California State University, Fresno Association, Inc.

2025-26 Annual Report

Approved by the Board of Directors
September 17, 2026

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
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JUNE 30, 2026 AND 2025

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
CORPORATE INFORMATION - UNAUDITED
For Fiscal Year Ended June 30, 2026

BOARD OF DIRECTORS

Matt Hawkins	Vice President for Administration/CFO
Dr. Michael Botwin	Academic Senate
Phong Yang	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
Camalah Saleh	President, Associated Students, California State University, Fresno
Maris Prado	Executive Vice President, Associated Students, California State University, Fresno
Jocelyn Velazquez	Chair, Student Unions Board of Directors

OFFICERS

Matt Hawkins	Chair
Phong Yang	Vice Chair
Dr. Xuanning Fu	Secretary/Treasurer

AUDIT COMMITTEE

Dr. Michael Botwin	Acting Chair
Vacant	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. (the Association), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 2025 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 15, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, 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 18, 2026 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.

Baker Tilly US, LLP

Fresno, California
September 18, 2026

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2026 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2025

ASSETS	2025 TOTAL	2026 TOTAL	SAVE MART CENTER	COMMERCIAL OPERATIONS	STUDENT HOUSING	STUDENT UNION/REC CENTER
Current Assets:						
Cash and Cash Equivalents	$ 1,684,296	$ 2,939,316	$ (4,929,148)	$ 3,503,231	$ 2,858,442	$ 1,506,791
Short-Term Investments	20,574,294	14,160,588	(23,746,896)	16,877,332	13,770,965	7,259,187
Total Cash and Cash Equivalents and Short-Term Investments (Note 4)	22,258,590	17,099,904	(28,676,044)	20,380,563	16,629,407	8,765,978
Pledges Receivable-Save Mart Center (Note 5)	3,187,457	1,618,120	1,618,120	-	-	-
Accounts Receivable, net (Note 2)	2,181,432	2,974,713	100,388	2,314,779	179,904	379,642
Inventories (Note 2)	135,120	163,662	-	156,432	2,140	5,090
Prepaid Expenses (Note 2)	153,048	203,550	-	182,886	677	19,987
Total Current Assets	27,915,647	22,059,949	(26,957,536)	23,034,660	16,812,128	9,170,697
Long-Term Assets:						
Operating Leases - Right of Use Assets	3,038	-	-	-	-	-
Pledges Receivable-Save Mart Center (Note 5)	5,123,067	5,036,955	5,036,955	-	-	-
Investments (Note 6)	17,055,924	18,699,549	-	18,699,549	-	-
Other Assets	81,748	81,748	81,748	-	-	-
Total Long-Term Assets	22,263,777	23,818,252	5,118,703	18,699,549	-	-
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	35,327,580	39,488,720	8,369,886	10,501,736	15,793,097	4,824,001
Intangible Assets	140,000	140,000	-	140,000	-	-
Construction in Progress	3,107,202	3,637,942	10,000	-	3,330,278	297,664
Total Fixed Assets	153,355,509	158,047,389	109,274,374	12,654,187	30,997,163	5,121,665
Less: Accumulated Depreciation	(90,332,162)	(95,389,484)	(64,939,943)	(7,935,820)	(19,783,729)	(2,729,992)
Total Fixed Assets, Net	63,023,347	62,657,905	44,334,431	4,718,367	11,213,434	2,391,673
TOTAL ASSETS	$ 113,202,771	$ 108,536,106	$ 22,495,598	$ 46,452,576	$ 28,025,562	$ 11,562,370

See Accompanying Notes

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2026 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2025

LIABILITIES AND NET ASSETS	**2025 TOTAL**	**2026 TOTAL**	**SAVE MART CENTER**	**COMMERCIAL OPERATIONS**	**STUDENT HOUSING**	**STUDENT UNION/REC CENTER**
Liabilities:						
Current Liabilities:						
Accounts Payable & Other Accrued Liabilities	$ 5,804,438	$ 5,749,147	$ 78,760	$ 4,810,314	$ 713,240	$ 146,833
Other Postemployment Benefit Obligation, current (Note 13)	587,968	581,902		491,643	24,342	65,917
Deferred Revenue	115,236	28,280	-	15,841	12,439	-
Interest Payable	1,610,086	28,219	13,322	-	14,897	-
Finance Lease Obligations	2,810,222	3,046,303	3,046,303	-	-	-
Agency Funds	47,290	53,399	24,604	-	28,795	-
Total Current Liabilities	10,975,240	9,487,250	3,162,989	5,317,798	793,713	212,750
Long-Term Liabilities:						
Accounts Payable & Other Accrued Liabilities	338,805	381,227	-	243,909	40,373	96,945
Other Postemployment Benefit Obligation (Note 13)	6,959,747	6,948,809	-	5,870,992	290,678	787,139
Finance Lease Obligations	22,902,318	15,438,954	15,438,954	-	-	-
Premium, Net	2,197,400	1,646,592	1,646,592	-	-	-
Total Long-Term Liabilities	32,398,270	24,415,582	17,085,546	6,114,901	331,051	884,084
TOTAL LIABILITIES	43,373,510	33,902,832	20,248,535	11,432,699	1,124,764	1,096,834
NET ASSETS:						
With Donor Restrictions	8,310,524	6,655,075	6,655,075	-	-	-
Without Donor Restrictions	61,518,737	67,978,199	(4,408,012)	35,019,877	26,900,798	10,465,536
Total Net Assets	69,829,261	74,633,274	2,247,063	35,019,877	26,900,798	10,465,536
TOTAL LIABILITIES AND NET ASSETS	$ 113,202,771	$ 108,536,106	$ 22,495,598	$ 46,452,576	$ 28,025,562	$ 11,562,370

