

**California State University, Fresno
Association, Inc.**

**2024-25
Annual Report**

**Approved by the Board of Directors
September 17, 2025**

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
TABLE OF CONTENTS

JUNE 30, 2025 AND 2024

	<u>PAGE NUMBER</u>
Corporate Information - Unaudited	i
Report of Independent Auditors	1
Financial Statements	
Statement of Financial Position	4
Statement of Activities	6
Statements of Cash Flows	8
Notes to the Financial Statements	9
Report of Independent Auditors 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>	30
Supplementary Information for California State University, Fresno:	
Schedule of Net Position	32
Schedule of Revenues, Expenses, and Changes in Net Position	33
Other Information	34

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
CORPORATE INFORMATION
For Fiscal Year Ended June 30, 2025

BOARD OF DIRECTORS

Deborah S. Adishian-Astone (thru 12/31/24)	Vice President for Administration/CFO
Bob Brown (began 1/1/25)	Interim Vice President for Administration/CFO
Dr. Michael Botwin	Academic Senate
Dr. Kent Willis (thru 12/31/24)	Vice President for Student Affairs and Enrollment Management
Phong Yang (began 1/1/25)	Interim Vice President for Student Affairs and Enrollment Management
Vacant	Designee of the President from Division of Student Affairs
Dr. Raymond Hall	Chair, Academic Senate
Dr. Xuanning Fu	Provost and Vice President of Academic Affairs
Dr. Carolyn Coon	Community Member
Vacant	Community Member
Faith Van Hoven	President, Associated Students, California State University, Fresno
Frederick Lisitsa	Executive Vice President, Associated Students, California State University, Fresno
Isabelle Dillsaver	Chair, Student Unions Board of Directors

OFFICERS

Deborah S. Adishian-Astone (thru 12/31/24)	Chair
Bob Brown (began 1/1/25)	Chair
Dr. Kent Willis (thru 12/31/24)	Vice Chair
Phong Yang (began 1/1/25)	Vice Chair
Dr. Xuanning Fu	Secretary/Treasurer

AUDIT COMMITTEE

Dr. Michael Botwin	Acting Chair
Marshall Kelley	Vice-Chair, Community Member
Dr. Raymond Hall	By virtue of position

EXECUTIVE STAFF

Nicole Lane	Executive Director
-------------	--------------------

CORPORATE DATA

Executive Offices	2771 East Shaw Avenue Fresno, California 93710-8205 Telephone: (559) 278-0800
Auditors	Baker Tilly US, LLP 255 East River Park Circle, Suite 220 Fresno, California 93720 Telephone: (559) 389-5700 bakertilly.com

Report of Independent Auditors

The Board of Directors
California State University, Fresno Association, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the California State University, Fresno Association, Inc. (Association), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year 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 the Association as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Generally Accepted Government Auditing Standards (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 the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for 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.

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 the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Association's financial statements. The schedule of net position, schedule of revenues, expenses, and changes in net position, and other information (collectively supplementary information) are presented for purposes of additional analysis and are not a required part of the basic 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 basic 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 basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited California State University, Fresno Association, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2025, on our consideration of the Association'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 the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Generally Accepted Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Fresno, California
September 16, 2025

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2024

	2024 TOTAL	2025 TOTAL	SAVE MART CENTER	COMMERCIAL OPERATIONS	STUDENT HOUSING	STUDENT UNION/REC CENTER
ASSETS						
Current Assets:						
Cash and Cash Equivalents:						
On-Hand and in Commercial Accounts	\$ 2,973,878	\$ 1,684,296	\$ (1,735,218)	\$ 1,465,543	\$ 1,330,559	\$ 623,412
Savings Accounts	20,784,609	20,574,294	(21,196,323)	17,902,146	16,253,267	7,615,204
Total Cash and Cash Equivalents (Note 4)	23,758,487	22,258,590	(22,931,541)	19,367,689	17,583,826	8,238,616
Pledges Receivable-Save Mart Center (Note 5)	2,176,402	3,187,457	3,187,457	-	-	-
Accounts Receivable, net (Note 2)	2,324,167	2,181,432	91,649	1,754,389	247,207	88,187
Inventories (Note 2)	162,935	135,120	-	125,972	3,290	5,858
Prepaid Expenses (Note 2)	301,465	153,048	-	130,293	4,941	17,814
Total Current Assets	28,723,456	27,915,647	(19,652,435)	21,378,343	17,839,264	8,350,475
Long-Term Assets:						
Operating Leases - Right of Use Assets	8,692	3,038	-	3,038	-	-
Pledges Receivable-Save Mart Center (Note 5)	2,365,341	5,123,067	5,123,067	-	-	-
Investments (Note 6)	15,586,541	17,055,924	-	17,055,924	-	-
Other Assets	81,748	81,748	81,748	-	-	-
Total Long-Term Assets	18,042,322	22,263,777	5,204,815	17,058,962	-	-
Fixed Assets: (Note 2)						
Buildings and Improvements	114,065,021	114,065,021	100,178,782	2,012,451	11,873,788	-
Land Development Costs	715,706	715,706	715,706	-	-	-
Equipment, Furniture and Fixtures	29,296,364	35,327,580	8,000,611	9,064,847	13,881,449	4,380,673
Intangible Assets	140,000	140,000	-	140,000	-	-
Construction in Progress	4,420,647	3,107,202	23,000	951,801	1,958,678	173,723
Total Fixed Assets	148,637,738	153,355,509	108,918,099	12,169,099	27,713,915	4,554,396
Less: Accumulated Depreciation	(86,608,136)	(90,332,162)	(61,837,305)	(7,612,288)	(18,464,564)	(2,418,005)
Total Fixed Assets, Net	62,029,602	63,023,347	47,080,794	4,556,811	9,249,351	2,136,391
TOTAL ASSETS	\$ 108,795,380	\$ 113,202,771	\$ 32,633,174	\$ 42,994,116	\$ 27,088,615	\$ 10,486,866

See Accompanying Notes

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2024

	2024	2025	SAVE MART	COMMERCIAL	STUDENT	STUDENT
LIABILITIES AND NET ASSETS	TOTAL	TOTAL	CENTER	OPERATIONS	HOUSING	UNION/REC CENTER
Liabilities:						
Current Liabilities:						
Accounts Payable & Other Accrued Liabilities	\$ 5,025,244	\$ 6,731,211	\$ 46,577	\$ 4,258,160	\$ 1,563,916	\$ 862,558
Notes Payable	560,000	-	-	-	-	-
Deferred Revenue	369,452	115,236	-	15,122	99,282	832
Interest Payable	1,586,760	1,610,086	1,595,189	-	14,897	-
Current Operating Lease Liabilities	5,654	-	-	-	-	-
Finance Lease Obligations	5,085,000	2,810,222	2,810,222	-	-	-
Agency Funds	49,667	47,290	22,959	-	24,331	-
Total Current Liabilities	12,681,777	11,314,045	4,474,947	4,273,282	1,702,426	863,390
Long-Term Liabilities:						
Other Post Employment Benefit Obligation (Note 13)	5,739,919	6,959,747	-	5,880,234	291,136	788,377
Long-term Operating Lease Liabilities	3,038	-	-	-	-	-
Finance Lease Obligations	25,033,300	22,902,318	22,902,318	-	-	-
Premium, Net	2,838,723	2,197,400	2,197,400	-	-	-
Total Long-Term Liabilities	33,614,980	32,059,465	25,099,718	5,880,234	291,136	788,377
TOTAL LIABILITIES	46,296,757	43,373,510	29,574,665	10,153,516	1,993,562	1,651,767
NET ASSETS:						
With Donor Restrictions	4,511,758	8,310,524	8,310,524	-	-	-
Without Donor Restrictions	57,986,865	61,518,737	(5,252,015)	32,840,600	25,095,053	8,835,099
Total Net Assets	62,498,623	69,829,261	3,058,509	32,840,600	25,095,053	8,835,099
TOTAL LIABILITIES AND NET ASSETS	\$ 108,795,380	\$ 113,202,771	\$ 32,633,174	\$ 42,994,116	\$ 27,088,615	\$ 10,486,866

