:		
Cash	\$ 4,389,970	\$ 3,880,830
Accounts receivable	450	10,351
Due from related parties	<u>48,702</u>	<u>61,340</u>
Total Current Assets	4,439,122	3,952,521
Noncurrent Assets:		
Property and equipment, net of accumulated depreciation	410,400	484,670
Right-of-use assets, net of accumulated amortization	<u>950</u>	<u>930</u>
Total Noncurrent Assets	<u>411,350</u>	<u>485,600</u>
Total Assets	<u>\$ 4,850,472</u>	<u>\$ 4,438,121</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 102,833	\$ 112,292
Due to related parties	64,931	90,688
Current portion of operating lease liabilities	<u>1,012</u>	<u>1,012</u>
Total Current Liabilities	168,776	203,992
Net Assets - Without Donor Restrictions	<u>4,681,696</u>	<u>4,234,129</u>
Total Liabilities and Net Assets	<u>\$ 4,850,472</u>	<u>\$ 4,438,121</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Statements of Activities**

Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Revenue and Support Without Donor Restrictions:		
University contract services (Note 6)	\$ 4,675,645	\$ 4,731,283
Program activity fees	1,501,800	1,435,500
Facility rental	146,795	194,152
Membership fees	87,902	99,352
Other operating revenues	<u>71,808</u>	<u>71,443</u>
 Total Revenue and Support Without Donor Restrictions	 6,483,950	 6,531,730
 Expenses:		
Program services:		
Student Union	1,067,985	1,091,283
Campus Recreation and Wellbeing	3,728,092	3,641,285
Student Housing and Residential Life	761,344	864,288
Supporting services - general and administrative	<u>478,962</u>	<u>648,296</u>
 Total Expenses	 <u>6,036,383</u>	 <u>6,245,152</u>
 Change in Net Assets	 447,567	 286,578
 Net Assets - Without Donor Restrictions, beginning	 <u>4,234,129</u>	 <u>3,947,551</u>
Net Assets - Without Donor Restrictions, ending	<u>\$ 4,681,696</u>	<u>\$ 4,234,129</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Statement of Functional Expenses

Year Ended June 30, 2026

	Program Services					
	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life	Total	General and Administrative	Total
University contract expenses (Note 6)	\$ 871,852	\$ 2,983,551	\$ 490,617	\$ 4,346,020	\$ 329,625	\$ 4,675,645
Utilities	47,816	400,082	231,788	679,686	77,263	756,949
Event programming	117,355	77,952	10,986	206,293	6,000	212,293
Depreciation	-	123,162	-	123,162	-	123,162
Supplies and contract services	20,909	66,189	8,176	95,274	4,061	99,335
Information technology	120	26,745	2,915	29,780	11,659	41,439
Accounting	-	-	-	-	28,070	28,070
Advertising and promotion	-	19,106	-	19,106	-	19,106
Minor equipment	-	3,369	-	3,369	9,780	13,149
Travel	593	11,875	273	12,741	-	12,741
Amortization, ROU Asset - lease expense	-	-	11,441	11,441	-	11,441
Bank fees	-	-	-	-	11,181	11,181
Office expense	2,299	4,289	3,976	10,564	-	10,564
Miscellaneous	3,441	3,199	1,172	7,812	-	7,812
Dues and subscriptions	-	4,015	-	4,015	1,323	5,338
Conference, conventions, and meetings	-	4,558	-	4,558	-	4,558
Occupancy	3,600	-	-	3,600	-	3,600
Total Expenses	\$ 1,067,985	\$ 3,728,092	\$ 761,344	\$ 5,557,421	\$ 478,962	\$ 6,036,383