See Accompanying Notes

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2025

					COMMERCIAL OPERATIONS					STUDENT FEE OPERATIONS		
	2025 TOTAL	2026 TOTAL	INTRAFUND ELIMINATIONS	SAVE MART CENTER	BOOKSTORE	DINING SERVICES	ADMIN	TOTAL	STUDENT HOUSING	REC CENTER	STUDENT UNION	TOTAL
Operating Activities												
Changes in Net Assets Without Donor Restrictions												
Revenues and Other Support												
Gross Sales	$ 30,992,768	$ 32,520,454	$ (1,330,000)	$ 1,748,855	$ 711,074	$ 12,560,328	$ 2,279,396	$ 15,550,798	$ 8,577,008	$ 2,124,016	$ 5,849,777	$ 7,973,793
Contributions	601,648	228,188	-	(34,454)	-	-	-	-	-	188,867	73,775	262,642
Other Income	1,102,380	1,151,556	-	1,046,962	-	1,157	39,824	40,981	53,158	700	9,755	10,455
Total Revenues and Other Support Without Donor Restrictions	32,696,796	33,900,198	(1,330,000)	2,761,363	711,074	12,561,485	2,319,220	15,591,779	8,630,166	2,313,583	5,933,307	8,246,890
Net Assets Released from Restrictions	3,082,762	3,822,937	-	3,822,937	-	-	-	-	-	-	-	-
Total Revenues and Other Support Without Donor Restrictions	35,779,558	37,723,135	(1,330,000)	6,584,300	711,074	12,561,485	2,319,220	15,591,779	8,630,166	2,313,583	5,933,307	8,246,890
Expenses												
Cost of Goods Sold	3,699,902	3,954,574	-	-	-	3,930,922	3,913	3,934,835	-	19,739	-	19,739
Salaries/Wages	8,575,748	8,970,545	-	-	-	3,612,789	1,435,848	5,048,637	1,283,909	631,425	2,006,574	2,637,999
Employee Benefits	3,893,786	2,993,791	-	-	429,751	597,020	1,012,713	2,039,484	242,736	164,742	546,829	711,571
Administration-Food Services	1,346,304	1,258,020	(225,000)	-	-	1,483,020	-	1,483,020	-	-	-	-
Advances to ASM Global	2,186,889	2,941,463	-	2,941,463	-	-	-	-	-	-	-	-
Advertising/Printing	122,902	61,103	-	-	-	21,152	-	21,152	38,194	237	1,520	1,757
Ag Foundation - Campus Pointe Rent	-	265,539	-	265,539	-	-	-	-	-	-	-	-
Athletic Corporation Entitlements	250,855	30,000	-	30,000	-	-	-	-	-	-	-	-
Audit/Legal Expense	99,800	63,407	-	-	-	-	63,407	63,407	-	-	-	-
Bad Debt Expense	51,323	(30,638)	-	-	-	(12,846)	-	(12,846)	(17,792)	-	-	-
Bank Charges	(871)	(6,466)	-	-	-	(12,611)	6,145	(6,466)	-	-	-	-
Chancellor's Office Fee	21,947	24,790	-	-	-	-	24,790	24,790	-	-	-	-
Computer Supplies/Expense	123,537	133,483	-	-	230	11,563	6,412	18,205	91,110	10,907	13,261	24,168
Contract Services	1,251,150	1,552,289	-	-	-	71,300	-	71,300	1,407,821	73,168	-	73,168
Credit Card Fees	20,643	16,144	-	2,970	-	44	-	44	569	3,823	8,738	12,561
Depreciation/Amortization	4,836,033	5,641,371	-	3,524,077	4,758	365,698	50,245	420,701	1,320,635	111,564	264,394	375,958
Dues/Memberships/Subscriptions	24,245	18,887	-	-	-	1,003	5,172	6,175	6,829	1,013	4,870	5,883
Employee Awards/Development	20,104	17,178	-	-	-	-	17,178	17,178	-	-	-	-
Employee Recruitment	4,184	4,431	-	-	-	395	434	829	1,718	781	1,103	1,884
Equipment Purchased	19,961	25,121	-	-	-	-	-	-	-	21,017	4,104	25,121
Housing Incentives	2,010	3,734	-	-	-	-	-	-	3,734	-	-	-
Insurance	1,311,956	1,348,589	-	916,778	14,380	-	21,244	35,624	336,268	13,119	46,800	59,919
Janitorial/Sanitation	202,908	225,636	-	-	-	177,784	-	177,784	23,705	24,147	-	24,147
Laundry	90,618	79,919	-	-	-	78,152	-	78,152	1,695	72	-	72
Licenses/Permits/Fees	256,938	251,396	-	-	600	63,537	174,401	238,538	12,663	-	195	195
Management Services Fee	-	-	(805,000)	-	100,000	-	-	100,000	300,000	80,000	325,000	405,000
Miscellaneous	75,699	70,689	-	-	800	21,949	8,151	30,900	23,810	5,682	10,297	15,979
Non-Student Tax	18,776	19,048	-	-	-	19,048	-	19,048	-	-	-	-
Office Supplies	107,405	138,663	-	-	-	9,171	31,616	40,787	85,067	808	12,001	12,809
Paper Supplies	278,005	292,163	-	-	-	172,104	-	172,104	79,124	-	40,935	40,935
Possessory Interest Tax	201,065	125,027	-	125,027	-	-	-	-	-	-	-	-
Postage/Freight	47,282	33,642	-	-	-	19,310	13,851	33,161	481	-	-	-
Rent/Rental	142,411	82,999	-	-	-	41,509	9,463	50,972	31,711	316	-	316
Repairs/Maintenance	1,228,973	1,000,074	-	-	31,678	266,672	19,800	318,150	217,719	63,078	401,127	464,205
Resident Advisor Meals	251,707	287,159	-	-	-	122,894	-	122,894	164,265	-	-	-
Royalties	193,219	237,883	-	-	-	237,883	-	237,883	-	-	-	-
Save Mart Seat Licenses	-	-	(300,000)	-	-	-	-	-	-	-	300,000	300,000
Security Services	37,800	38,759	-	-	-	-	38,759	38,759	-	-	-	-

See Accompanying Notes

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2025

					COMMERCIAL OPERATIONS					STUDENT FEE OPERATIONS		
	2025 TOTAL	2026 TOTAL	INTRAFUND ELIMINATIONS	SAVE MART CENTER	BOOKSTORE	DINING SERVICES	ADMIN	TOTAL	STUDENT HOUSING	REC CENTER	STUDENT UNION	TOTAL
Smallwares	61,610	82,637	-	-	-	40,463	-	40,463	42,174	-	-	-
Student Programs	175,895	506,944	-	-	-	-	-	-	259,940	23,647	223,357	247,004
Telephone/Communications	35,221	36,125	-	-	3,060	2,700	5,630	11,390	18,741	3,542	2,452	5,994
Travel/Training	73,003	105,362	-	-	-	4,560	6,517	11,077	82,856	1,853	9,576	11,429
University Donations	95,218	58,957	-	8,105	-	50,852	-	50,852	-	-	-	-
USU Co-Sponsorships	-	529	-	-	-	-	-	-	-	-	529	529
Utilities	2,392,940	2,385,500	-	-	155,024	301,863	25,763	482,650	764,739	543,488	594,623	1,138,111
Warehouse Expense	22,696	28,095	-	-	-	28,095	-	28,095	-	-	-	-
Wilkinson Group Fee	180,000	180,000	-	180,000	-	-	-	-	-	-	-	-
Total Expenses	34,036,747	35,554,561	(1,330,000)	7,993,959	740,281	11,727,995	2,981,452	15,449,728	6,824,421	1,798,168	4,818,285	6,616,453
Change in Net Assets from Operations	1,742,811	2,168,574	-	(1,409,659)	(29,207)	833,490	(662,232)	142,051	1,805,745	515,415	1,115,022	1,630,437
Nonoperating Revenues (Expenses)												
Interest and Dividend Income	1,232,651	1,039,981	-	148,799	-	-	891,182	891,182	-	-	-	-
Investment Return, Net	984,718	1,173,676	-	27,505	-	-	1,146,171	1,146,171	-	-	-	-
Extinguishment of Finance and Bond Obligations	-	-	-	-	-	-	-	-	-	-	-	-
Gain on Refinance of Bond	-	2,721,236	-	2,721,236	-	-	-	-	-	-	-	-
Bond Expenses	(11,394)	(3,742)	-	(3,742)	-	-	-	-	-	-	-	-
Finance Lease Expense	(409,233)	(640,136)	-	(640,136)	-	-	-	-	-	-	-	-
Interest Expense	(7,681)	(127)	-	-	-	-	(127)	(127)	-	-	-	-
Total Nonoperating Activities	1,789,061	4,290,888	-	2,253,662	-	-	2,037,226	2,037,226	-	-	-	-
Increase (Decrease) in Net Assets Without Donor Restrictions	3,531,872	6,459,462	-	844,003	(29,207)	833,490	1,374,994	2,179,277	1,805,745	515,415	1,115,022	1,630,437
Change in Net Assets With Donor Restrictions												
Revenues and Other Support:												
Contributions	6,881,528	2,167,488	-	2,167,488	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions	(3,082,762)	(3,822,937)	-	(3,822,937)	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets With Donor Restrictions	3,798,766	(1,655,449)	-	(1,655,449)	-	-	-	-	-	-	-	-
Total Increase (Decrease) in Net Assets	7,330,638	4,804,013	-	(811,446)	(29,207)	833,490	1,374,994	2,179,277	1,805,745	515,415	1,115,022	1,630,437
Net Assets, Beginning of Year	62,498,623	69,829,261	-	3,058,509				32,840,600	25,095,053			8,835,099
Net Assets, End of Year	$ 69,829,261	$ 74,633,274	$ -	$ 2,247,063				$ 35,019,877	$ 26,900,798			$ 10,465,536