See Accompanying Notes

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2024

	2024 TOTAL	2025 TOTAL	INTRAFUND ELIMINATIONS	SAVE MART CENTER	COMMERCIAL OPERATIONS				STUDENT HOUSING	STUDENT FEE OPERATIONS		
					BOOKSTORE	DINING SERVICES	ADMIN	TOTAL		REC CENTER	STUDENT UNION	TOTAL
Operating Activities												
Changes in Net Assets Without Donor Restrictions												
Revenues and Other Support												
Gross Sales	\$ 29,073,268	\$ 30,992,768	\$ (1,230,000)	\$ 2,041,438	\$ 622,470	\$ 11,761,413	\$ 2,071,875	\$ 14,455,758	\$ 8,026,001	\$ 1,913,856	\$ 5,785,715	\$ 7,699,571
Contributions	1,246,349	601,648	-	579,133	-	-	-	-	-	22,515	-	22,515
Other Income	934,344	1,102,380	-	981,947	-	-	8,145	8,145	87,781	1,185	23,322	24,507
Total Revenues and Other Support Without Donor Restrictions	31,253,961	32,696,796	(1,230,000)	3,602,518	622,470	11,761,413	2,080,020	14,463,903	8,113,782	1,937,556	5,809,037	7,746,593
Net Assets Released from Restrictions	1,336,620	3,082,762	-	3,082,762	-	-	-	-	-	-	-	-
Total Revenues and Other Support Without Donor Restrictions	32,590,581	35,779,558	(1,230,000)	6,685,280	622,470	11,761,413	2,080,020	14,463,903	8,113,782	1,937,556	5,809,037	7,746,593
Expenses												
Cost of Goods Sold	3,959,422	3,699,902	-	-	-	3,682,941	1,231	3,684,172	-	15,730	-	15,730
Salaries/Wages	7,956,164	8,575,748	-	-	-	3,465,180	1,253,405	4,718,585	1,421,117	559,515	1,876,531	2,436,046
Employee Benefits	2,489,156	3,893,786	-	-	920,256	543,407	1,516,554	2,980,217	397,129	226,986	289,454	516,440
Administration-Food Services	814,285	1,346,304	(200,000)	-	-	1,546,304	-	1,546,304	-	-	-	-
Advances to SMG	1,409,460	2,186,889	-	2,186,889	-	-	-	-	-	-	-	-
Advertising/Printing	82,240	122,902	-	-	-	20,281	-	20,281	102,012	609	-	609
Athletic Corporation Entitlements	250,855	250,855	-	250,855	-	-	-	-	-	-	-	-
Audit/Legal Expense	50,370	99,800	-	-	-	-	99,800	99,800	-	-	-	-
Bad Debt Expense	(19,046)	51,323	-	-	-	18,963	-	18,963	32,360	-	-	-
Bank Charges	95,349	(871)	-	-	-	(9,698)	8,827	(871)	-	-	-	-
Chancellor's Office Fee	19,023	21,947	-	-	-	-	21,947	21,947	-	-	-	-
Computer Supplies/Expense	171,748	123,537	-	-	-	14,968	6,532	21,500	82,883	12,288	6,866	19,154
Consulting	-	4,950	-	-	-	-	-	-	-	-	4,950	4,950
Contract Services	1,280,350	1,251,150	-	-	-	82,200	-	82,200	1,097,271	71,679	-	71,679
Credit Card Fees	60,219	20,643	-	3,004	-	46	-	46	6,330	3,230	8,033	11,263
Depreciation/Amortization	4,170,794	4,836,033	-	2,968,766	-	393,526	40,196	433,722	1,154,741	64,066	214,738	278,804
Dues/Memberships/Subscriptions	15,564	24,245	-	-	-	863	8,795	9,658	9,104	632	4,851	5,483
Employee Awards/Development	18,938	20,104	-	-	-	-	20,104	20,104	-	-	-	-
Employee Recruitment	4,913	4,184	-	-	-	487	366	853	1,478	55	1,798	1,853
Equipment Purchased	14,804	19,961	-	-	-	-	-	-	-	12,256	7,705	19,961
Housing Incentives	1,630	2,010	-	-	-	-	-	-	2,010	-	-	-
Insurance	959,323	1,311,956	-	883,138	26,957	-	18,991	45,948	315,374	14,451	53,045	67,496
Janitorial/Sanitation	158,448	202,908	-	-	-	161,370	-	161,370	22,421	19,117	-	19,117
Laundry	112,991	90,618	-	-	-	74,050	-	74,050	16,517	51	-	51
Licenses/Permits/Fees	270,272	256,938	-	-	320	67,894	188,724	256,938	-	-	-	-
Management Services Fee	-	-	(730,000)	-	100,000	-	-	100,000	225,000	80,000	325,000	405,000
Miscellaneous	321,275	75,699	-	-	-	30,385	8,349	38,734	26,418	2,994	7,553	10,547
Non-Student Tax	11,073	18,776	-	-	-	18,776	-	18,776	-	-	-	-
Office Supplies	126,816	107,405	-	-	-	8,454	30,632	39,086	56,903	532	10,884	11,416
Paper Supplies	351,285	278,005	-	-	-	170,746	-	170,746	66,088	-	41,171	41,171
Possessory Interest Tax	252,647	201,065	-	201,065	-	-	-	-	-	-	-	-
Postage/Freight	34,365	47,282	-	-	-	15,395	23,772	39,167	8,109	-	6	6
Rent/Rental	1,008,632	142,411	-	-	-	54,248	3,416	57,664	84,469	278	-	278
Repairs/Maintenance	1,368,134	1,228,973	-	7,986	27,681	257,555	38,214	323,450	507,747	43,461	346,329	389,790
Resident Advisor Meals	264,801	251,707	-	-	-	122,288	-	122,288	129,419	-	-	-
Royalties	179,880	193,219	-	-	-	193,219	-	193,219	-	-	-	-
Save Mart Seat Licenses	-	-	(300,000)	-	-	-	-	-	-	-	300,000	300,000
Security Services	76,409	37,800	-	-	-	-	37,800	37,800	-	-	-	-

See Accompanying Notes

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2024

	2024 TOTAL	2025 TOTAL	INTRAFUND ELIMINATIONS	SAVE MART CENTER	COMMERCIAL OPERATIONS				STUDENT HOUSING	STUDENT FEE OPERATIONS		
					BOOKSTORE	DINING SERVICES	ADMIN	TOTAL		REC CENTER	STUDENT UNION	TOTAL
Smallwares	97,400	61,610	-	-	-	29,451	-	29,451	32,159	-	-	-
Student Programs	181,180	175,895	-	-	-	-	-	-	-	2,590	173,305	175,895
Telephone/Communications	20,244	35,221	-	-	3,060	2,593	5,864	11,517	17,782	3,516	2,406	5,922
Travel/Training	65,516	73,003	-	-	-	4,080	6,064	10,144	53,675	1,031	8,153	9,184
University Donations	45,374	95,218	-	51,588	-	43,630	-	43,630	-	-	-	-
Utilities	2,316,676	2,392,940	-	-	147,112	287,696	27,128	461,936	818,150	602,520	510,334	1,112,854
Warehouse Expense	59,345	22,696	-	-	-	22,696	-	22,696	-	-	-	-
Wilkinson Group Fee	180,000	180,000	-	180,000	-	-	-	-	-	-	-	-
Total Expenses	31,308,324	34,036,747	(1,230,000)	6,733,291	1,225,386	11,323,994	3,366,711	15,916,091	6,686,666	1,737,587	4,193,112	5,930,699
Change in Net Assets from Operations	1,282,257	1,742,811	-	(48,011)	(602,916)	437,419	(1,286,691)	(1,452,188)	1,427,116	199,969	1,615,925	1,815,894
Nonoperating Revenues (Expenses)												
Interest and Dividend Income	1,405,874	1,232,651	-	148,758	-	-	1,083,893	1,083,893	-	-	-	-
Investment Return, Net	1,034,357	984,718	-	84,995	-	-	899,723	899,723	-	-	-	-
Extinguishment of Finance and Bond Obligations	0	-	-	-	-	-	-	-	-	-	-	-
Bond Expenses	(18,842)	(11,394)	-	(11,394)	-	-	-	-	-	-	-	-
Finance Lease Expense	(384,376)	(409,233)	-	(409,233)	-	-	-	-	-	-	-	-
Interest Expense	(26,960)	(7,681)	-	-	-	-	-	-	(7,681)	-	-	-
Total Nonoperating Activities	2,010,053	1,789,061	-	(186,874)	-	-	1,983,616	1,983,616	(7,681)	-	-	-
Increase (Decrease) in Net Assets Without Donor Restrictions	3,292,310	3,531,872	-	(234,885)	(602,916)	437,419	696,925	531,428	1,419,435	199,969	1,615,925	1,815,894
Change in Net Assets With Donor Restrictions												
Revenues and Other Support:												
Contributions	1,417,764	6,881,528	-	6,881,528	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions	(1,336,620)	(3,082,762)	-	(3,082,762)	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets With Donor Restrictions	81,144	3,798,766	-	3,798,766	-	-	-	-	-	-	-	-
Total Increase (Decrease) in Net Assets	3,373,454	7,330,638	-	3,563,881	(602,916)	437,419	696,925	531,428	1,419,435	199,969	1,615,925	1,815,894
Net Assets, Beginning of Year	59,125,169	62,498,623	-	(505,372)				32,309,172	23,675,618			7,019,205
Net Assets, End of Year	\$ 62,498,623	\$ 69,829,261	\$ -	\$ 3,058,509				\$ 32,840,600	\$ 25,095,053			\$ 8,835,099

