

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

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8
Supplemental Information:	
Schedules of Activities by Enterprise	15
Supplemental Information for Inclusion in the California State University:	
Schedule of Net Position	17
Schedule of Revenues, Expenses, and Changes in Net Position	20
Other Information	22
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 <i>Government Auditing Standards</i>	26

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				General and	
	Student Union	Campus Recreation and Wellbeing	Housing and Residential Life	Total	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

See accompanying notes to financial statements.

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

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services					
	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life	Total	General and Administrative	Total
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	\$ <u>1,091,283</u>	\$ <u>3,641,285</u>	\$ <u>864,288</u>	\$ <u>5,596,856</u>	\$ <u>648,296</u>	\$ <u>6,245,152</u>

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.

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

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

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	4,681,696

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: —**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) —**Increase (decrease) in net position** 447,567**Net position:**

Net position at beginning of year, as previously reported 4,234,129

Restatements —

Net position at beginning of year, as restated 4,234,129**Net position at end of year** 4,681,696

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