Otter Student Union at

California State University, Monterey Bay

Audited Financial Statements

Years Ended June 30, 2025 and 2024

GLENN BURDETTE

Otter Student Union at California State University, Monterey Bay
Annual Report
For the Years Ended
June 30, 2025 and 2024

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GLENN BURDETTE
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Otter Student Union At California State University, Monterey Bay
San Luis Obispo, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statements of net position of Otter Student Union At California State University, Monterey Bay (OSU), a component unit of the California State University, Monterey Bay, as of June 30, 2025 and 2024, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise OSU's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of OSU, as of June 30, 2025 and 2024, the changes in its net position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the Unites 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 Otter Student Union At California State University, Monterey Bay and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 OSU's ability to continue as a going concern for twelve

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months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 Otter Student Union At California State University, Monterey Bay'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 Otter Student Union At California State University, Monterey Bay'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.

Other Matters
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 12 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the

Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the OSU's basic financial statements. The accompanying supplementary information for inclusion in the financial statements of the California State University on pages 29 through 42 is presented for purposes of additional analysis as required by the California State University and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated September 19, 2025, on our consideration of OSU'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 OSU's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Otter Student Union At California State University, Monterey Bay's internal control over financial reporting and compliance.

Glenn Burdette Attest Corporation

Glenn Burdette Attest Corporation
San Luis Obispo, California
September 19, 2025

Otter Student Union at California State University, Monterey Bay
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

The Otter Student Union at California State University, Monterey Bay (OSU) began its operations in April 2018 as an auxiliary in good standing of California State University, Monterey Bay (CSUMB or University). The OSU is an IRC Section 501(c)(3) not-for-profit public benefit corporation and its mission is to support the University campus and provide opportunities and advocacy which reflects the founding vision of the University to the surrounding communities.

As management of the OSU, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the OSU for the fiscal years ended June 30, 2025 and 2024. We encourage readers to read the information presented here in conjunction with additional information that we have provided in the OSU's financial statements, which follow this narrative. The OSU's financial statements are presented here and are incorporated in the University's financial statements as a component unit.

Overview of the Financial Statements

This annual report consists of a series of financial statements, prepared in accordance with principles issued by the Governmental Accounting Standards Board (GASB). The Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flow (on pages 14 through 17) all provide information about the OSU's activities and present a long-term view of its finances.

These statements are prepared using the accrual basis of accounting which recognizes expenses when incurred and revenue when earned rather than when payment is made or received and is widely used by most private sector companies. They also report the OSU's net position and change in net position. You can think of the OSU's net position – the difference between assets (plus deferred outflows of resources) and liabilities (plus deferred inflows of resources) – as one way to measure the OSU's financial health, or fiscal position. Over time, increases or decreases in the OSU's net position are one indicator of whether its financial health is improving or declining.

Financial Highlights

- At June 30, 2025, the OSU had $2.5 million in total assets and $1.5 million in total liabilities for net position of $1 million.

- Student fees increased 33.5 percent or $378,000 from $1.1 million to $1.5 million.

- Contract services increased 14.1 percent or $174,000 from $1.2 million to $1.4 million.

- Insurance expense increased 50.5 percent or $63,000 from $124,000 to $187,000.

- Other nonoperating revenues increased 1,506 percent or $32,000 from ($2,000) to $30,000.

Condensed Financial Information

Net position in 2024/25 decreased 11.7 percent to $1 million and Net position in 2023/24 decreased 24.8 percent to $1.2 million primarily as a result of total operating expenses exceeding total operating revenues each year.

The accompanying audited financial statements as of and for the years ended June 30, 2025 and 2024 are reported in accordance with standards and requirements of the GASB as are the following schedules.

Otter Student Union at California State University, Monterey Bay
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

Table 1: Condensed Summary of Net Position as of June 30, 2025, 2024 and 2023

	2025	2024	2023
Assets			
Current assets	$ 1,974,795	$ 1,440,724	$ 2,044,318
Noncurrent assets:	560,844	9,416	146,633
Total Assets	2,535,639	1,450,140	2,190,951
Liabilities			
Current liabilities	824,488	290,410	383,232
Total Liabilities	824,488	290,410	383,232
Deferred Inflows from Leases			
Deferred Inflows	687,115	-	264,579
Total Deferred Inflows from leases	687,115	-	264,579
Net Position			
Invested in capital assets, net of related debt	7,324	9,416	-
Unrestricted	1,016,712	1,150,314	1,543,140
Total Net Position	$ 1,024,036	$ 1,159,730	$ 1,543,140

Assets

Current assets, or assets that can normally be converted to cash in less than one year, consist of Cash and cash equivalents, Receivables, Leases receivable, and Prepaid expenses and other assets.