See Accompanying Notes

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	TOTAL	
	2025	2024
Cash Flows From Operating Activities		
Increase in Net Assets	\$ 7,330,636	\$ 3,373,454
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Realized and Unrealized Gain on Investments	(1,030,970)	(1,071,518)
Depreciation	4,836,033	4,170,794
Bad Debt Expense	51,323	(19,046)
Amortization on Finance Lease Premium	(641,323)	-
ROU Assets	5,654	-
Gain on Lease Modifications	679,240	-
Changes in:		
Accounts Receivable	91,412	(390,274)
Pledges Receivable-Save Mart Center	(3,768,781)	733,557
Inventories	27,815	(32,130)
Prepaid Expenses	148,417	(207,504)
Accounts Payable and Other Accrued Liabilities	1,705,967	296,388
Deferred Revenue	(254,216)	(77,860)
Interest Payable	23,326	(34,699)
Operating Lease Liability	(8,692)	-
Other Postemployment Benefit Obligation	1,219,828	(29,703)
Agency Funds	(2,377)	4,325
Net Cash Provided by Operating Activities	<u>10,413,292</u>	<u>6,715,784</u>
Cash Flows From Investing Activities		
Investment Income Reinvested	(450,037)	(470,303)
Acquisition of Fixed Assets	(5,829,778)	(5,814,008)
Sale of Investments	11,625	37,161
Net Cash Used in Investing Activities	<u>(6,268,190)</u>	<u>(6,247,150)</u>
Cash Flows from Financing Activities		
Principal Payments on Notes	(560,000)	(547,552)
Principal Payments on Finance Lease Obligations	(5,085,000)	(5,799,438)
Net Cash Used in Financing Activities	<u>(5,645,000)</u>	<u>(6,346,990)</u>
Net Decrease in Cash	(1,499,898)	(5,878,356)
Cash and Cash Equivalents, Beginning of Year	<u>23,758,487</u>	<u>29,636,843</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 22,258,589</u></u>	<u><u>\$ 23,758,487</u></u>
Supplemental Disclosure of Cash Flow Information		
Cash Paid During the Year for Interest	<u><u>\$ 1,101,475</u></u>	<u><u>\$ 1,332,787</u></u>

Noncash Operating Activities:

For the year ended June 30, 2025, a finance lease modification of \$679,240 was applied for the book value of the finance lease to match to the Workiva lease management system in use by the California State University system. No cash was included in the modification.

See Accompanying Notes

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 – GENERAL INFORMATION

The California State University, Fresno Association, Inc. (the Association) administers and manages the commercial activities for California State University, Fresno including the Save Mart Center, Campus Stores, University Dining Services, Student Housing, Recreation Center and the Student Unions. The Association also provides accounting and managerial services to other university auxiliary corporations. The Association is supported primarily by sales from commercial activities and contributions.

The California State University, Fresno Association, Inc. was incorporated on June 12, 1961 as a non-profit corporation. The Association was formed and is operated exclusively to receive, hold, invest and administer property and to make expenditures to and for the benefit of California State University, Fresno (the University). The Association is a tax-exempt corporation under section 501(c)(3) of the Internal Revenue Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Basis of Presentation

The financial statements of the Association have been prepared in accordance with US generally accepted accounting principles (US GAAP), which require the Association 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 Association. These net assets may be used at the discretion of the Association's management and the Board of Directors. There were no board designated net assets at June 30, 2025 or 2024.

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 Association 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 Association had net assets with donor restrictions of \$8,310,524 and \$4,511,758 for the years ended June 30, 2025 and 2024, respectively.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Association's ongoing commercial and management services and other miscellaneous income. Nonoperating activities are limited to resources that are considered to be of a more unusual or nonrecurring nature such as return on investments, interest/dividends and debt interest expense.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The accounts of the Association are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Fund balances are classified on the Statements of Financial Position as net assets with or without donor restrictions based on the absence or existence and type of donor-imposed restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposit accounts and money market funds with financial institutions. The Association considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents.

Concentrations of Credit Risk

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of cash and cash equivalents. The Association maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Association's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Association has not experienced, nor does it anticipate, any losses with respect to such accounts. At June 30, 2025 and 2024, cash and cash equivalents included \$10,488,000 and \$7,063,000, respectively, held in a commercial bank, of which \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC).

Pledges Receivable-Save Mart Center

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received, which ranged from 3.53% to 7%. Amortization of the discounts is included in gross sales and contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Management reviews the collectability of the receivables on an ongoing basis and does not have an allowance for losses recorded at June 30, 2025, or 2024, as the receivables are deemed collectible.

Accounts Receivable

Accounts receivable are recorded when invoices are issued and are presented in the Statement of Financial Position. Management reviews the collectability of the receivables on an ongoing basis. Balances that are still outstanding after management has used reasonable collection efforts are written off. Allowances for credit losses in the amounts of \$40,784 and \$46,086 have been established as of June 30, 2025 and 2024, respectively.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

The Association's inventory consists of goods held for resale in University Dining Services, Student Unions, and Student Housing, and are valued at the lower of cost or market determined by the first-in, first-out (FIFO) method.

Prepaid Expenses

Prepaid expenses are comprised of information technology maintenance and other prepaid maintenance pertaining to future periods.

Investments

Investments in securities are carried at fair value and realized and unrealized gains or losses are included in "Nonoperating Activities" in the Statement of Activities.

Fair Value of Financial Instruments

U.S. GAAP requires disclosure of an estimate of fair value of certain financial instruments. The Association's significant financial instruments are cash, accounts receivable, investments, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

Fixed Assets

Fixed assets are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from 3 to 55 years. The Association's policy is to capitalize renewals and betterments acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. Fully depreciated assets, which have economic value, are retained on the books although fully depreciated.

In connection with University Dining Services provided on campus, the Association has paid franchise fees to Subway, Starbucks, Taco Bell, and The Habit for the privilege of operating the quick service restaurants. The franchise fees are reported, net of amortization expense, in the fixed asset section of the Statements of Financial Position. These fees are amortized over the franchise period using the straight-line method.

Impairment of Long-Lived Assets

The long-lived assets are reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expensed to result from the use and eventual disposition of that asset. Whenever any such impairment exists, an impairment loss will be recognized for the amount by which the carry value exceeds the fair value.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Defined Benefit Pension Plan

As described in Note 12, the Association participates in a multi-employer public employee retirement system. The Public Agency Cost-Sharing multi-employer Defined Benefit Pension Plan (the Plan or PERF C) is administered by the California Public Employees' Retirement System (the System or CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. Each individual employer rate plan generally has less than 100 active members. The benefit provisions for PERF C members are established by statute. A full description regarding the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information for the respective plan is listed in the respective rate plan's June 30, 2022 Annual Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website at <https://www.calpers.ca.gov/docs/forms-publications/acfr-2023.pdf>.

Deferred Revenue

Income from the University, Student Housing (rent and summer conferences), and Campus Pointe are deferred and recognized over the periods to which activities relate.

Revenue Recognition

The Association recognizes revenue principally from commercial operations, including the operation of a bookstore, campus dining service, student housing program, student recreation center and student union. The Association also administers and manages the Save Mart Center, a multi-purpose sports and entertainment venue hosting events and performances. The Association's gross sales revenue is recognized based on consideration specified in a contract with a customer upon completion of performance obligations. The Association recognizes revenue from performance obligations when it satisfies the obligation by transferring control over products or services to a customer at a point in time when the product has been delivered or when the service has been fully performed. The payment terms vary depending on the nature of the performance obligations and can be recognized at the point of sale or over time.

Revenues from performance obligations satisfied at a point in time consist of revenue recognized from campus stores sales, Save Mart Center activities, dining services (excluding student dining hall), student recreation center sales and student union fees. Revenues from performance obligations satisfied over time consist of revenue recognized from management service fees, student housing and dining services and student body fees.

Campus Stores Sales – includes commissions earned on the sale of textbooks, student learning materials, merchandise and other items. Revenue is earned at the time such items are purchased.

Save Mart Center – includes premium seating, naming rights, sponsorship/advertising, and ground rent from Campus Pointe. Revenue for premium seating, naming rights, and sponsorship/advertising is earned when such services are rendered or items are purchased. Revenue for ground rents from Campus Pointe is recognized monthly over the term of the lease.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

Dining Services – includes housing resident meal plans, retail dining operations, and catering services to support the campus community. Revenue for housing resident meal plans is earned each month these services are used by the student. Revenue for retail dining operations and catering services is earned at the time such services are rendered or items are purchased.

Management Service Fees – the Association provides management and administrative services for other sister Fresno State auxiliary organizations. Revenue is earned as services are rendered throughout the year.