See Accompanying Notes

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	TOTAL	
	2026	**2025**
Cash Flows From Operating Activities		
Increase in Net Assets	$ 4,804,013	$ 7,330,638
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Realized and Unrealized Gain on Investments	(1,224,758)	(1,030,971)
Depreciation	5,641,371	4,836,033
Bad Debt Expense	(30,638)	51,323
Interest Income on Short-Term Investments	(588,216)	(909,684)
Amortization on Finance Lease Premium	(58,590)	(641,323)
ROU Assets	3,038	5,654
Gain on Extinguishment of Finance Lease Liability	(2,721,236)	-
Finance Lease Modifications	590,035	679,240
Changes in:		
Accounts Receivable	(762,643)	91,412
Pledges Receivable-Save Mart Center	1,655,449	(3,768,781)
Inventories	(28,542)	27,815
Prepaid Expenses	(50,502)	148,417
Accounts Payable and Other Accrued Liabilities	(12,864)	1,705,967
Deferred Revenue	(86,956)	(254,216)
Interest Payable	(1,581,867)	23,326
Operating Lease Liability	-	(8,692)
Other Postemployment Benefit Obligation	(17,004)	1,219,828
Agency Funds	6,109	(2,377)
Net Cash Provided by Operating Activities	5,536,199	9,503,609
Cash Flows From Investing Activities		
Proceeds from Sale of Short-Term Investments	10,001,924	6,620,000
Purchase of Short-Term Investments	(3,000,000)	(5,500,000)
Investment Income Reinvested	(430,485)	(450,037)
Acquisition of Fixed Assets	(5,275,934)	(5,829,778)
Sale of Investments	11,615	11,625
Net Cash Provided by (Used) in Investing Activities	1,307,120	(5,148,190)
Cash Flows from Financing Activities		
Principal Payments on Notes	-	(560,000)
Principal Payments on Finance Lease Obligations	(5,588,300)	(5,085,000)
Net Cash Used in Financing Activities	(5,588,300)	(5,645,000)
Net Increase (Decrease) in Cash	1,255,019	(1,289,581)
Cash and Cash Equivalents, Beginning of Year	1,684,297	2,973,878
Cash and Cash Equivalents, End of Year	$ 2,939,316	$ 1,684,297
Supplemental Disclosure of Cash Flow Information		
Cash Paid During the Year for Interest	$ 2,100,743	$ 1,101,475
Noncash Financing Activities:		
Finance Lease Right-of-Use asset obtained in exchange for Finance Lease Liability	$ 18,485,257	$ -

See Accompanying Notes

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 U.S. generally accepted accounting principles (U.S. 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, 2026 or 2025.
>
> *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 $6,655,075 and $8,310,524 as of June 30, 2026 and 2025, 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 report 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.

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.

Short-Term Investments

Short-term investments consist of money market funds and Local Agency Investment Fund (LAIF). LAIF is a State of California special pooled fund that can be used by local government agencies.

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, 2026 and 2025, cash and cash equivalents included $3,477,800 and $2,178,000, 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 3.06% to 4.45%. 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, 2026, or 2025, as the receivables are deemed collectible.

Accounts Receivable

Accounts receivable are stated at amounts due from customers, net of an allowance for credit losses. The Association estimates expected credit losses using aging and historical loss based on historical collection experience for receivables with similar risk characteristics. Historical loss experience is adjusted for current conditions and reasonable and supportable forecasts that are expected to affect collectability. Receivables are evaluated individually when specific facts and circumstances indicate that the borrower or customer no longer shares risk characteristics with the pooled population. Balances are written off when they are deemed uncollectible after reasonable collection efforts. Changes in the allowance are recorded as credit loss expense (benefit). Allowances for credit losses in the amounts of $9,505 and $40,784 have been established as of June 30, 2026 and 2025, respectively.

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 net realizable value 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 with readily determinable fair values are carried at fair value. The Association estimates the fair value of investments in investment companies that do not have readily determinable fair values using net asset value ("NAV") per share, or its equivalent, as a practical expedient, when applicable. Realized and unrealized gains and 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 expected 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 carrying value exceeds the fair value.

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, 2024 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/forms-publications.

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, or upon passage of time, based upon the source. 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. Customer payment terms vary by revenue stream. Campus store, retail dining, recreation center, and similar point-of-sale transactions are generally payable at the time of the sale. Student housing and resident meal plan charges are billed at the beginning of the year and recorded throughout the year and are generally due within 30 days. Management-service fees are billed monthly and are generally due within 30 days. Save Mart Center sponsorship, naming-rights, premium-seating, and related arrangements are billed according to contractual payment schedules and are generally due within 30 days. The Association's contracts do not contain significant financing components. Variable consideration is primarily related to cost of living increases for multi-year contracts and is included in the transaction price only to the extent it is probable that a significant reversal will not occur.

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), and student recreation center sales. Revenues from performance obligations satisfied over time consist of revenue recognized from management service fees, student housing and dining services and student body fees and student union 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, and summer conference. Summer conference is 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 which 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.

Advertising Costs

Advertising costs are expensed as incurred and totaled $61,103 and $122,902 for the years ended June 30, 2026 and 2025, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2025, 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 expensed in the current year.