Cash and cash equivalents are held in checking accounts. In 2024/25, Cash and cash equivalents increased 36.7 percent from 1.2 million to 1.6 million. This increase can be attributed to a net increase in student fee revenue. In 2023/24, Cash and cash equivalents decreased 25.2 percent or $401,000 from $1.6 million to $1.2 million. This decrease was attributed to increases in Contract services, Utilities, Supplies and services, and Insurance expenses.

In 2024/25, the OSU modified its lessor agreement for commercial services space with the Corporation, resulting in a 100.0 percent increase or $122,000 receivable at June 30, 2025. In 2023/24, Leases receivable decreased to zero or 100.0 percent due to the reclassification of the lease payment due on July 1, 2023, to a receivable from the Corporation at June 30, 2024. See Footnote 7 for additional information.

Receivable from the Corporation decreased in 2024/25 by 44.5 percent or $111,000. The decrease is due to the timely receipt of the 2024/25 lease payment for space. Receivable from the Corporation decreased in 2023/24 by 23.7 percent or $77,000 from $327,000 to $250,000. The decrease was due to an improved collection process between the auxiliaries.

Noncurrent assets consist of Leases receivable, net and Capital assets, net. Leases receivable, net increased 100.0 percent in 2024/25 as a result of a modified space lease with the Corporation. The future payments for this leased space resulted in a receivable of $554,000 as of June 30, 2025. In 2023/24, Leases receivable, net, decreased to zero. Space needs were evaluated for dining services resulting in the addition of storage space and the early termination of the lease established in 2022/23. See Footnote 7 for additional information.

Liabilities

Current liabilities are amounts owed or due within one year, and consist of Accounts payable, Payable to Corporation, Due to University and Other liabilities.

In 2024/25, Current liabilities increased $534,000 or 184 percent from $290,000 to $824,000. The increase is primarily a result of the Payable to the Corporation and Due to the University, and the timing of payments. In 2023/24, Current liabilities decreased $93,000 or 24.2 percent from $383,000 to $290,000. The decrease was primarily in Payable to the Corporation due to timing of payments.

Deferred Inflows from Leases

Deferred inflows from leases are the value of the lease receivable plus any payments received at or before the start of the lease term that relate to future periods. Deferred inflows from leases increased to $687,000 in 2024/25 for a 100.00 percent change as a result of the new lease agreement with the Corporation for commercial services space. In 2023/24, Deferred inflows from leases decreased from $264,000 to zero due to the early termination of the current lease agreement for space rental between OSU and Corporation. See Footnote 7 for additional information.

Results of Operations

In fiscal year 2024/25, the OSU's net position decreased 11.7 percent or $136,000 and in fiscal year 2023/24, the OSU's net position decreased 24.8 percent or $383,000, both years were a result of operating expenses exceeding operating revenues.

Table 2: Condensed Summary of Changes in Net Position for Years Ended June 30, 2025, 2024 and 2023

	2025	2024	2023
Operating Revenues			
Student fees	$ 1,506,000	$ 1,128,000	$ 1,031,000
Sales and services of auxiliary enterprises	96,233	89,194	72,960
Other operating revenues	302,224	283,186	273,026
Total Operating Revenues	1,904,457	1,500,380	1,376,986
Operating Expenses			
Contract services	1,412,384	1,238,039	1,069,938
Utilities	265,248	278,059	256,015
Insurance	186,768	124,076	97,145
Other operating expenses	205,503	241,500	180,511
Total Operating Expenses	2,069,903	1,881,674	1,603,609
Operating (Loss)	(165,446)	(381,294)	(226,623)
Nonoperating Revenues (Expenses)			
Other nonoperating revenues	29,752	(2,116)	9,512
Total Nonoperating Revenues (Expenses)	29,752	(2,116)	9,512
Net Position			
Net position — beginning of year	1,159,730	1,543,140	1,760,251
Net position — end of year	$ 1,024,036	$ 1,159,730	$ 1,543,140

Operating revenues consist of Student fees, Sales and services of auxiliary enterprises, and Other operating revenues.