Student Housing – includes housing contracts, summer contracts, summer conference, and summer arts. Summer conference and arts are earned when the services are rendered. Housing contracts are for the entire academic year and summer contracts are for the summer months. Revenue is earned each month these services are used by the student.

Student Unions (Student Body Center - Category II Mandatory Fee) - mandatory student fee to support the debt service and operations of both the Student Union and Student Recreation Center. Revenue is received from the University who collects the fee revenue from the students. The University transfers the approved annual amount of fees needed for operations twice each fiscal year. Both operations also have miscellaneous operating revenues generated by rental of facilities and retail sales that is earned at the time such services are rendered or items are purchased. Student Recreation Center includes a membership fee, which is earned monthly over the term of the contract.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. 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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other 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.

Contributed fixed assets are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributed Nonfinancial Assets

The Association recognizes contributed nonfinancial assets within revenue, including donated goods, land, assets space, and professional services. A number of volunteers have made significant contributions of their time to the Association's programs and supporting services. The value of this contributed time is not reflected in these financial statements since it does not require a specialized skill.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs

Advertising costs are expensed as incurred and totaled \$122,902 and \$82,240 for the years ended June 30, 2025 and 2024, respectively.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in Note 16 – Expenses by Natural/Functional Classification. Accordingly, certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The costs have been allocated among the program and general and administrative based upon management's estimate of time and effort recorded on functions related to specific activity, or in the case of shared expenses, using an allocation based on usage or other relevant bases.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status

The Association is organized and operated exclusively for educational purposes and is thus allowed tax exempt status under provisions of section 501(c)(3) of the Internal Revenue Code and section 23701(d) of the California Revenue and Taxation Code. The Association does, however, pay income taxes on any unrelated business income.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Leases

The Association determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect present value of the future minimum lease payments over the lease term if material. Operating lease expense is recognized on a straight-line basis over the lease term. The Association does not report ROU assets and lease liabilities for short-term leases (leases with a term of 12 months or less). Instead, the payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Premium, Net

Premium, net consists of liabilities related to the issuance of bonds. This includes bond issuance premium, cost of issuance, and underwriters discount.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 – LIQUIDITY AND AVAILABILITY

The following represents The Association's financial assets at June 30, 2025 and 2024:

Financial assets at year end:	2025	2024
Cash and cash equivalents	\$ 22,258,590	\$ 23,758,487
Accounts receivable, net	2,181,432	2,324,167
Pledges receivable	3,187,457	2,176,402
Investments	17,055,924	15,586,541
Total financial assets	44,683,403	43,845,597
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(8,310,524)	(4,511,758)
Financial assets available to meet general expenditures over the next twelve months	\$ 36,372,879	39,333,839

The Association's reserve policy for commercial operations is generally to maintain financial assets to meet 20% of budgeted operating expenses for next fiscal year, net of depreciation or \$4,000,000, whichever is greater. The minimum requirement is \$4,000,000 for both of the years ended June 30, 2025 and 2024, respectively.

The Association's reserve policy for student housing operations is generally to maintain financial assets to meet 20% of budgeted operating expenses for next fiscal year, net of depreciation. The minimum requirement is \$1,250,078 and \$1,079,769 for the years ended June 30, 2025 and 2024, respectively.

The Association's reserve policy for Student Unions and Student Recreation Center is to maintain financial assets to meet 35% of operating expenses for the current fiscal year, less capital equipment purchases, plus 100% of budgeted capital expenses. The minimum requirement for the Student Unions is \$1,541,254 and \$1,496,021 for the years ended 2025 and 2024, respectively. The minimum requirement for the Student Recreation Center is \$642,291 and \$649,679 for the years ended June 30, 2025 and 2024, respectively. In addition, the Student Unions and Student Recreation Center also have reserves on deposit with the University in a state trust account.

As part of its liquidity plan, excess cash is invested in short-term investments including money market and State of California Local Agency Investment Fund (LAIF) accounts. The Association also has excess funds invested in long-term, highly liquid funds. The Association also has accounts receivable and pledges receivable that are available to meet funding requirements.

The Association's financial assets available to meet the general expenditures over the next twelve months is more than adequate to meet financial obligations.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30 consisted of the following:

	<u>2025</u>	<u>2024</u>
Deposits:		
Cash on hand and in banks	\$ 9,994,248	\$ 7,137,296
Pooled Funds:		
Cash in State of California Local		
Agency Investment Fund	<u>12,264,342</u>	<u>16,621,191</u>
Total	<u>\$ 22,258,590</u>	<u>\$ 23,758,487</u>

The Association maintains some cash in the State of California Local Agency Investment Fund (LAIF). The state pools these funds with those of other organizations and invests the cash. These pooled funds are carried at cost which approximates market value. Interest earned is remitted quarterly to the Association. Any investment losses are proportionately shared by all participants in the pool. The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

Additionally, the PMIA has Policies, Goals and Objectives for the portfolio to make certain that the goals of Safety, Liquidity and Yield are not jeopardized and that prudent management prevails. These policies are formulated by investment staff and reviewed by both the PMIB and the LAIF on an annual basis. All investment and LAIF claims are audited on a daily basis by the State Controller's Office as well as an in-house audit process involving three separate divisions.

Under Federal Law, the State of California cannot declare bankruptcy, thereby allowing the Government Code Section 16429.3 to stand. This Section states that "moneys placed with the Treasurer for deposit in the LAIF by cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies shall not be subject to either of the following: (a) transfer or loan pursuant to Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency."

NOTE 5 – PLEDGES RECEIVABLE-SAVE MART CENTER

Included in "Pledges Receivable" are unconditional promises to give, net of unamortized discount. The following are future payments due to the Association for pledges receivable at June 30:

	<u>2025</u>	<u>2024</u>
Unconditional Promises to Give Before		
Unamortized Discount	\$ 9,271,896	\$ 5,019,219
Less: Unamortized Discount	<u>(961,372)</u>	<u>(477,476)</u>
Net Unconditional Promises to Give	<u>\$ 8,310,524</u>	<u>\$ 4,541,743</u>
Amounts Due in:		
One Year	\$ 3,187,457	\$ 2,176,402
Two to Five Years	4,222,620	2,211,745
More Than Five Years	<u>900,447</u>	<u>153,596</u>
Total	<u>\$ 8,310,524</u>	<u>\$ 4,541,743</u>

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 – INVESTMENTS

Long-Term investments at June 30, 2025 consist of the following:

	<u>Total</u>
Long-term investments at beginning of year	\$ 15,586,541
Additions	-
Amounts withdrawn	(11,625)
Return on investments (net of investment fees of \$34,624):	
Dividends and interest	450,037
Net unrealized and realized gains (losses)	<u>1,030,971</u>
Total return on investments	<u>1,481,008</u>
Long-term investments at end of year	<u><u>\$ 17,055,924</u></u>

Long-Term investments at June 30, 2024 consist of the following:

	<u>Total</u>
Long-term investments at beginning of year	\$ 14,081,881
Additions	-
Amounts withdrawn	(11,161)
Return on investments (net of investment fees of \$26,000):	
Dividends and interest	444,304
Net unrealized and realized gains (losses)	<u>1,071,517</u>
Total return on investments	<u>1,515,821</u>
Long-term investments at end of year	<u><u>\$ 15,586,541</u></u>

Long-Term investments at fair value consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Corporate Bonds	\$ 4,702,378	\$ 5,285,875
Municipal Bonds	167,513	986,603
Common fund	6,042,281	5,198,831
Mutual funds	2,555,269	2,318,982
Money Market funds	1,694,281	1,135,959
U.S. agency securities	12,981	15,173
U.S. treasury securities	<u>1,881,221</u>	<u>645,118</u>
Total long-term investments, at market	<u><u>\$ 17,055,924</u></u>	<u><u>\$ 15,586,541</u></u>

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant observable input (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounts cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The tables below present the balance of assets measured at fair value on a recurring basis at June 30:

<u>2025</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 22,258,590	\$ 22,258,590	\$ -	\$ -
Long-Term Investments:				
Corporate Bonds	4,702,378	4,702,378	-	-
Municipal Bonds	167,513	167,513	-	-
Multi Strategy Equity Fund	6,042,281	-	6,042,281	-
Mutual Funds	2,555,269	2,555,269	-	-
Money Market Funds	1,694,281	1,694,281	-	-
U.S. Agency Securities	12,981	-	12,981	-
U.S. Treasury Securities	1,881,221	1,881,221	-	-
Total Long-Term Investments	17,055,924	11,000,662	6,055,262	-
Total	\$ 39,314,514	\$ 33,259,252	\$ 6,055,262	-

<u>2024</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 23,758,487	\$ 23,758,487	\$ -	\$ -
Long-Term Investments:				
Corporate Bonds	5,285,875	5,285,875	-	-
Municipal Bonds	986,603	986,603	-	-
Multi Strategy Equity Fund	5,198,831	-	5,198,831	-
Mutual Funds	2,318,982	2,318,982	-	-
Money Market Funds	1,135,959	1,135,959	-	-
U.S. Agency Securities	15,173	-	15,173	-
U.S. Treasury Securities	645,118	645,118	-	-
Total Long-Term Investments	15,586,541	10,372,537	5,214,004	-
Total	\$ 39,345,028	\$ 34,131,024	\$ 5,214,004	\$ -

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 – FAIR VALUE MEASUREMENTS (continued)

Techniques and Inputs

Level 1 assets include investments in long-term investments for which quoted prices for identical assets are readily available.