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.
Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services			Total	General and Administrative	Total
	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life			
University contract expenses (Note 6)	\$ 933,934	\$ 2,799,675	\$ 548,474	\$ 4,282,083	\$ 449,200	\$ 4,731,283
Utilities	48,795	503,985	268,120	820,900	90,014	910,914
Supplies and contract services	15,837	116,526	10,704	143,067	13,180	156,247
Depreciation	-	120,602	-	120,602	-	120,602
Event programming	82,745	18,297	13,164	114,206	-	114,206
Insurance	-	-	-	-	45,688	45,688
Information technology	-	27,909	4,388	32,297	9,197	41,494
Accounting	-	-	-	-	24,785	24,785
Advertising and promotion	-	20,484	-	20,484	-	20,484
Minor equipment	-	11,675	3,515	15,190	2,295	17,485
Office expense	4,191	3,855	3,873	11,919	-	11,919
Travel	2,527	8,740	-	11,267	-	11,267
Amortization, ROU Asset - lease expense	-	-	11,202	11,202	-	11,202
Bank fees	-	-	-	-	9,711	9,711
Miscellaneous	942	2,968	848	4,758	108	4,866
Dues and subscriptions	-	2,955	-	2,955	3,393	6,348
Conference, conventions, and meetings	-	3,614	-	3,614	725	4,339
Occupancy	2,312	-	-	2,312	-	2,312
Total Expenses	\$ 1,091,283	\$ 3,641,285	\$ 864,288	\$ 5,596,856	\$ 648,296	\$ 6,245,152

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Statements of Cash Flows**

Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 447,567	\$ 286,578
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	123,162	120,602
Noncash operating lease change	(20)	82
Changes in operating assets and liabilities:		
Accounts receivable	9,901	(1,151)
Due from related parties	12,638	(11,637)
Accounts payable and accrued expenses	(9,459)	(25,248)
Due to related parties	<u>(25,757)</u>	<u>4,391</u>
Net Cash Provided by Operating Activities	558,032	373,617
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	<u>(48,892)</u>	<u>(47,397)</u>
Net Increase in Cash	509,140	326,220
Cash, beginning	<u>3,880,830</u>	<u>3,554,610</u>
Cash, ending	\$ <u><u>4,389,970</u></u>	\$ <u><u>3,880,830</u></u>
Supplemental Disclosures of Noncash Investing and Financing Activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ <u><u>10,691</u></u>	\$ <u><u>1,159</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

California State University, Bakersfield Student-centered Enterprises, Inc. (the Organization) was incorporated in the State of California on March 9, 1994, and operates as a nonprofit auxiliary organization of California State University, Bakersfield (the University). The Organization operates a student union facility to enhance the quality of the student experience through the development of and exposure to: campus programs, activities, and organizations in a student-centered environment; a student recreation center to allow students to achieve physical and mental well-being through a variety of programs and services; and student housing and residential life designed to create a holistic, student-centered housing experience, in which students have access to faculty, engaging and social activities, and are able to access support easily and often.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were temporary or perpetual in nature for the years ended June 30, 2026 and 2025.

Use of Estimates

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

Income Taxes

The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Organization follows U.S. GAAP related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that the Organization has no uncertain tax positions for the years ended June 30, 2026 and 2025, and therefore, no amounts have been accrued.

Accounts Receivable

Accounts receivable arise in the normal course of operations. Accounts receivable are recorded at unpaid balances less any allowance for credit losses using a forward-looking expected credit loss model. The expected credit loss model requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and reasonable and supportable forecasts affecting collectability. Based on this review, management has determined that an allowance for credit loss is not necessary for the years ended June 30, 2026 and 2025.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of three to ten years.

Leases

The Organization adheres to the accounting standard for leases, which provides detailed guidance for financial statement recognition, measurement, and disclosure of leases.

The Organization determines if an arrangement is or contains a lease at contract inception. The Organization recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date.

Leases with an initial term of 12 months or fewer are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Revenue Recognition

Program Activity Fees - The Organization receives program activity fees from the University enterprise funds to provide a variety of student-centered programs and services that enhance the quality of the student experience. Contracted amounts are determined through a budgetary process approved by the Organization's governing board and University chief financial officer. Program activity fees are recognized by the Organization as program services are delivered over the academic calendar year.

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred.

Functional Expense Allocations

The Organization's accounting system is established to record expenses by fund, department, and natural expense. Expense function is determined by a combination of fund and department. Each fund has expenses that are programmatic and general and administrative in nature.