Premium, Net

Premium, net consists of liabilities related to the issuance of bonds. This includes bond issuance premium, cost of issuance, and underwriter's discount. The unamortized bond premium is added to the principal balance of the finance lease obligation. Unamortized debt issuance costs, including the underwriter's discount, are deducted from the principal balance. The resulting net premium is presented as an adjustment to the related finance lease obligation and is not considered a separate financing obligation. The bond premium and debt issuance costs are amortized over the contractual term of the related financing using the effective interest method. Amortization of the bond premium reduces interest expense, while amortization of debt issuance costs and the underwriter's discount increases interest expense.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain amounts reported in the prior-year financial statements have been reclassified to conform to the current-year presentation. These reclassifications affected the presentation of certain accounts within the Statements of Financial Position and the classification of certain cash flows within the Statements of Cash Flows.

NOTE 3 – LIQUIDITY AND AVAILABILITY

The following represents the Association's financial assets at June 30, 2026 and 2025:

Financial assets at year end:	2026	2025
Cash and cash equivalents	$ 2,939,316	$ 1,684,296
Short-Term Investments	14,160,588	20,574,294
Accounts receivable, net	2,974,713	2,181,432
Pledges receivable, current	1,618,120	3,187,457
Pledges receivable, long-term	5,036,955	5,123,067
Investments	18,699,549	17,055,924
Total financial assets	45,429,241	49,806,470
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(5,036,955)	(5,123,067)
Financial assets available to meet general expenditures over the next twelve months	$ 40,392,286	$ 44,683,403

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, 2026 and 2025, 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 $1,584,098 and $1,250,078 for the years ended June 30, 2026 and 2025, 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 $1,808,860 and $1,541,254 for the years ended 2026 and 2025, respectively. The minimum requirement for the Student Recreation Center is $635,768 and $642,291 for the years ended June 30, 2026 and 2025, 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 are more than adequate to meet financial obligations.

NOTE 4 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

	2026	2025
Cash and Cash Equivalents:		
Cash on hand and in banks	$ 2,939,316	$ 1,684,296
Total Cash and Cash Equivalents	2,939,316	1,684,296
Investments:		
Money Market Funds	3,414,154	8,309,952
Local Agency Investment Fund (LAIF)	10,746,434	12,264,342
Total Cash and Cash Equivalents and Investments	14,160,588	20,574,294
Total	$ 17,099,904	$ 22,258,590

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:

	2026	2025
Unconditional Promises to Give Before Unamortized Discount	$ 7,570,560	$ 9,271,896
Less: Unamortized Discount	(915,485)	(961,372)
Net Unconditional Promises to Give	$ 6,655,075	$ 8,310,524
Amounts Due in:		
One Year	$ 1,618,120	$ 3,187,457
Two to Five Years	4,627,429	4,222,620
More Than Five Years	409,526	900,447
Total	$ 6,655,075	$ 8,310,524

NOTE 6 – INVESTMENTS

Long-Term investments at June 30, 2026 consist of the following:

	Total
Long-term investments at beginning of year	$ 17,055,924
Additions	-
Amounts withdrawn	(11,618)
Return on investments (net of investment fees of $39,464):	
Dividends and interest	430,485
Net unrealized and realized gains (losses)	1,224,758
Total return on investments	1,655,243
Long-term investments at end of year	$ 18,699,549

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

	Total
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)	1,030,971
Total return on investments	1,481,008
Long-term investments at end of year	$ 17,055,924

Net unrealized and realized gains are presented net on the accompanying statements of activities, as Investments, net at $1,173,676 and $984,718 for years ended June 30, 2026 and 2025, respectively. These amounts are net the fees and withdrawals of $39,464 and $11,618 for the year ended June 30, 2026 and $34,624 and $11,625 for the year ended June 30, 2025.

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

	2026	2025
Corporate Bonds	$ 4,339,625	$ 4,702,378
Municipal Bonds	-	167,513
Commonfund Multi-Strategy Equity Fund	7,193,278	6,042,281
Mutual funds	2,728,693	2,555,269
Certificate of Deposit	202,078	-
Money Market funds	1,759,827	1,694,281
U.S. agency securities	-	12,981
U.S. treasury securities	2,476,048	1,881,221
Total long-term investments, at market	$ 18,699,549	$ 17,055,924

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 unobservable input (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

NOTE 7 – FAIR VALUE MEASUREMENTS (continued)

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, discounted 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.

Net Asset Value (NAV) – Investments whose fair value is measured at NAV are excluded from the fair value hierarchy. Investments measured at NAV include hedge funds, private equity investments and commingled funds.

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

2026	Fair Value	Level 1	Level 2	Level 3	NAV
Cash and Cash Equivalents	$ 2,939,316	$ 2,939,316	-	-	-
Money Market Funds	3,414,154	3,414,154			
Local Agency Investment Funds (LAIF)	10,746,434	-	-	-	10,746,434
Long-Term Investments					
Certificates of Deposit	202,078	-	202,078	-	-
Corporate Bonds	4,339,625	4,339,625	-	-	-
Multi Strategy Equity Fund	7,193,278	-	-	-	7,193,278
Mutual Funds	2,728,693	2,728,693	-	-	-
Money Market Funds	1,759,827	1,759,827	-	-	-
U.S. Treasury Securities	2,476,048	2,476,048	-	-	-
Total Long-Term Investments	18,699,549	11,304,193	202,078	-	7,193,278
Total	$ 35,799,453	$ 17,657,663	$ 202,078	-	$ 17,939,712

NOTE 7 – FAIR VALUE MEASUREMENTS (continued)

2025	Fair Value	Level 1	Level 2	Level 3	NAV
Cash and Cash Equivalents	$ 1,684,296	$ 1,684,296	-	-	-
Money Market Funds	8,309,951	8,309,951	-	-	-
Local Agency Investment Funds (LAIF)	12,264,342	-	-	-	12,264,342
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	-	-	-
US 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	12,981	-	6,042,281
Total	$ 39,314,513	$ 20,994,909	$ 12,981	-	$ 18,306,623

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 U.S. agency securities and certificates of deposit for which valuations are obtained from third party pricing services for identical or similar assets or liabilities.

The Association does not carry any level 3 investments.

NAV assets include multi strategy equity funds. The Association participates in a pooled investment fund managed by Commonfund. The Association's investment is held in The Common Fund for Nonprofit Organizations Multi-Strategy Equity Fund (the "Fund"), a diversified investment pool that invests through a combination of direct holdings and underlying Commonfund and other investment funds. The Association owns an undivided interest in the Fund and, accordingly, does not directly own the individual securities and underlying investment funds held by the Fund.

As of June 30, 2026, the Association's interest in the Fund was approximately $7.2 million, representing approximately 0.559% of the Fund's portfolio holdings.

The Fund's investments consist of a diversified portfolio of publicly traded equity securities, exchange-traded and other investment funds, partnerships, cash equivalents, and investments in underlying Commonfund funds. The underlying portfolio includes investments across a broad range of industries and geographic markets.

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 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.

In August 2025, the Association again participated in the CSU Systemwide Revenue Bonds program to refinance the 2015 Save Mart Center bonds. The effect of the refinancing resulted in a finance lease obligation payable to the University. Interest at 5% is payable semi-annually, with principal payments beginning in November 2025. 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 liabilities on the statement of financial position.