Level 2 assets include multi strategy equity funds for which valuations are obtained from third party pricing services for identical or similar assets or liabilities.

There were no changes in valuation techniques during the current year.

NOTE 8 – NOTES PAYABLE

CSU Systemwide Revenue Bonds (SRB) Series 2020B

In February 2020, the Association participated in the CSU Systemwide Revenue Bonds (SRB) Series 2020B program to refinance the Student Housing Refunding Revenue Bonds, Series 2011A – refinance of Series 2001. The effect of the refinancing was to incur a new note payable obligation payable to the Trustees of the California State University. Interest at 1.64% is payable semi-annually, with principal payments beginning in November 2020. The final payment of \$560,000 for this SRB was paid within the current fiscal year ending June 30, 2025.

NOTE 9 – LEASES

In August 2015, the Association participated in the CSU Systemwide Revenue Bonds (SRB) program to refinance the 2005 Save Mart Center bonds. The effect of the refinancing resulted in a capital lease obligation payable to the University. Interest at 4.4% is payable semi-annually, with principal payments beginning in November 2015. The Association has amortized the net premium, underwriter's discount, and cost of issuance over the life of the SRB bonds, the unamortized portions are reported in long-term liability on the Statements of Financial Position.

The Association has multiple operating lease agreements, all of which consist of leases for usage of copiers.

In fiscal year ending June 30, 2025, the Association evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Association's right to use underlying assets for the lease term, and the lease liabilities represent the Association's obligation to make lease payments arising from these leases. The Association made use of the Workiva program provided by the CSU Chancellor's Office. Workiva applied a 3.583% discount rate on the Association's operating leases. The Association's leases consist of both operating leases and finance leases. For the year ended June 30, 2025, total operating lease cost was \$5,654, while total finance lease cost was \$6,186,475. For the year ended June 30, 2024, total operating lease cost was \$3,499, while the total finance lease cost was \$6,232,787. The total operating right of use asset and lease liabilities at June 30, 2025 were \$3,038 and \$0. The total operating right of use asset and lease liabilities at June 30, 2024 was \$8,692. Finance lease right of use assets of \$99,354,232, with accumulated depreciation of \$55,080,087 and \$52,654,368 are included in fixed assets in the Statements of Net Position for the year ended June 30, 2025 and 2024.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 – LEASES (continued)

Lease payments for future years are set as follows:

Year Ending June 30,	<u>Finance Leases</u>		<u>Operating Leases</u>	Total Leases (Principal Only)
	Principal	Interest	Principal	
2026	\$ 2,810,222	\$ 976,865	\$ -	\$ 2,810,222
2027	3,122,310	848,965	-	3,122,310
2028	2,293,512	748,438	-	2,293,512
2029	2,322,655	670,158	-	2,322,655
2030	2,447,309	572,493	-	2,447,309
Thereafter	12,716,532	723,162	-	12,716,532
Total	\$ 25,712,540	\$ 4,540,081	\$ -	\$ 25,712,540

Unamortized premium and debt issuance costs are \$2,271,462 and \$74,062 as of June 30, 2025. Unamortized premium and debt issuance costs were \$2,924,179 and \$85,457 as of June 30, 2024.

In addition to the above leases, of which the Association is the lessee, the Association also has multiple leases of which it is the lessor. The majority of these are ground leases, of which the Association receives periodic rent revenue.

Minimum lease revenue for future years are set as follows below:

<u>Year Ending June 30:</u>	<u>Lease Revenue</u>
2026	\$ 1,009,423
2027	925,573
2028	925,573
2029	881,694
2030	881,694
Thereafter	28,816,888
Total	<u>\$ 33,440,845</u>

NOTE 10 – DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the years ended June 30:

	2025	2024
Performance obligations satisfied at a point in time	\$ 7,622,245	\$ 7,890,576
Performance obligations satisfied over time	23,370,523	21,182,692
Total	<u>\$ 30,992,768</u>	<u>\$ 29,073,268</u>

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 – CONTRACT BALANCES

Contract assets include accounts receivable mainly from Save Mart Center activities, campus stores sales, and student housing. Contract liabilities include deferred revenue balances originated from the receipt of customer funds prior to the completion of performance obligations. Contract assets and contract liabilities were as follows for the years ended June 30:

	June 30, 2025 Closing Balance	June 30, 2024 Closing Balance
Contract assets:		
Contract receivables	\$ 2,222,216	\$ 2,370,253
Contract liabilities:		
Deferred revenues	\$ 115,236	\$ 369,452

The following table provides information about significant changes in the significant services paid in advance for the years ended June 30:

	2025	2024
Deferred revenue, beginning of the year	\$ 369,452	\$ 447,312
Revenue recognized that was included during the period	(877,962)	(812,007)
Increase in deferred revenue due to cash received during the period	623,746	734,147
Deferred revenue, end of year	\$ 115,236	\$ 369,452

NOTE 12 – EMPLOYEE DEFINED BENEFIT PENSION PLAN

California Public Employees’ Retirement System Plan Description

The California State University, Fresno Association, Inc. (Federal Tax ID# 94-1512286), is a participating employer in two separate multi-employer defined benefit pension plans. The plans generally provide retirement to employees based on years of service to the Association, and also provide disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Plan of the California State University-Fresno Association, Inc. and PEPRA Miscellaneous Plan of the California State University-Fresno Association, Inc. (CalPERS ID: 3956399313) are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees’ Retirement Law. The Association selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814 or by visiting the CalPERS website at www.calpers.ca.gov.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12 – EMPLOYEE DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy

Under the Public Employees' Pension Reform Act of 2013, employees (who are brought into CalPERS membership for the first time on or after January 1, 2013) are required to contribute at least 50% of the annual required contributions under a defined benefit formula of 2% Miscellaneous at age 62. The current employee rate is 7.75%. For employees hired prior to January 1, 2013 under the defined benefit formula of 2% Miscellaneous at age 55, plan members are required to contribute 7.00% of their annual covered salary and the Association currently pays the employee portion of the required contribution (the 7.00%) for employees with 5 or more years of service with the Association. California State University, Fresno Association, Inc. is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal 2024/2025 was 12.52% plus \$982,891 towards the unfunded liability for the Miscellaneous Plan and 7.87% plus \$4,181 towards the unfunded liability for the PEPRA Miscellaneous Plan. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Employers participating in multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Association chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan.

Annual Pension Cost

For fiscal year 2024/2025, California State University, Fresno Association, Inc.'s annual pension cost of \$1,266,041 was equal to the Association's required and actual contributions. The total pension cost for both employee and employer contributions was \$1,435,776. The required contribution for fiscal year 2024/2025 was determined as part of the June 30, 2023 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 6% investment rate of return (net of administrative expenses); (b) projected overall payroll growth of 3%; (c) inflation factor of 4% compounded annually and (d) discount rate of 6%.

The actuarial value of California State University, Fresno Association, Inc.'s assets was determined using a technique that smooths the effect of short-term volatility in the market value of investments over a five year period depending on the size of investment gains and/or losses.

Miscellaneous Plan of the California State University, Fresno Association, Inc.'s unfunded actuarial excess assets are being amortized as a level percentage of projected payroll on a closed basis. The amortization period at June 30, 2021 was 20 years. Based upon the most recent valuation published for the period ending June 30, 2021, the Association did not contribute more than 5% of total contributions to the plan.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12 – EMPLOYEE DEFINED BENEFIT PENSION PLAN (Continued)

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/23	\$1,178,048	100%	\$0
6/30/24	\$1,193,266	100%	\$0
6/30/25	\$1,266,041	100%	\$0

The Association is included in a pooled plan as required by California law. The Association has less than 100 active employees, therefore, the Association's portion of the pooled information is less than 1%. Beginning in fiscal year 2013, funding history for the miscellaneous risk pools are combined to include the PEPR and other MISC risk pools.