Subsequent Events

The Organization has evaluated subsequent events through September 18, 2026, which is the date the financial statements were available to be issued and has determined that there were no subsequent events to recognize in these financial statements.

Note 2 - Liquidity and Availability

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual obligations within one year of the statement of financial position date.

	2026	2025
Cash	\$ 4,389,970	\$ 3,880,830
Accounts receivable	450	10,351
Due from related parties	48,702	61,340
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,439,122	\$ 3,952,521

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 2 - Liquidity and Availability, continued

The Organization is substantially supported by program activity fees collected by the University and subsequently transferred to the Organization for programming services. None of the financial assets are subject to donor restriction, and therefore, all financial assets are available for general expenditure within one year. The Organization has no other liquid assets available from which to draw.

Note 3 - Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor, per financial institution. The balances at times may exceed FDIC limits. The Organization manages this risk by using high-quality financial institutions.

Note 4 - Property and Equipment

Property and equipment consist of the following as of June 30, 2026 and 2025:

	2026	2025
Equipment	\$ 1,355,152	\$ 1,306,260
Improvements, other than buildings	424,297	424,297
	1,779,449	1,730,557
Less accumulated depreciation	(1,369,049)	(1,245,887)
	\$ 410,400	\$ 484,670

Note 5 - Revenue Recognition

Significant Judgments

The Organization analyzes revenue recognition on a portfolio approach under ASC Topic 606 *Revenue from Contracts with Customers*. Significant judgment is utilized in determining the appropriate portfolios to assess for meeting the criteria to recognize revenue under ASC Topic 606. The Organization has determined that for each distinct revenue stream identified, all contracts can be grouped into one portfolio. Based on past experience, customers within each distinct stream all behave similarly, contracts contain similar terms, and policies are the same across all contracts. The Organization does not expect that revenue earned for the portfolio is significantly different as compared to revenue that would be earned if they were to assess each contract separately.

Significant judgment is also required to assess collectability. The Organization assesses collectability each reporting period to monitor that the collectability threshold is met and does not recognize revenue if collection is not probable. Impairment losses are recognized when there are significant changes in a customer's assessed collectability.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Notes to Financial Statements

Years Ended June 30, 2026 and 2025

Note 6 - University Contract Services

For the years ended June 30, 2026 and 2025, contributed nonfinancial assets in the form of University contract services recognized within the statement of activities include:

	2026	2025
University employee services:		
Programming services	\$ 2,904,641	\$ 2,832,330
General and administrative services	329,625	449,200
University supplies	28,179	36,553
Rent of University facilities	1,413,200	1,413,200
Total University contract services	<u>\$ 4,675,645</u>	<u>\$ 4,731,283</u>

The Organization recognized contributed nonfinancial assets within revenue including contributed University employee services, supplies, and rent of University facilities. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services include University employees who provide direct programming services to the Organization including planning, managing, and overseeing programming events and activities. Supplies utilized by these employees for programming events and activities have also been recorded as a contributed nonfinancial asset. Additionally, University employees provide indirect services on behalf of the Organization including accounting services, human resource services, facility management services, information technology services, and other administrative services as appropriate. Contributed services are valued at the estimated fair value in the financial statements based on the estimated employee cost to provide programming, general, and administrative services.

The Organization valued supplies based on comparable sales prices.

The Organization uses University facilities to provide programming activities and has recognized a contributed nonfinancial asset equal to the fair market value of this rent for similar facilities.

Note 7 - Related-Party Transactions

The Organization receives program activity fees from the University to provide services that enhance the student experience. Other payments received from the University include receipts for use of programming facilities and equipment.

The Organization has an agreement with the University to use campus facilities to conduct operations. Utility costs related to the Organization's use of those facilities are paid by the University and reimbursed by the Organization. Additionally, the University incurs supplies and other costs to support the Organization's programming activities, which are reimbursed by the Organization and included as payments to the University.

California State University, Bakersfield Foundation (Foundation) functions to benefit the student body of the University by fundraising for University programs and activities. Payments received from the Foundation include receipts for the use of the Organization's programming facilities and equipment as well as general support of the Organization's programming activities. Payments to the Foundation are for fundraising activities benefiting University programs and activities.