In connection with the refinancing, the Association recognized a gain on extinguishment of the previous financing obligation of $2,721,236, representing the difference between the carrying amount of the obligation extinguished and the amounts recognized in connection with the refinancing. The gain is included in the nonoperating revenues in the accompanying statement of activities.

At June 30, 2026, unamortized premium and debt issuance costs associated with the finance lease obligations were $1,676,525 and $29,933 respectively.

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

NOTE 9 – LEASES (continued)

In fiscal year ending June 30, 2026, 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 5% 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, 2026, total operating lease cost was $0, while total finance lease cost was $7,852,861. For the year ended June 30, 2025, total operating lease cost was $5,654, while the total finance lease cost was $6,186,475. The total operating right of use asset and lease liabilities at June 30, 2026 were $0 and $0. The total operating right of use asset and lease liabilities at June 30, 2025 was $3,038 and $0. Finance lease right of use assets of $99,354,232, at years ended June 30, 2026 and 2025, with accumulated depreciation of $57,592,647 and $54,809,343 are included in fixed assets in the accompanying Statements of Financial Position

Lease payments for future years are set as follows:

Year Ending June 30,	Finance Leases Principal	Finance Leases Interest	Operating Leases Principal	Total Leases (Principal Only)
2027	$ 3,046,303	$ 688,697	$ -	$ 3,046,303
2028	2,277,592	580,658	-	2,277,592
2029	2,326,432	487,193	-	2,326,432
2030	2,448,632	390,243	-	2,448,632
2031	2,499,096	289,779	-	2,499,096
Thereafter	5,887,202	119,298	-	5,887,202
Total	$ 18,485,257	$ 2,555,868	$ -	$ 18,485,257

Unamortized premium and debt issuance costs are $1,676,525 and $29,933 as of June 30, 2026. Unamortized premium and debt issuance costs were $2,271,462 and $74,062 as of June 30, 2025.

The Association is a lessor under operating lease arrangements consisting of ground and facility leases. Operating lease income was $1,031,203 and $1,030,458 for 2026 and 2025, respectively, including variable lease income of $176,455 and $110,007, respectively. Property subject to operating leases consist of land and buildings leased to the Association by the University.

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

Year Ending June 30:	Lease Revenue
2027	$ 925,573
2028	925,573
2029	881,694
2030	881,694
2031	881,694
Thereafter	27,935,193
Total	$ 32,431,421

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:

	2026	2025
Performance obligations satisfied at a point in time	$ 8,493,632	$ 7,622,245
Performance obligations satisfied over time	24,026,822	23,370,523
Total	$ 32,520,454	$ 30,992,768

NOTE 11 – ACCOUNTS RECEIVABLE & DEFERRED REVENUE 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, 2026 Closing Balance	June 30, 2025 Closing Balance
Accounts receivable, gross	$ 2,984,218	$ 2,222,216
Less: Allowance for credit losses	9,505	40,784
Accounts receivable, net	$ 2,974,713	$ 2,181,432
Deferred revenues	$ 28,280	$ 115,236

The following table provides information about significant changes in deferred revenue for the years ended June 30:

	2026	2025
Deferred revenue, beginning of the year	$ 115,236	$ 369,452
Revenue recognized that was included during the period	(653,856)	(877,962)
Increase in deferred revenue due to cash received during the period	566,900	623,746
Deferred revenue, end of year	$ 28,280	$ 115,236

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.

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 2025/2026 was 12.58% plus $1,125,396 towards the unfunded liability for the Miscellaneous Plan and 7.96% plus $7,668 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 2025/2026, California State University, Fresno Association, Inc.'s annual pension cost of $1,418,168 was equal to the Association's required and actual contributions. The total pension cost for both employee and employer contributions was $1,600,107. The required contribution for fiscal year 2025/2026 was determined as part of the June 30, 2024 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 6.8% investment rate of return (net of administrative expenses); (b) projected overall payroll growth of 2.8%; (c) inflation factor of 2.3% compounded annually and (d) discount rate of 6.8%.

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 accrued liability 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, 2024, the Association did not contribute more than 5% of total contributions to the plan.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/24	$1,193,266	100%	$0
6/30/25	$1,266,041	100%	$0
6/30/26	$1,418,168	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 PEPRA 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
6/30/22	$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%
6/30/24	$24,701,567,178	$19,232,431,730	$5,469,135,448	77.9%	$3,465,257,378	157.8%

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.

NOTE 13 – OTHER POST EMPLOYMENT BENEFIT OBLIGATION (continued)

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 715-60, on July 1, 1995.

Following is the information on the plan as of and for the year ended June 30, 2026 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, 2025		$ 7,547,715
Recognition of components of net periodic post-retirement benefit cost:		
Service cost (benefit)	$ 135,483	135,483
Interest cost	435,481	435,481
Actuarial (gain) or loss	-	-
Change in market	-	-
Total	$ 570,964	
Benefit payments		(587,968)
Net Change		(17,004)
June 30, 2026		$ 7,530,711

	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	$ 1,952,848	
Benefit payments		(644,441)
Net Change		1,308,407
June 30, 2025		$ 7,547,715

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. These assumptions at June 30, 2026 include a discount rate of 6%, initial and ultimate medical/Rx rates of 7% and 4%, respectively, and an assumption of the ultimate rate being reached in 2075. 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 post-retirement obligation is included in accounts payable and other liabilities as follows:

NOTE 13 – OTHER POST EMPLOYMENT BENEFIT OBLIGATION (continued)

	2026	2025
Current portion	$ 581,902	$ 587,968
Long-term portion	6,948,809	6,959,747
	$ 7,530,711	$ 7,547,715

The funded status of the plan is the following:

	2026	2025
Accrued post-retirement benefit obligation	$ 7,530,711	$ 7,547,715
Plan assets	-	-
Unfunded plan obligation	$ 7,530,711	$ 7,547,715

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 age-adjusted benefit payment assumptions were used in accounting for the post-retirement benefit obligation at June 30:

Year Ending June 30:

2027	$ 587,505
2028	599,207
2029	556,758
2030-2034	2,861,713
Total	$ 4,605,183

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Save Mart Center – Effective March 13, 2025, the Association amended its current contract with ASM Global (formerly SMG) to manage the Save Mart Center for an additional five-year term expiring June 30, 2030. The agreement provides for an initial annual fixed fee of $720,521 inclusive of food and beverage services. Annual incentive fees are subject to negotiation and limitations following fiscal year 2029-2030. The fixed fee is increased annually by approximately 3% for the duration of the contract.

Advances to ASM Global for the management fee/operating expenses and incentive fee for the year ended June 30, 2026 were $2,941,463 and $0, respectively. 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.

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 two consecutive years to June 30, 2027. 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.