Valuation Date	Pooled Accrued Liabilities	Pooled Actuarial Value of Assets	Pooled Unfunded Accrued Liabilities (UAL)	Funded Ratio	Pooled Annual Covered Payroll	UAL as a % of Payroll
6/30/21	\$20,794,529,023	\$18,063,262,515	\$2,731,266,508	86.9%	\$2,641,544,193	103.4%
6/30/22	\$22,021,735,002	\$16,768,718,642	\$5,253,016,360	76.1%	\$2,845,309,050	184.6%
6/30/23	\$23,349,910,053	\$17,688,140,376	\$5,661,769,677	75.8%	\$3,154,017,129	179.5%

NOTE 13 – OTHER POST EMPLOYMENT BENEFIT OBLIGATION

The Association sponsors a defined benefit post-retirement plan that provides medical benefits to retirees. The plan is contributory, with retiree contributions adjusted annually. The plan covers each employee and spouse. Employees, other than new hires after January 16, 2003, are eligible to receive full benefits at the age of 50 with 5 years of service. Employees hired after January 16, 2003 are eligible to receive benefits after 10 years of service with a vesting schedule that begins with 50% coverage after 10 years of service and increases by 5% per year. After 20 years of service, the employee is eligible for 100% of benefits.

Government Code Section 22825.6 provides that a local agency contracting under the Meyers-Geddes State Employers' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22825 of the Act, and the Association is a local agency contracting under the Act. The Board of Directors shall take action to adjust the basis of the employer's contribution for each employee or annuitant.

The Association changed its method of accounting for post-retirement benefits other than pensions, from the pay-as-you-go method to the accrual method, as required by ASC 810, on July 1, 1995.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 – OTHER POST EMPLOYMENT BENEFIT OBLIGATION (Continued)

Following is the information on the plan as of and for the year ended June 30, 2025 in accordance with ASC 715 “Employers’ Accounting for Defined Benefit Pension and Other Post-Retirement Plans”:

	Net Periodic Post-Retirement Benefit Cost	Post-Retirement Benefit Liability
July 1, 2024		\$ 6,239,308
Recognition of components of net periodic post-retirement benefit cost:		
Service cost (benefit)	\$ 126,644	126,644
Interest cost	355,306	355,306
Actuarial (gain) or loss	-	-
Change in market	1,470,898	1,470,898
Total	<u>\$ 1,952,848</u>	
Benefit payments		<u>(644,441)</u>
Net Change		<u>1,308,407</u>
June 30, 2025		<u>\$ 7,547,715</u>

	Net Periodic Post-Retirement Benefit Cost	Post-Retirement Benefit Liability
July 1, 2023		\$ 6,263,835
Recognition of components of net periodic post-retirement benefit cost:		
Service cost (benefit)	\$ 108,466	108,466
Interest cost	361,220	361,220
Actuarial (gain) or loss	-	-
Change in market	-	-
Total	<u>\$ 469,686</u>	
Benefit payments		<u>(494,213)</u>
Net Change		<u>(24,527)</u>
June 30, 2024		<u>\$ 6,239,308</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The post-retirement obligation is included in accounts payable and other liabilities as follows:

	2025	2024
Current portion	\$ 587,968	\$ 499,389
Long-term portion	6,959,747	5,739,919
	<u>\$ 7,547,715</u>	<u>\$ 6,239,308</u>

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 – OTHER POST EMPLOYMENT BENEFIT OBLIGATION (Continued)

The funded status of the plan is the following:

	<u>2025</u>	<u>2024</u>
Accrued post-retirement benefit obligation	\$ 7,547,715	\$ 6,239,308
Plan assets	-	-
Unfunded plan obligation	<u>\$ 7,547,715</u>	<u>\$ 6,239,308</u>

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

The following weighted-average assumptions were used in accounting for the post-retirement benefit obligation at June 30:

Year Ending June 30:

2026	\$ 620,725
2027	618,386
2028	630,316
2029	647,490
2030	602,892
2031-2035	<u>3,079,091</u>
Total	<u>\$ 6,198,900</u>

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Save Mart Center – Effective October 1, 2020, the Association amended its current contract with ASM Global (formerly SMG) to manage the Save Mart Center for a five-year term expiring June 30, 2025. The agreement provides for an initial annual fixed fee of \$595,350 inclusive of food and beverage services. Annual incentive fees are subject to negotiation and limitations after fiscal year 2013. The fixed fee is adjusted every three years for CPI increases.

Advances to ASM Global for the management fee/operating expenses and incentive fee for the year ended June 30, 2025 were \$2,186,889 and \$0, respectively. Advances to ASM Global for the management fee/operating expenses and incentive fee for the year ended June 30, 2024 were \$1,409,460 and \$0, respectively.

Campus Stores – Effective April 10, 2019, the Association entered into a contract with Follett Higher Education Group (Follett) for the management of the Kennel Bookstore, expiring June 30, 2025, with an auto renewal for an additional year to June 30, 2026. The agreement provides for commission to the Association of 7% of Immediate Access gross sales and 8.5% of all other commissionable sales up to \$9 million plus 10.5% of commissionable sales in excess of \$9 million, with the Kennel Marketplace earning 14.5% commission for all commissionable sales in excess of \$1 million during the fiscal year.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)

Claims and Litigation – The Association, during its normal course of business, may be subject from time to time to disputes and legal proceedings against it or may be indirectly impacted by litigation against the CSU or the University. Both management and legal counsel do not expect the ultimate outcome of any current claims or lawsuits to have a material adverse effect on the Association's financial statements.

NOTE 15 – RELATED PARTIES

In addition to the University, the Association is related to The Agricultural Foundation of California State University, Fresno (the Agricultural Foundation), Associated Students California State University, Fresno (Associated Students), Fresno State Programs for Children, Inc. (Programs for Children) and the California State University, Fresno Foundation (the Foundation) due to common management of the five entities. The Association had the following transactions with these entities during the years ended June 30, 2025 and 2024:

Pursuant to a management services agreement, the Foundation, The Agricultural Foundation, Programs for Children, and Associated Students pay administrative fees to the Association for management services. The Foundation's administrative fees for the years ended June 30, 2025 and 2024 were \$686,000 and \$651,386, respectively, allocated on the basis of gross revenue and services rendered. The Agricultural Foundation's administrative fees for the years ended June 30, 2025 and 2024 were \$177,927 and \$169,454, respectively, based on services rendered. Programs for Children's administrative fees for the years ended June 30, 2025 and 2024 were \$90,767 and \$82,515, respectively, based on services rendered. Associated Students administrative fees for the years ended June 30, 2025 and 2024 were \$80,427 and \$75,000, respectively, based on a flat fee arrangement.

The Foundation also reimburses the Association twice a month for salaries and benefits of Foundation Financial Services staff in the amounts of \$644,268 and \$786,774 for the years ended June 30, 2025 and 2024, respectively.

The amounts due to the Association from the Foundation for miscellaneous expenses were \$2,934 and \$30,715 for the years ended June 30, 2025 and 2024, respectively. The amounts due to the Association from the Foundation for salaries and benefits were \$201,733 and \$30,482 for the years ended June 30, 2025 and 2024, respectively. The amounts due to the Foundation from the Association for miscellaneous expenses were \$268,546 and \$720 for the years ended June 30, 2025 and 2024, respectively. The amounts due to the Foundation from the Association for salaries and benefits were \$163,489 and \$245,696 for the years ended June 30, 2025 and 2024, respectively.

The amounts due to the Association from The Agricultural Foundation for miscellaneous expenses were \$69 and \$11,034 for the years ended June 30, 2025 and 2024. The amounts due to The Agricultural Foundation for miscellaneous expenses were \$0 and \$2,600 for the years ended June 30, 2025 and 2024, respectively.

The amounts receivable from the University were \$737,225 and \$714,998 for the years ended June 30, 2025 and 2024, respectively. The amounts payable to the University were \$1,096,212 and \$545,162 for the years ended June 30, 2025 and 2024, respectively.

The amounts due to the Association from Associated Students for miscellaneous expenses were \$310 and \$152 for the years ended June 30, 2025 and 2024, respectively. The amounts payable to Associated Students were \$0 for both of the years ended June 30, 2025 and 2024, respectively.

The amounts due to the Association from Programs for Children were for miscellaneous expenses were \$92 and \$121 for the years ended June 30, 2025 and 2024.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 15 – RELATED PARTIES (continued)

The Association has entered into several facility leases for which minimal consideration is required by the lessor as follows:

- Use of the Kennel Bookstore, between the Trustees of the CSU, expiring June 30, 2030.
- Use of the University Center, between the Trustees of the CSU, expiring June 30, 2030.
- Use of the University Student Union and Satellite Student Union, between the Trustees of the CSU, expiring June 30, 2028.
- Use of the University Dining Hall, between the Trustees of the CSU, expiring June 30, 2028.
- Use of the Warehouse, between the Trustees of the CSU, expiring June 30, 2029.
- Use of southeast corner of second floor of Henry Madden Library (Starbucks store), between the Trustees of the CSU, expiring June 30, 2028.
- Ground lease for Student Housing, between the Trustees of the CSU, expiring February 1, 2025.
- Ground lease for Save Mart Center with the Trustees of the CSU, expiring December 13, 2031.
- Use of SRC, between the Trustees of the CSU, expiring June 30, 2026.
- Ground lease for Campus Pointe with the Trustees of the CSU, expiring June 28, 2096.
- Use of the space at the North Gym for the Paws-N-Go Market, expiring June 30, 2028.
- Use of space at the Kremen Education Building and the Peters Business Building for the Paws-N-Go Market locations, expiring June 30, 2029.
- Use of the Resnick Student Union, between the Trustees of the CSU, expiring June 30, 2027.