Associated Students, California State University, Bakersfield, Inc. (Associated Students), functions to benefit the student body of the University by operating various student-led programs. Payments received from Associated Students include receipts for the use of the Organization's programming facilities and equipment. Payments to Associated Students are to support student body programs and services.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Notes to Financial Statements**Years Ended June 30, 2026 and 2025

Note 7 - Related-Party Transactions, continued

California State University, Bakersfield Auxiliary for Sponsored Programs Administration (Sponsored Programs Administration) functions to benefit the student body of the University by administering grants on behalf of the Organization. Payments received from Sponsored Programs Administration include receipts for the use of the Organization's programming facilities and equipment.

Related-party transactions as of and for the years ended June 30, 2026 and 2025, are as follows:

	<u>2026</u>	<u>2025</u>
Payments received from:		
University	\$ 1,591,469	\$ 1,551,829
Sponsored Programs Administration	5,435	13,782
Foundation	10,425	18,458
Associated Students	<u>15,101</u>	<u>12,930</u>
	\$ <u><u>1,622,430</u></u>	\$ <u><u>1,596,999</u></u>
Payments to:		
University	\$ 851,197	\$ 1,080,160
Foundation	1,550	2,810
Associated Students	<u>8,250</u>	<u>8,500</u>
	\$ <u><u>860,997</u></u>	\$ <u><u>1,091,470</u></u>
Due from related parties:		
University	\$ 33,441	\$ 43,467
Sponsored Programs Administration	1,950	1,869
Foundation	5,690	12,107
Associated Students	<u>7,621</u>	<u>3,897</u>
	\$ <u><u>48,702</u></u>	\$ <u><u>61,340</u></u>
Due to related parties:		
University	\$ 64,531	\$ 90,188
Foundation	150	-
Associated Students	<u>250</u>	<u>500</u>
	\$ <u><u>64,931</u></u>	\$ <u><u>90,688</u></u>

In addition to the related-party transactions noted above, the Organization also recorded University contract services revenue and expense in the amount of \$4,675,645 and \$4,731,283 at June 30, 2026 and 2025, respectively (see Note 6).

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Notes to Financial Statements**Years Ended June 30, 2026 and 2025

Note 8 - Leasing Arrangements

The Organization leases equipment under a long-term noncancelable operating lease agreement. For purposes of lease asset and liability calculations, the Organization determined it is reasonably expected to utilize the equipment through July 2026. Base monthly rental payments were \$1,015 as of June 30, 2026.

The Organization determines if an arrangement is or contains a lease at contract inception. The Organization recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. Key estimates and judgments include how the Organization determines the discount rate, the lease term, and the lease payments.

When the discount rate implicit in a lease is not readily determinable, the Organization calculates the lease liability using the incremental borrowing rate, which is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. These are estimated using actual borrowing costs and making necessary adjustments.

Operating right-of-use assets as of June 30 2026 and 2025, are as follows:

	<u>2026</u>	<u>2025</u>
<u>Operating Leases</u>		
Operating lease right-of-use assets	\$ <u>950</u>	\$ <u>930</u>
Current portion of operating lease liabilities	\$ <u>1,012</u>	\$ <u>1,012</u>
Total operating lease liabilities	\$ <u>1,012</u>	\$ <u>1,012</u>

The amounts contractually due on lease liabilities were as follows as of June 30, 2026:

<u>Year Ending</u> <u>June 30,</u>	<u>Operating</u>
2027	\$ <u>1,015</u>
Total lease payments	1,015
Less amount representing imputed interest	<u>(3)</u>
Present value of lease liabilities	\$ <u>1,012</u>

Lease expense for the years ended June 30, 2026 and 2025, was \$11,441 and \$11,202, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Notes to Financial Statements**Years Ended June 30, 2026 and 2025

Note 8 - Leasing Arrangements, continued

As of June 30, 2026 and 2025, supplemental cash flow information was as follows:

	<u>2026</u>	<u>2025</u>
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 11,910	\$ 11,679
Lease assets obtained in exchange for lease liabilities:		
Operating leases	\$ 10,691	\$ 1,159

Supplemental statement of financial position information as of June 30 2026 and 2025, was as follows:

	<u>2026</u>	<u>2025</u>
Weighted average remaining lease term in years - Operating leases	0.1	0.1
Weighted average discount rate - Operating leases	3.61%	3.61%

Note 9 - Reclassifications

Certain items in the 2025 financial statements have been reclassified to conform to current year classifications. Specifically, event programming was separated from supplies and contract services, and occupancy was separated from miscellaneous in the statement of functional expenses. Such reclassifications had no effect on previously reported changes in net assets.