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. Neither management nor legal counsel 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. Amounts due to and from related parties arise from ordinary course management services, payroll and benefit reimbursements, shared costs, and other operating transactions. Unless otherwise noted, these balances are unsecured and due within 30 days. The Association had the following transactions with these entities during the years ended June 30, 2026 and 2025:

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, 2026 and 2025 were $786,525 and $686,000, respectively, allocated on the basis of gross revenue and services rendered. The Agricultural Foundation's administrative fees for the years ended June 30, 2026 and 2025 were $186,823 and $177,927, respectively, based on services rendered. Programs for Children's administrative fees for the years ended June 30, 2026 and 2025 were $97,121 and $90,767, respectively, based on services rendered. Associated Students administrative fees for the years ended June 30, 2026 and 2025 were $82,840 and $80,427, 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 $612,200 and $644,268 for the years ended June 30, 2026 and 2025, respectively. These are Foundation employees classified as Association due to managerial discretion.

The amounts due to the Association from the Foundation for miscellaneous expenses were $80,664 and $2,934 for the years ended June 30, 2026 and 2025, respectively. The amounts due to the Association from the Foundation for salaries and benefits were $17,127 and $201,733 for the years ended June 30, 2026 and 2025, respectively. These are Foundation employees classified as Association due to managerial discretion. The amounts due to the Foundation from the Association for miscellaneous expenses were $278,635 and $268,546 for the years ended June 30, 2026 and 2025, respectively. The amounts due to the Foundation from the Association for salaries and benefits were $177,030 and $163,489 for the years ended June 30, 2026 and 2025, respectively. These are Association employees classified as Foundation due to managerial discretion.

The amounts due to the Association from The Agricultural Foundation for miscellaneous expenses were $0 and $69 for the years ended June 30, 2026 and 2025. The amounts due to The Agricultural Foundation for miscellaneous expenses were $80,641 and $0 for the years ended June 30, 2026 and 2025, respectively. Payments to The Agricultural Foundation for usage of Campus Pointe land were $265,539 and $0 for the years ended June 30, 2026 and 2025, respectively.

NOTE 15 – RELATED PARTIES (continued)

The amounts receivable from the University were $776,009 and $737,225 for the years ended June 30, 2026 and 2025, respectively. The amounts payable to the University were $1,040,210 and $1,096,212 for the years ended June 30, 2026 and 2025, respectively. The amount paid by the Association to the University was $1,963,798, of which $102,060 was reimbursement for salaries, for the year ended June 30, 2026. The amount paid by the Association to the University was $1,594,706, of which $102,060 as reimbursement for salaries, for the year ended June 30, 2025. The amounts received from the University to the Association were $6,914,640 and $7,122,738 for the years ended June 30, 2026 and 2025. Gifts-in-kind from the Association to the University were $58,957 and $73,629 for the years ended June 30, 2026 and 2025, respectively.

The amounts due to the Association from Associated Students for miscellaneous expenses were $4,067 and $310 for the years ended June 30, 2026 and 2025, respectively. The amounts payable to Associated Students were $0 for both of the years ended June 30, 2026 and 2025, respectively.

The amounts due to the Association from Programs for Children for miscellaneous expenses were $345 and $92 for the years ended June 30, 2026 and 2025. The amounts payable to Programs for Children were $0 for both of the years ended June 30, 2026 and 2025, respectively.

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 June 30, 2031.
- 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, 2031.
- 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. The Association's expenses are directly allocated to the functional categories by cost center, when possible, and are allocated by time, payroll, or budget ratio otherwise. 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.

NOTE 16 – EXPENSES BY NATURAL/FUNCTIONAL CLASSIFICATION (continued)

The analysis of expenses by natural and functional classification includes certain expenses that are presented within nonoperating activities. For 2026, the $36,198,566 total in this note includes finance lease expense of $640,136, bond expenses of $3,742, and interest expense of $127, totaling $644,005. Excluding those nonoperating expenses, operating expenses are $35,554,561, which agrees to the statement of activities. For 2025, nonoperating expenses included in this note total $428,308, reconciling the $34,465,055 total in this note to operating expenses of $34,036,747.

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

	2026			2025		
	Program	General & Admin	Total	Program	General & Admin	Total
Cost of Goods Sold	$ 3,950,661	$ 3,913	$ 3,954,574	$ 3,698,671	$ 1,231	$ 3,699,902
Salaries/Wages	7,534,697	1,435,848	8,970,545	7,322,343	1,253,405	8,575,748
Employee Benefits	1,981,078	1,012,713	2,993,791	2,377,232	1,516,554	3,893,786
Administration-Food Services	1,258,020	-	1,258,020	1,346,304	-	1,346,304
Advances to ASM Global	2,941,463	-	2,941,463	2,186,889	-	2,186,889
Advertising/Printing	61,103	-	61,103	122,902	-	122,902
Ag Foundation – Campus Pointe	265,539	-	265,539	-	-	-
Athletic Corporation Entitlements	30,000	-	30,000	250,855	-	250,855
Audit/Legal Expense	-	63,407	63,407	-	99,800	99,800
Bad Debt Expense	(30,638)	-	(30,638)	51,323	-	51,323
Bank Charges	(12,611)	6,145	(6,466)	(9,698)	8,827	(871)
Bond Expenses	3,742	-	3,742	11,394	-	11,394
Chancellor's Office Fee	-	24,790	24,790	-	21,947	21,947
Computer Supplies/Expense	127,071	6,412	133,483	117,005	6,532	123,537
Consulting	-	-	-	4,950	-	4,950
Contract Services	1,552,289	-	1,552,289	1,251,150	-	1,251,150
Credit Card Fees	16,144	-	16,144	20,643	-	20,643
Depreciation/Amortization	5,591,126	50,245	5,641,371	4,795,837	40,196	4,836,033
Dues/Memberships/Subscriptions	13,715	5,172	18,887	15,450	8,795	24,245
Employee Awards/Development	-	17,178	17,178	-	20,104	20,104
Employee Recruitment	3,997	434	4,431	3,818	366	4,184
Equipment Purchased	25,121	-	25,121	19,961	-	19,961
Finance Lease Expense	640,136	-	640,136	409,233	-	409,233
Housing Incentives	3,734	-	3,734	2,010	-	2,010
Insurance	1,327,345	21,244	1,348,589	1,292,965	18,991	1,311,956
Interest Expense	-	127	127	7,681	-	7,681
Janitorial/Sanitation	225,636	-	225,636	202,908	-	202,908
Laundry	79,919	-	79,919	90,618	-	90,618
Licenses/Permits/Fees	76,995	174,401	251,396	68,214	188,724	256,938
Miscellaneous	62,538	8,151	70,689	67,350	8,349	75,699
Non-Student Tax	19,048	-	19,048	18,776	-	18,776
Office Supplies	107,047	31,616	138,663	76,773	30,632	107,405
Paper Supplies	292,163	-	292,163	278,005	-	278,005
Possessory Interest Tax	125,027	-	125,027	201,065	-	201,065
Postage/Freight	19,791	13,851	33,642	23,510	23,772	47,282
Rent/Rental	73,536	9,463	82,999	138,995	3,416	142,411
Repairs/Maintenance	980,274	19,800	1,000,074	1,190,759	38,214	1,228,973
Resident Advisors Meals	287,159	-	287,159	251,707	-	251,707
Royalties	237,883	-	237,883	193,219	-	193,219
Security Services	-	38,759	38,759	-	37,800	37,800
Smallwares	82,637	-	82,637	61,610	-	61,610
Student Programs	506,944	-	506,944	175,895	-	175,895
Telephone/Communications	30,495	5,630	36,125	29,357	5,864	35,221
Travel/Training	98,845	6,517	105,362	66,939	6,064	73,003
University Donations	58,957	-	58,957	95,218	-	95,218
Student Union Co-Sponsorship	529	-	529	-	-	-
Utilities	2,359,737	25,763	2,385,500	2,365,812	27,128	2,392,940
Warehouse Expense	28,095	-	28,095	22,696	-	22,696
Wilkinson Group Fee	180,000	-	180,000	180,000	-	180,000
Total	$ 33,216,987	$ 2,981,579	$ 36,198,566	$ 31,098,344	$ 3,366,711	$ 34,465,055