NOTE 16 – EXPENSES BY NATURAL/FUNCTIONAL CLASSIFICATION

The accompanying statement of activities reports certain categories of expenses that may be attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable and systematic basis that is consistently applied by management in the preparation of its annual financial statements. All of the Association's expenses are directly allocated to the functional categories by cost center. Such methodologies are deemed by management to be reasonable and appropriate and reflective of the functional purpose of each cost incurred for the respective reporting period.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 16 - EXPENSES BY NATURAL/FUNCTIONAL CLASSIFICATION (Continued)

The following is a detailed list of expenses by natural/functional classification for the years ended June 30:

	2025			2024		
	Program	General & Admin	Total	Program	General & Admin	Total
Cost of Goods Sold	\$ 3,698,671	\$ 1,231	\$ 3,699,902	\$ 3,948,968	\$ 10,454	\$ 3,959,422
Salaries/Wages	7,322,343	1,253,405	8,575,748	6,770,277	1,185,887	7,956,164
Employee Benefits	2,377,232	1,516,554	3,893,786	1,659,663	829,493	2,489,156
Administration-Food Services	1,346,304	-	1,346,304	814,285	-	814,285
Advances to SMG	2,186,889	-	2,186,889	1,409,460	-	1,409,460
Advertising/Printing	122,902	-	122,902	82,240	-	82,240
Athletic Corporation Entitlements	250,855	-	250,855	250,855	-	250,855
Audit/Legal Expense	-	99,800	99,800	20	50,350	50,370
Bad Debt Expense	51,323	-	51,323	(19,046)	-	(19,046)
Bank Charges	(9,698)	8,827	(871)	92,231	3,118	95,349
Bond Expenses	11,394	-	11,394	18,842	-	18,842
Chancellor's Office Fee	-	21,947	21,947	-	19,023	19,023
Computer Supplies/Expense	117,005	6,532	123,537	151,375	17,609	168,984
Consulting	4,950	-	4,950	-	-	-
Contract Services	1,251,150	-	1,251,150	1,280,350	-	1,280,350
Credit Card Fees	20,643	-	20,643	60,219	-	60,219
Depreciation/Amortization	4,795,837	40,196	4,836,033	4,082,674	88,120	4,170,794
Dues/Memberships/Subscriptions	15,450	8,795	24,245	8,188	7,376	15,564
Employee Awards/Development	-	20,104	20,104	-	18,938	18,938
Employee Recruitment	3,818	366	4,184	3,623	1,290	4,913
Equipment Purchased	19,961	-	19,961	14,804	-	14,804
Finance Lease Expense	409,233	-	409,233	384,376	-	384,376
Housing Incentives	2,010	-	2,010	1,630	-	1,630
Insurance	1,292,965	18,991	1,311,956	935,644	23,679	959,323
Interest Expense	7,681	-	7,681	16,419	10,541	26,960
Janitorial/Sanitation	202,908	-	202,908	158,448	-	158,448
Laundry	90,618	-	90,618	112,991	-	112,991
Licenses/Permits/Fees	68,214	188,724	256,938	49,740	220,532	270,272
Miscellaneous	67,350	8,349	75,699	106,758	218,932	325,690
Non-Student Tax	18,776	-	18,776	11,073	-	11,073
Office Supplies	76,773	30,632	107,405	93,994	32,822	126,816
Paper Supplies	278,005	-	278,005	351,285	-	351,285
Possessory Interest Tax	201,065	-	201,065	252,647	-	252,647
Postage/Freight	23,510	23,772	47,282	17,386	16,979	34,365
Rent/Rental	138,995	3,416	142,411	1,000,468	7,794	1,008,262
Repairs/Maintenance	1,190,759	38,214	1,228,973	1,328,604	39,530	1,368,134
Resident Advisors Meals	251,707	-	251,707	264,801	-	264,801
Royalties	193,219	-	193,219	179,880	-	179,880
Security Services	-	37,800	37,800	-	76,409	76,409
Smallwares	61,610	-	61,610	97,400	-	97,400
Student Programs	175,895	-	175,895	181,180	-	181,180
Telephone/Communications	29,357	5,864	35,221	19,088	1,156	20,244
Travel/Training	66,939	6,064	73,003	61,453	4,063	65,516
University Donations	95,218	-	73,629	45,374	-	45,374
Utilities	2,365,812	27,128	2,392,940	2,291,135	25,541	2,316,676
Warehouse Expense	22,696	-	22,696	58,064	-	58,064
Wilkinson Group Fee	180,000	-	180,000	180,000	-	180,000
Total	\$ 31,098,344	\$ 3,366,711	\$ 34,465,055	\$ 28,828,866	\$ 2,909,636	\$ 31,738,502

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 17 – SALARIES/WAGES AND EMPLOYEE BENEFITS

Salaries/Wages at June 30, 2025 and 2024 are reflected on the Statements of Activities and consist of the following:

	2025	2024
Salaries/Wages	\$ 6,268,696	\$ 5,801,576
Salaries Reimbursed to the Foundation	2,204,992	2,096,628
Salaries Reimbursed to the University	102,060	57,960
Total Salaries/Wages	<u>\$ 8,575,748</u>	<u>\$ 5,215,409</u>

Employee Benefits at June 30, 2025 and 2024 are reflected on the Statements of Activities and consist of the following:

	2025	2024
Employee Benefits	\$ 3,083,218	\$ 1,778,221
Employee Benefits Reimbursed to the Foundation	747,788	668,571
Employee Benefits Reimbursed to the University	62,780	42,364
Total Employee Benefits	<u>\$ 3,893,786</u>	<u>\$ 2,489,156</u>

NOTE 18 – NET ASSETS WITH DONOR RESTRICTIONS

The Association's net assets with donor restrictions comprise of contributions related to pledges made that will be collected in future periods. The Association's net assets with donor restrictions are all restricted due to time and totaled \$8,310,524 and \$4,511,758 for the years ended June 30, 2025 and 2024, respectively.

NOTE 19 – UNCERTAIN TAX POSITIONS

Income Taxes – The Association is exempt from Federal and State of California income tax under IRC section 501(c)(3) and California Revenue and Taxation Code Section 23701(d), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Association has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Association has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Generally accepted accounting principles provide accounting and disclosures guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Association returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

NOTE 20 – SUBSEQUENT EVENTS

Management has evaluated and concluded that there are no subsequent events that have occurred from June 30, 2025 through the date the financial statements were available to be issued at September 16, 2025 that would require disclosure or adjustment.

Report of Independent Auditors 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*

The Board of Directors
California State University, Fresno Association, 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, Fresno Association, Inc. (the Association), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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*.

The Association's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Association's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Association's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Fresno, California
September 16, 2025

SUPPLEMENTARY INFORMATION FOR
CALIFORNIA STATE UNIVERSITY, FRESNO

Schedule of Net Position

June 30, 2025

(for inclusion in the California State University Financial Statements)

Assets:

Current assets:

Cash and cash equivalents	\$ 1,684,296
Short-term investments	20,574,294
Accounts receivable, net	2,181,432
Pledges receivable, net	3,187,457
Prepaid expenses and other current assets	288,168
Total current assets	<u>27,915,647</u>

Noncurrent assets:

Pledges receivable, net	5,123,067
Other long-term investments	17,055,924
Capital assets, net	63,026,385
Other assets	81,748
Total noncurrent assets	<u>85,287,124</u>
Total assets	<u>113,202,771</u>

Liabilities:

Current liabilities:

Accounts payable	5,377,511
Accrued salaries and benefits	401,927
Accrued compensated absences, current portion	25,000
Unearned revenues	115,236
Lease liabilities, current portion	2,810,222
Depository accounts	47,290
Other liabilities	1,610,086
Total current liabilities	<u>10,387,272</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	338,805
Lease liabilities, net of current portion	22,902,318
Net other postemployment benefits liability	7,547,715
Other liabilities	2,197,400
Total noncurrent liabilities	<u>32,986,238</u>
Total liabilities	<u>43,373,510</u>

Net position:

Net investment in capital assets	37,313,845
Expendable:	
Others	—
Unrestricted	32,515,416
Total net position	<u>\$ 69,829,261</u>