Student fees is a result of student union fees surplus remitted to the OSU from the University for OSU operations. In 2024/25, student fees increased by $378,000 or 33.5 percent from $1.1 million to $1.5 million. This was primarily due to an increase in student enrollment in the University. In 2023/24, student fees increased slightly by $97,000 or 9.4% from $1 million to $1.1 million.

Operating expenses include Contract services, Utilities, Insurance, and Other operating expenses.

In 2024/25, contract services increased 14.1 percent or $174,000 from $1.2 million to $1.4 million. In 2023/24, contract services increased 15.7 percent or $168,000 from $1.1 million to $1.2 million. For both years, the increase is due to additional contracted personnel for services and vendors to facilitate the increase of OSU events.

Nonoperating Revenues (Expenses) is composed of Contributions from (distributions to) Corporation, Investment income, and Other nonoperating revenues, net.

In 2024/25, Investment income increased 100.0 percent or $35,000 due to the modified lease for space between the University Corporation and OSU. In 2023/24, Investment income decreased to zero or 100.0 percent. This decrease was primarily due to the early termination of the lease written in 2022/23 for commercial services space at the OSU.

Otter Student Union at California State University, Monterey Bay
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

Currently Known Facts, Decisions and Conditions

The OSU's management believes the following will impact future reporting periods:

Construction Loan repayment

The Otter Student Union facility opened successfully in August 2021. It is a CSUMB-owned property that is operated by the Otter Student Union, a student-centered 501c3 nonprofit organization. In the construction of the new building there were significant cost overruns including two loans to help fund tenant improvements and the addition of the ballroom. These loans are currently held by University Corporation and have a current total of $12 million. There are no changes to the $12 million loan repayment status for fiscal year 2025-2026, and any and all loan payments remain on hold.

Enrollment Impact

The OSU facility continues to provide value to the CSUMB community and has seen a large increase in utilization in 2024-2025. With this increase in utilization we've seen an increase in operational costs. While operating costs increased in 2023/2024, all activities increased in 2024/2025 and are expected to continue to increase into the future.

Requests for Information

This report is designed to provide an overview of the OSU's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Controller
University Corporation at Monterey Bay
8 Upper Ragsdale Dr.
Monterey, CA 93940

Otter Student Union at California State University, Monterey Bay
Financial Statements
For the Years Ended June 30, 2025 and 2024

Otter Student Union at California State University, Monterey Bay
Statements of Net Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,625,349	$ 1,189,009
Receivables:		
Corporation	138,601	249,650
University	44,486	529
Other	44,557	808
Leases receivable	121,802	-
Prepaid expenses and other assets	-	728
Total Current Assets	1,974,795	1,440,724
Noncurrent Assets:		
Leases receivable, net	553,520	-
Capital assets, net	7,324	9,416
Total Noncurrent Assets	560,844	9,416
Total Assets	2,535,639	1,450,140
Liabilities		
Current Liabilities:		
Accounts payable	82,386	45,685
Payable to Corporation	435,596	113,642
Due to University	306,079	130,656
Other liabilities	427	427
Total Current Liabilities	824,488	290,410
Deferred Inflows of Resources:		
Leases	687,115	-
Total deferred inflows of resources	687,115	-
Net Position		
Net Position:		
Invested in capital assets, net of related debt	7,324	9,416
Unrestricted	1,016,712	1,150,314
Total Net Position	$ 1,024,036	$ 1,159,730

The accompanying notes are an integral part of these financial statements.

Otter Student Union at California State University, Monterey Bay
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2025 and 2024

	2025	2024
Operating Revenues:		
Student fees	$ 1,506,000	$ 1,128,000
Sales and services of auxiliary enterprises	96,233	89,194
Other operating revenues	302,224	283,186
Total Operating Revenues	1,904,457	1,500,380
Operating Expenses:		
Contract services	1,412,384	1,238,039
Utilities	265,248	278,059
Supplies and services	28,944	47,263
Travel	25,118	10,750
Professional services	15,950	15,350
Administrative Expenses	59,669	59,669
Repairs and maintenance	14,993	43,848
Hospitality	10,910	6,670
Equipment	7,661	29,950
Insurance	186,768	124,076
Depreciation and amortization	2,092	1,046
Other operating expenses	40,166	26,954
Total Operating Expenses	2,069,903	1,881,674
Operating Loss	(165,446)	(381,294)
Nonoperating Revenues (Expenses):		
Distributions to Corporation	(5,162)	(1,980)
Investment income	34,914	-
Other nonoperating revenues, net	-	(136)
Net Nonoperating Revenues	29,752	(2,116)
Decrease in Net Position	(135,694)	(383,410)
Net Position:		
Net position - beginning of year	1,159,730	1,543,140
Net position - end of year	$ 1,024,036	$ 1,159,730

The accompanying notes are an integral part of these financial statements.