NOTE 17 – SALARIES/WAGES AND EMPLOYEE BENEFITS

Salaries/Wages expense amounts for the years ended June 30, 2026 and 2025 are reflected on the Statements of Activities and consist of the following:

	2026	2025
Salaries/Wages	$ 6,350,282	$ 6,268,696
Salaries Reimbursed to the Foundation	2,518,203	2,204,992
Salaries Reimbursed to the University	102,060	102,060
Total Salaries/Wages	$ 8,970,545	$ 8,575,748

Employee Benefits expense amounts for the years ended June 30, 2026 and 2025 are reflected on the Statements of Activities and consist of the following:

	2026	2025
Employee Benefits	$ 2,052,551	$ 3,083,218
Employee Benefits Reimbursed to the Foundation	877,567	747,788
Employee Benefits Reimbursed to the University	63,673	62,780
Total Employee Benefits	$ 2,993,791	$ 3,893,786

NOTE 18 – NET ASSETS WITH DONOR RESTRICTIONS

The Association's net assets with donor restrictions consist 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 $6,655,075 and $8,310,524 as of June 30, 2026 and 2025, 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 in jurisdictions in 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's 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, 2026 through the date the financial statements were available to be issued at September 18, 2026 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, 2026, and the related statement 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 18, 2026.

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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2026-001 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*.

Association's Response to Finding

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. Association's response was not subjected to the other auditing procedures applied in 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 Association'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 18, 2026

FINDING 2026-001 - FINANCIAL STATEMENT REPORTING - SIGNIFICANT DEFICIENCY IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

Criteria: Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements in accordance with U.S. generally accepted accounting principles. An appropriately designed financial reporting process includes controls to independently review significant account analyses, estimates, and supporting calculations and to review and approve significant, complex, nonroutine, or otherwise higher-risk manual journal entries, with evidence of review retained.

Condition/Context: During the audit, we identified an overstatement of pledges receivable of $156,000 and an associated $26,000 discount adjustment. The error resulted from an incorrect term/duration specific to a luxury suite in the calculation and was not identified through management's review. We also identified several instances in which complex manual journal entries performed as part of the year end process were not independently reviewed by an individual other than the preparer.

Effect: The review deficiencies increase the risk that errors in significant account balances, estimates, or journal entries will not be prevented, or detected and corrected. The pledge receivable valuation error identified during the audit was not detected by the Association's review control.

Cause: Corrective actions related to the prior-year finding were not fully implemented. The issue resulted from an inadequate journal entry preparation and review process. The preparer did not sufficiently validate that the appropriate source document was used in the calculation, and the journal entry was not subject to an independent review that could have identified the use of the incorrect source document before posting.

Recommendation: We recommend that management establish and consistently enforce controls requiring significant estimates, supporting calculations, and complex, nonroutine, or manual journal entries to be reviewed and approved by a qualified individual independent of the preparer, with evidence of that review retained.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the recommendation. The pledge receivable adjustment resulted from an incorrect agreement term included in the source data used to prepare the calculation. Although the journal entry was based on the information provided to the preparer, the existing review process did not identify the incorrect term. Management will implement procedures to validate against the applicable source documentation. In addition, significant, complex, nonroutine, and year-end manual journal entries will be independently reviewed and approved by an individual other than the preparer.

California State University, Fresno Association, Inc.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2026

Prior year audit findings 2025-001: Partially completed, see current year finding 2026-001.

SUPPLEMENTARY INFORMATION FOR

CALIFORNIA STATE UNIVERSITY, FRESNO

California State University, Fresno Association, Inc.
Schedule of Net Position
June 30, 2026
(for inclusion in the California State University Financial Statements)

Assets:		
Current assets:		
Cash and cash equivalents	$	2,939,316
Short-term investments		14,160,588
Accounts receivable, net		2,974,713
Pledges receivable, net		1,618,120
Prepaid expenses and other current assets		367,212
Total current assets		22,059,949
Noncurrent assets:		
Pledges receivable, net		5,036,955
Other long-term investments		18,699,549
Capital assets, net		62,657,905
Other assets		81,748
Total noncurrent assets		86,476,157
Total assets		108,536,106
Liabilities:		
Current liabilities:		
Accounts payable		5,935,457
Accrued salaries and benefits		370,592
Accrued compensated absences, current portion		25,000
Unearned revenues		28,280
Lease liabilities, current portion		3,046,303
Depository accounts		53,399
Other liabilities		28,219
Total current liabilities		9,487,250
Noncurrent liabilities:		
Accrued compensated absences, net of current portion		381,227
Lease liabilities, net of current portion		15,438,954
Net other postemployment benefits liability		6,948,809
Other liabilities		1,646,592
Total noncurrent liabilities		24,415,582
Total liabilities		33,902,832
Net position:		
Net investment in capital assets		44,172,648
Unrestricted		30,460,626
Total net position	$	74,633,274

California State University, Fresno Association, Inc.
Schedule of Revenues, Expenses, and Changes in Net Position
June 30, 2026
(for inclusion in the California State University Financial Statements)

Revenues:		
Operating revenues:		
Sales and services of auxiliary enterprises, gross	$	32,520,454
Other operating revenues		1,379,744
Total operating revenues		33,900,198
Expenses:		
Operating expenses:		
Auxiliary enterprise expenses		29,913,190
Depreciation and amortization		5,641,371
Total operating expenses		35,554,561
Noncapital subsidies:		
Gifts		2,167,488
Other Noncapital Subsidies received/(provided)		2,721,236
Total Noncapital subsidies received:		4,888,724
Operating Income		3,234,361
Nonoperating revenues (expenses):		
Interest Revenue		2,213,657
Interest Expense		(644,005)
Total nonoperating revenues (expenses)		1,569,652
Increase in net position		4,804,013
Net position:		
Net position at beginning of year		69,829,261
Net position at end of year	$	74,633,274

California State University, Fresno Association, Inc.
Other Information
June 30, 2026
(for inclusion in the California State University Financial Statements)