See report of independent auditors

Schedule of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2025
(for inclusion in the California State University Financial Statements)

Revenues:

Operating revenues:

Sales and services of auxiliary enterprises, gross	\$ 24,449,568
Other operating revenues	<u>7,645,580</u>
Total operating revenues	<u>32,095,148</u>

Expenses:

Operating expenses:

Auxiliary enterprise expenses	29,200,714
Depreciation and amortization	<u>4,836,033</u>
Total operating expenses	<u>34,036,747</u>
Operating income (loss)	<u>(1,941,599)</u>

Nonoperating revenues (expenses):

Gifts, noncapital	7,483,176
Investment income (loss), net	2,217,369
Interest expense	(428,308)
Net nonoperating revenues (expenses)	<u>9,272,237</u>
Income (loss) before other revenues (expenses)	<u>7,330,638</u>
Increase (decrease) in net position	7,330,638

Net position:

Net position at beginning of year	<u>62,498,623</u>
Net position at end of year	<u><u>\$ 69,829,261</u></u>

See report of independent auditors

California State University, Fresno Association, Inc.
Other Information
June 30, 2025
(for inclusion in the California State University)

1 Cash and cash equivalents:	
Current cash and cash equivalents	\$ 1,684,296
Total	\$ 1,684,296

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ 8,309,952	\$ 1,694,281	\$ 10,004,233
U.S. agency securities		12,981	12,981
U.S. treasury securities		1,881,221	1,881,221
Municipal bonds		167,513	167,513
Corporate bonds		4,702,378	4,702,378
Mutual funds		2,555,269	2,555,269
Equity securities		6,042,281	6,042,281
State of California Local Agency Investment Fund (LAIF)	12,264,342		12,264,342
Total investments	20,574,294	17,055,924	37,630,218
of endowments	\$ 20,574,294	\$ 17,055,924	\$ 37,630,218

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	\$ 10,004,233	\$ 10,004,233			
U.S. agency securities	12,981		12,981		
U.S. treasury securities	1,881,221	1,881,221			
Municipal bonds	167,513	167,513			
Corporate bonds	4,702,378	4,702,378			
Mutual funds	2,555,269	2,555,269			
Equity securities	6,042,281		6,042,281		
State of California Local Agency Investment Fund (LAIF)	12,264,342	-	-	-	12,264,342
Total investments	\$ 37,630,218	19,310,614	6,055,262	—	12,264,342

2.3 Investments held by the University under contractual agreements:

Nothing to report

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
Non-depreciable/Non-amortizable capital assets:									
Construction work in progress (CWIP)	\$ 4,420,647				4,420,647	3,780,361		(5,093,806)	\$ 3,107,202
Total non-depreciable/non-amortizable capital assets	4,420,647	-	-	-	4,420,647	3,780,361	-	(5,093,806)	3,107,202
Depreciable/Amortizable capital assets:									
Buildings and building improvements	14,710,789				14,710,789				14,710,789
Improvements, other than buildings	715,706				715,706				715,706
Personal property:									
Equipment	29,296,364				29,296,364	1,525,902	-588,492	5,093,806	35,327,580
Intangible assets:									
Other intangible assets:									
Franchise Fees	140,000				140,000				140,000
Total Other intangible assets	140,000	-	-	-	140,000	-	-	-	140,000
Total intangible assets	140,000	-	-	-	140,000	-	-	-	140,000
Total depreciable/amortizable capital assets	44,862,859	-	-	-	44,862,859	1,525,902	(588,492)	5,093,806	50,894,075
Total capital assets	49,283,506	-	-	-	49,283,506	5,306,263	(588,492)	-	54,001,277

See report of independent auditors

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

Buildings and building improvements	(13,263,153)			(13,263,153)	(497,556)			(13,760,709)
Improvements, other than buildings	(118,120)			(118,120)	(13,078)			(131,198)
Personal property:								
Equipment	(20,501,912)			(20,501,912)	(1,636,908)	588,492		(21,550,328)
Intangible assets:								
Other intangible assets:								
Franchise Fees	(70,583)			(70,583)	(10,001)			(80,584)
Total Other intangible assets	(70,583)	-	-	(70,583)	(10,001)	-	-	(80,584)
Total intangible assets	(70,583)	-	-	(70,583)	(10,001)	-	-	(80,584)
Total accumulated depreciation/amortization	(33,953,768)	-	-	(33,953,768)	(2,157,543)	588,492	-	(35,522,819)
Total capital assets, net excluding ROU assets	\$ 15,329,738	-	-	15,329,738	3,148,720	-	-	18,478,458

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2024	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Depreciable/Amortizable lease assets:									
Buildings and building improvements	\$ 99,354,232				\$ 99,354,232				\$ 99,354,232
Personal property:									
Equipment	8,692				8,692			(5,654)	3,038
Total depreciable/amortizable	99,362,924	—	—	—	99,362,924	—	—	(5,654)	99,357,270
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	(52,654,368)				(52,654,368)	(2,678,490)	523,515		(54,809,343)
Total accumulated depreciation/amortization	(52,654,368)	—	—	—	(52,654,368)	(2,678,490)	523,515	—	(54,809,343)
Total capital assets - lease ROU, net	\$ 46,708,556	—	—	—	\$ 46,708,556	\$ (2,678,490)	523,515	\$ (5,654)	\$ 44,547,927
Total capital assets, net including ROU assets									63,026,385

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 2,157,543
Amortization expense - Leases ROU	2,678,490
Total depreciation and amortization	\$ 4,836,033

4 Long-term liabilities:

	Balance June 30, 2024	Prior Period Adjustments/Recla ssifications	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
1. Accrued compensated absences	366,217		366,217		(2,412)	363,805	25,000	338,805
4. Long-term debt obligations:								
4.3 Notes payable (SRB related)	560,000		560,000		(560,000)	-		-
Sub-total long-term debt	560,000	-	560,000	-	(560,000)	-	-	-
4.6 Unamortized net bond premium/(discount)	(7,448)		(7,448)		7,448	-	-	-
obligations	552,552	-	552,552	-	(552,552)	-	-	-

See report of independent auditors

5. Lease, SBITA, P3 liabilities:	Balance June 30, 2024	Prior Period Adjustments/Recla ssifications	Additions	Remeasurements	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
Lease liabilities	32,965,715		11,394	(1,518,160)	(5,746,409)	25,712,540	2,810,222	22,902,318
liabilities	\$ 32,965,715	-	11,394	(1,518,160)	(5,746,409)	25,712,540	2,810,222	22,902,318
Total long-term liabilities	\$ 26,076,345						\$ 2,835,222	\$ 23,241,123

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 Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
2026	\$ 2,810,222	\$ 976,865	\$ 3,787,087			-			-	\$ 2,810,222	\$ 976,865	\$ 3,787,087
2027	3,122,310	848,965	3,971,275			-			-	3,122,310	848,965	3,971,275
2028	2,293,512	748,438	3,041,950			-			-	2,293,512	748,438	3,041,950
2029	2,322,655	670,157	2,992,812			-			-	2,322,655	670,157	2,992,812
2030	2,447,309	572,494	3,019,803			-			-	2,447,309	572,494	3,019,803
2031 - 2035	12,716,532	723,162	13,439,694			-			-	12,716,532	723,162	13,439,694
payments	\$ 25,712,540	4,540,081	30,252,621			-			-	25,712,540	4,540,081	30,252,621
Less: amounts representing interest												(4,540,081)
Present value of future minimum lease payments												25,712,540
Total Leases, SBITA, P3 liabilities												25,712,540
Less: current portion												(2,810,222)
Leases, SBITA, P3 liabilities, net of												\$ 22,902,318

Future minimum payments schedule - Long-term debt obligations:

Nothing to report

Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	102,060
Payments to University for other than salaries of University personnel	1,492,646
Payments received from University for services, space, and programs	7,122,738
Gifts-in-kind to the University from discretely presented component units	73,629
Gifts (cash or assets) to the University from discretely presented component units	
Accounts (payable to) University	(1,096,212)
Other amounts (payable to) University	
Accounts receivable from University	737,225
Other amounts receivable from University	

Restatements

Nothing to report

Natural classifications of operating expenses:

Nothing to report

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Auxiliary enterprise expenses	\$ 6,268,696	—	\$ 1,266,041	\$ 1,952,848		\$ 19,713,129		\$ 29,200,714
Depreciation and amortization							4,836,033	4,836,033
Total operating expenses	\$ 6,268,696	-	1,266,041	1,952,848	-	19,713,129	4,836,033	34,036,747

Select type of pension plan >>

Defined Benefit Plan -Check- Explanation for check error: Multi-Employer pension plan

Deferred outflows/inflows of resources:

Nothing to report

Other nonoperating revenues (expenses)

Nothing to report