SUPPLEMENTAL INFORMATION

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Schedule of Activities by Enterprise**

Year Ended June 30, 2026

	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life	Total
Unrestricted Revenue and Other Support:				
University contract services	\$ 990,715	\$ 3,177,714	\$ 507,216	\$ 4,675,645
Program activity fees	164,000	863,900	473,900	1,501,800
Facility rental	44,212	89,233	13,350	146,795
Membership fees	-	87,902	-	87,902
Other operating revenues	-	33,521	38,287	71,808
Total Revenue and Support Without Donor Restrictions	1,198,927	4,252,270	1,032,753	6,483,950
Expenses:				
Program services	1,067,985	3,728,092	761,344	5,557,421
Supporting services - general and administrative	145,756	225,645	107,561	478,962
Total Operating Expenses	1,213,741	3,953,737	868,905	6,036,383
Change in Net Assets	(14,814)	298,533	163,848	447,567
Net Assets (Deficit) - Without Donor Restrictions, beginning	1,660,392	2,612,878	(39,141)	4,234,129
Net Assets - Without Donor Restrictions, ending	\$ 1,645,578	\$ 2,911,411	\$ 124,707	\$ 4,681,696

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Schedule of Activities by Enterprise

Year Ended June 30, 2025

	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life	Total
Unrestricted Revenue and Other Support:				
University contract services	\$ 1,091,297	\$ 3,016,511	\$ 623,475	\$ 4,731,283
Program activity fees	189,000	844,000	402,500	1,435,500
Facility rental	55,293	111,604	27,255	194,152
Membership fees	-	99,352	-	99,352
Other operating revenues	1,037	32,797	37,609	71,443
	<u>1,336,627</u>	<u>4,104,264</u>	<u>1,090,839</u>	<u>6,531,730</u>
Total Revenue and Support Without Donor Restrictions	1,336,627	4,104,264	1,090,839	6,531,730
Expenses:				
Program services	1,091,283	3,641,285	864,288	5,596,856
Supporting services - general and administrative	194,040	276,880	177,376	648,296
	<u>1,285,323</u>	<u>3,918,165</u>	<u>1,041,664</u>	<u>6,245,152</u>
Total Operating Expenses	1,285,323	3,918,165	1,041,664	6,245,152
Change in Net Assets	51,304	186,099	49,175	286,578
Net Assets (Deficit) - Without Donor Restrictions, beginning	1,609,088	2,426,779	(88,316)	3,947,551
Net Assets (Deficit) - Without Donor Restrictions, ending	<u>\$ 1,660,392</u>	<u>\$ 2,612,878</u>	<u>\$ (39,141)</u>	<u>\$ 4,234,129</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Schedule of Net Position**

June 30, 2026

(for inclusion in the California State University)

Assets:**Current assets:**

Cash and cash equivalents	4,389,970
Short-term investments	—
Accounts receivable, net	49,152
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net, current portion	—
Prepaid expenses and other current assets	—
Total current assets	4,439,122

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Lease receivable, net of current portion	—
P3 receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	411,350
Other assets	—
Total noncurrent assets	411,350
Total assets	4,850,472

Deferred outflows of resources:

Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Leases	—
P3	—
Others	—
Total deferred outflows of resources	—

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Schedule of Net Position, continued**

June 30, 2026

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	167,764
Accrued salaries and benefits payable	—
Accrued compensated absences - current portion	—
Unearned revenues	—
Lease Liabilities - current portion	1,012
SBITA liabilities - current portion	—
P3 liabilities - current portion	—
Long-term debt obligations - current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts - current portion	—
Other liabilities, current	—
Total current liabilities	168,776