1. Cash and cash equivalents

Current cash and cash equivalents	$ 2,939,316
Total	**$ 2,939,316**

2.1 Composition of investments

Investment Type	Current	Noncurrent	Total
Money market funds	$ 3,414,154	$ 1,759,827	**$ 5,173,981**
Certificates of deposit		202,078	**202,078**
U.S. treasury securities		2,476,048	**2,476,048**
Corporate bonds		4,339,625	**4,339,625**
Mutual funds		2,728,693	**2,728,693**
Equity securities		7,193,278	**7,193,278**
State of California Local Agency Investment Fund (LAIF)	10,746,434		**10,746,434**
Total investments	**14,160,588**	**18,699,549**	**32,860,137**
Total investments, net of endowments	**$ 14,160,588**	**18,699,549**	**32,860,137**

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	**$ 5,173,981**	5,173,981			
Certificates of deposit	**202,078**		202,078		
U.S. treasury securities	**2,476,048**	2,476,048			
Corporate bonds	**4,339,625**	4,339,625			
Mutual funds	**2,728,693**	2,728,693			
Equity securities	**7,193,278**				7,193,278
State of California Local Agency Investment Fund (LAIF)	**10,746,434**	-	-	-	10,746,434
Total investments	**$ 32,860,137**	**14,718,347**	**202,078**	**-**	**17,939,712**

2.3 Investments held by the University under contractual agreements

Nothing to report

3.1 Capital Assets

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2025 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Non-depreciable/Non-amortizable capital assets:									
Construction work in progress (CWIP)	**$ 3,107,202**				**3,107,202**	2,852,951		(2,322,211)	**$ 3,637,942**
Total non-depreciable/non-amortizable capital	**3,107,202**	**-**	**-**	**-**	**3,107,202**	**2,852,951**	**-**	**(2,322,211)**	**3,637,942**
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	**35,327,580**				**35,327,580**	2,058,822	(219,893)	2,322,211	**39,488,720**
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	**50,894,075**	**-**	**-**	**-**	**50,894,075**	**2,058,822**	**(219,893)**	**2,322,211**	**55,055,215**
Total capital assets	**54,001,277**	**-**	**-**	**-**	**54,001,277**	**4,911,773**	**(219,893)**	**-**	**58,693,157**
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	**(13,760,709)**				**(13,760,709)**	(497,149)			**(14,257,858)**
Improvements, other than buildings	**(131,198)**				**(131,198)**	(13,013)			**(144,211)**
Personal property:									
Equipment	**(21,550,328)**				**(21,550,328)**	(1,973,749)	219,893		**(23,304,184)**
Intangible assets:									
Other intangible assets:									
Franchise Fees	**(80,584)**				**(80,584)**	(10,000)			**(90,584)**
Total Other intangible assets	(80,584)	-	-	-	(80,584)	(10,000)	-	-	(90,584)
Total intangible assets	(80,584)	**-**	**-**	**-**	(80,584)	(10,000)	-	-	**(90,584)**
Total accumulated depreciation/amortization	**(35,522,819)**	**-**	**-**	**-**	**(35,522,819)**	**(2,493,911)**	**219,893**	**-**	**(37,796,837)**
Total capital assets, net excluding ROU	**$ 18,478,458**	**-**	**-**	**-**	**18,478,458**	**2,417,862**	**-**	**-**	**$ 20,896,320**

Does the component unit have any capital assets held for sale? **No**

Capital Assets - Right of Use, net

Composition of capital assets - Lease ROU, net:	Balance June 30, 2025	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Depreciable/Amortizable lease assets:									
Buildings and building improvements	$ 99,354,232				$ 99,354,232				$ 99,354,232
Personal property:									
Equipment	3,038			(3,038)	0				-
Total depreciable/amortizable lease	99,357,270	-	-	(3,038)	99,354,232	-	-	-	99,354,232
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	(54,809,343)				(54,809,343)	(3,147,460)	364,156		(57,592,647)
Total accumulated	(54,809,343)	-	-	-	(54,809,343)	(3,147,460)	364,156	-	(57,592,647)
Total capital assets - lease ROU, net	$ 44,547,927	-	-	(3,038)	$ 44,544,889	(3,147,460)	364,156	-	$ 41,761,585
Total capital assets, net including ROU									$ 62,657,905

3.2 Detail of depreciation and amortization expense

Depreciation and amortization expense related to capital assets	$ 2,493,911
Amortization expense - Leases ROU	3,147,460
Total depreciation and amortization	$ 5,641,371

4. Long-term liabilities

	Balance June 30, 2025	Prior Period Adjustments/Reclassifications	Balance June 30, 2025 (Restated)	Additions	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
1. Accrued compensated absences	363,805		363,805	42,422	-	406,227	25,000	381,227

5. Lease, SBITA, P3 liabilities:	Balance June 30, 2025	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
Lease liabilities	25,712,540		5,613	(663,489)	(6,569,407)	18,485,257	3,046,303	15,438,954
Total Lease, SBITA, P3 liabilities	$ 25,712,540	-	5,613	(663,489)	(6,569,407)	$ 18,485,257	3,046,303	15,438,954
Total long-term liabilities						$ 18,891,484	3,071,303	$ 15,820,181

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

	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
Year ending June 30:												
2027	$ 3,046,303	$ 688,697	$ 3,735,000			-			-	$ 3,046,303	$ 688,697	$ 3,735,000
2028	2,277,592	580,658	2,858,250			-			-	2,277,592	580,658	2,858,250
2029	2,326,432	487,193	2,813,625			-			-	2,326,432	487,193	2,813,625
2030	2,448,632	390,243	2,838,875			-			-	2,448,632	390,243	2,838,875
2031	2,499,096	289,779	2,788,875			-			-	2,499,096	289,779	2,788,875
2032 - 2036	5,887,202	119,298	6,006,500			-			-	5,887,202	119,298	6,006,500
Total minimum lease payments	$ 18,485,257	$ 2,555,868	$ 21,041,125	-	-	-	-	-	-	$ 18,485,257	$ 2,555,868	21,041,125
Less: amounts representing interest												(2,555,868)
Present value of future minimum lease payments												18,485,257
Total Leases, SBITA, P3 liabilities												18,485,257
Less: current portion												(3,046,303)
Leases, SBITA, P3 liabilities, net of												$ 15,438,954

6. Future minimum payments schedule - Long-term debt obligations

Nothing to report

7. 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	1,861,738
Payments received from University for services, space, and programs	6,914,640
Gifts-in-kind to the University from discretely presented component units	58,957
Gifts (cash or assets) to the University from discretely presented component units	-
Accounts (payable to) University	(1,040,210)
Other amounts (payable to) University	-
Accounts receivable from University	776,009
Other amounts receivable from University	-

8. Restatements

9. Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Auxiliary enterprise expenses	$ 6,350,282	-	$ 1,418,168	$ 570,964	-	$ 21,573,776	-	**$ 29,913,190**
Depreciation and amortization	-	-	-	-	-	-	5,641,371.00	**5,641,371**
Total operating expenses	**$ 6,350,282**	**-**	**$ 1,418,168**	**$ 570,964**	**-**	**$ 21,573,776**	**$ 5,641,371**	**$ 35,554,561**

Select type of pension plan >> **Defined Benefit Plan**

Explanation: **Multi-Employer Pension Plan**

10. Deferred outflows/inflows of resources:

Nothing to report