Otter Student Union at California State University, Monterey Bay
Statement of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Receipts from sales and services of auxiliary enterprises	$ 52,276	$ 90,007
Payments to suppliers	(517,064)	(459,288)
Payments to Corporation	(717,025)	(1,134,320)
Receipts from University	1,313,823	859,864
Other receipts	302,224	283,186
Other payments	(39,438)	(32,588)
Net Cash Provided / (Used) by Operating Activities	394,795	(393,138)
Cash Flows from Noncapital Financing Activities:		
Contributions to Corporation	(5,162)	(1,980)
Net Cash Provided / (Used) by Noncapital Financing Activities	(5,162)	(1,980)
Cash Flows from Capital Related Financing Activities:		
Acquisition of capital assets	-	(10,462)
Leases receivable proceeds	(675,322)	4,822
Deferred lease inflow	687,115	-
Other lease expense	-	(136)
Net Cash Provided / (Used) by Capital Related Financing Activities	11,793	(5,776)
Cash Flows from Investing Activities:		
Investment income from leases	34,914	-
Net Cash Provided / (Used) by Investing Activities	34,914	-
Net Increase / (Decrease) in Cash	436,340	(400,894)
Cash and Cash Equivalents - Beginning of year	1,189,009	1,589,903
Cash and Cash Equivalents - End of year	$ 1,625,349	$ 1,189,009

The accompanying notes are an integral part of these financial statements

Otter Student Union at California State University, Monterey Bay
Statement of Cash Flows (Continued)
For the Years Ended June 30, 2025 and 2024

	2025	2024
Reconciliation of Cash and Cash Equivalents to Statements of Net Position:		
Cash and cash equivalents	$ 1,625,349	$ 1,189,009
Cash and Cash Equivalents - End of Year	$ 1,625,349	$ 1,189,009

	2025	2024
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	$ (165,446)	$ (381,294)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Depreciation and amortization	2,092	1,046
Change in assets and liabilities:		
Receivables	23,343	80,660
Prepaid expenses and other assets	728	(728)
Accounts payable	36,701	3,369
Payable to Corporation	321,954	(168,496)
Due to University	175,423	72,305
Net Cash Provided / (Used) by Operating Activities	$ 394,795	$ (393,138)

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

The Otter Student Union at California State University, Monterey Bay (OSU), a nonprofit 501(c)(3) public benefit corporation, began operations in April 2018. The OSU is an auxiliary organization of the University and is presented in the University's financial statements as a component unit.

The mission of the OSU is to be the heartbeat of the campus and a bridge to surrounding communities providing spaces, opportunities, and advocacy that cultivate belonging reflective of CSUMB's founding vision. OSU's core values are fostering communities, valuing voice, cultivating social justice, and rooted in care.

The OSU began operating as a separate business unit, with financial services provided by the University Corporation at Monterey Bay, on January 1, 2019. The OSU engages in the following authorized functions per its agreement with the Office of the Chancellor: student union programs, operation of a student union facility; and acquisition, development, sale, and transfer of real and personal property including financing transactions related to these activities.

The OSU is governed by a Board of Directors, which is comprised of students, an alumni member, community members, a faculty member, and administrators.

Basis of Presentation – The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants, gifts, and similar items are recognized as soon as all eligibility requirements have been met.

Other Accounting Policies

Cash and Cash Equivalents – Cash and cash equivalents include all highly liquid investments purchased with original maturities of three months or less. The OSU considers all balances in demand deposit and money market accounts to be cash equivalents for the purposes of the Statements of Net Position and Statements of Cash Flows.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables – Receivables consist of monies due from the Corporation, the University, and Other. Due to the amount being immaterial from unrelated parties, no allowance for doubtful accounts was deemed necessary.

Leases Receivable – These include lease agreements where OSU is acting as lessor. In 2022/23, the OSU implemented GASB Statement No. 87, *Leases*. This Statement enhances the relevance and consistency of information relating to leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Previously, the operating lease for building space was accounted for as revenues, but with the adoption of this standard, it is now found on the Statement of Net Position as an asset and recognized as deferred inflows of resources.