Noncurrent liabilities:

Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Lease liabilities, net of current portion	—
SBITA liabilities, net of current portion	—
P3 liabilities, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	—
Total liabilities	168,776

Deferred inflows of resources:

Service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding(s)	—
Nonexchange transactions	—
Leases	—
P3	—
Others	—
Total deferred inflows of resources	—

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Schedule of Net Position, continued**

June 30, 2026

(for inclusion in the California State University)

Net position:

Net investment in capital assets	410,400
Restricted for:	
Endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	4,271,296
Total net position	<u>4,681,696</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Schedule of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2026

(for inclusion in the California State University)

Revenues:**Operating revenues:**

Student Tuition & Fees, gross	—
Scholarship allowances, enter as negative	—

Student Financial Aid Grants:

Federal Financial Aid Grants	—
State Financial Aid Grants	—
Local Financial Aid Grants	—
Nongovernmental and Other Financial Aid Grants	—

Grants and contracts, noncapital:

Federal	—
State	—
Local	—
Nongovernmental	—
Sales and services of Educational Activities	—
Sales and services Auxiliary Enterprises, gross	—
Scholarship allowances for sales of auxiliary enterprises	—
Other operating revenues	6,483,950
Total operating revenues	6,483,950

Expenses:**Operating expenses:**

Instruction	—
Research	—
Public service	—
Academic support	—
Student services	5,044,316
Institutional support	—
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	868,905
Depreciation and amortization	123,162
Total operating expenses	6,036,383

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.
Schedule of Revenues, Expenses, and Changes in Net Position, continued
Year Ended June 30, 2026
(for inclusion in the California State University)

NonCapital Subsidies:

State appropriations	—
Gifts	—
Other Noncapital Subsidies received/(provided)	—
Federal Noncapital Subsidies received/(provided)	—
Total NonCapital Subsidies Provided:	<u>—</u>

Operating Income (Loss) and NonCapital Subsidies: 447,567

Nonoperating revenues (expenses):

Federal Subsidies, capital received/(provided)	—
State appropriations, capital	—
Capital Subsidy received/(provided)	—
Grants and gifts, capital	—
Interest Revenue	—
Interest Expense	—
Gains or losses on capital assets	—
Additions/reductions to permanent endowments	—
Total nonoperating revenues (expenses)	<u>—</u>
Increase (decrease) in net position	447,567

Net position:

Net position at beginning of year, as previously reported	4,234,129
Restatements	<u>—</u>
Net position at beginning of year, as restated	<u>4,234,129</u>
Net position at end of year	<u><u>4,681,696</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Other Information

June 30, 2026

(for inclusion in the California State University)

1. Cash and cash equivalents

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	4,389,970
Total	\$ 4,389,970

2.1 Composition of investments: Not Applicable

2.2 Fair value hierarchy in investments: Not Applicable

2.3 Investments held by the University under contractual agreements: Not Applicable

3.1 Capital Assets

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2026 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Non-depreciable/non-amortizable capital assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	379,360	-	-	-	379,360	-	-	-	379,360
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	44,937	-	-	-	44,937	-	-	-	44,937
Personal property:									
Equipment	1,306,260	-	-	-	1,306,260	48,892	-	-	1,355,152
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	1,730,567	-	-	-	1,730,567	48,892	-	-	1,779,449
Total capital assets	1,730,567	-	-	-	1,730,567	48,892	-	-	1,779,449
Less accumulated depreciation/amortization: (enter as negative number, except for									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	(379,360)	-	-	-	(379,360)	-	-	-	(379,360)
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(37,708)	-	-	-	(37,708)	(4,889)	-	-	(42,397)
Personal property:									
Equipment	(828,819)	-	-	-	(828,819)	(118,473)	-	-	(947,292)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(1,246,887)	-	-	-	(1,246,887)	(123,162)	-	-	(1,369,049)
Total capital assets, net excluding ROU assets	484,670	-	-	-	484,670	(74,270)	-	-	410,400

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Other Information, continued

June 30, 2026

(for inclusion in the California State University)

Capital Assets - Right of Use, net

Composition of capital assets - Lease ROU, net:	Balance June 30, 2025	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	32,596	-	-	-	32,596	-	10,691	-	43,287
Total depreciable/amortizable lease assets	32,596	-	-	-	32,596	-	10,691	-	43,287
Less accumulated depreciation/amortization: (enter as negative number, except for reductions)									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(31,666)	-	-	-	(31,666)	(11,171)	500	-	(42,337)
Total accumulated depreciation/amortization	(31,666)	-	-	-	(31,666)	(11,171)	500	-	(42,337)
Total capital assets - lease ROU, net	930	-	-	-	930	(11,171)	11,191	-	950

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

Composition of capital assets - P3 ROU, net:	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	-	-	-	-	-	-	-	-	-
Total capital assets, net including ROU assets									411,350

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Other Information, continued

June 30, 2026

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense

Depreciation and amortization expense related to capital assets	\$	123,162	
Amortization expense - Leases ROU		11,171	
Amortization expense - SBITA ROU		-	
Amortization expense - P3 ROU		-	
Depreciation and Amortization expense - Others		(11,171)	Provide explanation for others:
Total depreciation and amortization	\$	123,162	Lease exp included in Student Housing Supp & Svcs

4. Long-term liabilities:

	Balance June 30, 2026	Prior Period Adjustments/Reclassifica- tions	Balance June 30, 2026 (Restated)	Additions	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
1. Accrued compensated absences	-	-	-	-	-	-	-	-
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-

6. Lease, SBITA, P3 liabilities:

	Balance June 30, 2026	Prior Period Adjustments/Reclassifica- tions	Additions	Remeasurements	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
Lease liabilities	1,012	-	-	11,909	(11,909)	1,012	1,012	-
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ 1,012	-	-	\$ 11,909	\$ (11,909)	\$ 1,012	\$ 1,012	-
Total long-term liabilities						\$ 1,012	\$ 1,012	-

5. Future minimum payments schedule - leases, SBITA, P3

Year ending June 30:	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and	Principal Only	Interest Only	Principal and	Principal Only	Interest Only	Principal and
2027	1,012	3	1,015	-	-	-	-	-	-	1,012	3	1,015
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total minimum lease payments	\$ 1,012	\$ 3	\$ 1,015	-	-	-	-	-	-	\$ 1,012	\$ 3	\$ 1,015
Less: amounts representing interest												(3)
Present value of future minimum lease payments												1,012
Total Leases, SBITA, P3 liabilities												1,012
Less: current portion												(1,012)
Leases, SBITA, P3 liabilities, net of current portion												\$ -

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Other Information, continued

June 30, 2026

(for inclusion in the California State University)

6. Future minimum payments schedule - Long-term debt obligations: Not Applicable

7. Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other	-
Payments to University for other than salaries of University personnel	851,197
Payments received from University for services, space, and programs	1,591,469
Gifts-in-kind to the University from discretely presented component units	-
Gifts (cash or assets) to the University from discretely presented component units	-
Accounts (payable to) University (enter as negative number)	(64,531)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	33,441
Other amounts receivable from University (enter as positive number)	-

8. Restatements: Not Applicable

9. Natural classifications of operating expenses: Not Applicable

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	5,044,316	-	5,044,316
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	868,905	-	868,905
Depreciation and amortization	-	-	-	-	-	-	123,162	123,162
Total operating expenses	-	-	-	-	-	6,913,221	123,162	6,036,383

No pension plan reported

OK

10. Deferred outflows/inflows of resources: Not Applicable

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

To the Audit Committee
California State University, Bakersfield Student-centered Enterprises, Inc.

We have audited, in accordance with the 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, the financial statements of California State University, Bakersfield Student-centered Enterprises, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2026, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered California State University, Bakersfield Student-centered Enterprises, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield Student-centered Enterprises, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield Student-centered Enterprises, Inc.'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 the entity'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 California State University, Bakersfield Student-centered Enterprises, Inc.'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*.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*, CONTINUED

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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 18, 2026