Capital Assets – Capital assets consisting of equipment are recorded at cost (or estimated historical cost) at the date of acquisition, or fair value at the date of donation in the case of gifts. Assets with a value of less than $5,000 are not capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend its useful life, are expensed to operations. Related depreciation and amortization expense are shown in the Statements of Revenues, Expenses and Changes in Net Position. Depreciation for equipment and computer software is calculated using the straight–line method using the half-year convention over the estimated useful life of the asset.

Estimated useful lives are generally as follows:

Equipment	3 – 10 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position – The OSU's net position is required to be classified for accounting and reporting purposes into the following net position categories:

Net investment in capital assets includes capital assets, net of accumulated depreciation and amortization.

Restricted, nonexpendable consists of net position subject to externally imposed restrictions that they must be retained in perpetuity. Net position in this category does not apply to OSU.

Restricted, expendable consists of net position subject to externally imposed restrictions that can be fulfilled by the actions of the OSU pursuant to those restrictions or that expire by the passage of time. Net position in this category does not apply to OSU.

Unrestricted consists of all other categories of net position. Unrestricted may be designated for use by management of the OSU. These designations limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be used to support future operations in these areas.

Classification of Current and Noncurrent Assets and Liabilities – The OSU considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within twelve months of the Statements of Net Position date. Liabilities that can reasonably be expected, as part of normal business operations, to be liquidated within twelve months of the Statements of Net Position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

Classification of Revenues and Expenses – The OSU considers operating revenues and expenses in the Statements of Revenues, Expenses and Changes in Net Position to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the OSU's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services.

Use of Estimates **–** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of 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.

Otter Student Union at California State University, Monterey Bay
Notes to Financial Statements
For the Years Ended June 30, 2025 and 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications – Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Income Taxes **–** The OSU is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the OSU's tax-exempt purpose is subject to taxation as unrelated business income. No liability for income taxes has been recorded since the amount is not expected to be significant. In addition, the OSU qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(viii) and has been classified as an organization that is not a private foundation under Section 509(a)(3).

The OSU follows accounting standards generally accepted in the United States of America, which requires, among other things, the recognition and measurement of tax positions based on a "more likely than not" (likelihood greater than 50%) approach. As of June 30, 2025, management has considered its tax positions and believes that the Organization did not maintain any tax positions that did not meet the "more likely than not" threshold. The Organization does not expect any material changes through June 30, 2026. However, tax returns remain subject to examination by the Internal Revenue Service for fiscal years ending on or after June 30, 2022 and by the California Franchise Tax Board for fiscal years ending on or after June 30, 2021.

Recent Pronouncements - In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The provisions of Statement 96 are effective for fiscal years beginning after June 15, 2022 with earlier application encouraged. Implementation of this Statement did have a material impact on the Organization's financial statements. See Notes 7 and 8 for more detailed information.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In April 2022, GASB issued Statement No. 99, *Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Implementation of this Statement did not have a material impact on the Organization's financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of Statement 100 are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter. Earlier application is encouraged. Implementation of this Statement did not have a material impact on the Organization's financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Implementation of this Statement did not have a material impact on the Organization's financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures.* The objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Concentrations or constraints may limit the ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. Implementation of this Statement did not have a material impact on the Organization's financial statements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. Management has not yet determined the impact of this Statement on its financial statements.

In September 2024, GASB issued Statement No. 104, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The objective of this Statement is to classify capital assets to be presented by major class. This Statement requires capital assets to be disclosed separately. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. Management has not yet determined the impact of this Statement on its financial statements.

Subsequent Events **–** Events subsequent to June 30, 2025 have been evaluated through September 19, 2025, which is the date the financial statements were available to be issued. Management did not identify any subsequent events that required disclosure.

NOTE 2. DEPOSITS

Deposits **–** The OSU maintains cash for operating needs in checking accounts with Federal Deposit Insurance Corporation (FDIC) insured financial institutions.

At June 30, 2025, the OSU's checking account was insured by the FDIC up to $250,000. For the years ended June 30, 2025 and 2024, the OSU had uninsured cash deposits of $1,383,587 and $1,463,794 respectively.

NOTE 3. OPERATING AGREEMENTS

CSU
The OSU entered into a new operating agreement with the Trustees of the CSU on July 1, 2017 with a term end date of June 30, 2027. It describes the terms and conditions under which the OSU may operate as an auxiliary organization within the CSU. No amounts are paid to the Trustees of the CSU under this agreement.

Corporation
On July 1, 2017 the OSU entered into an agreement with the Corporation for accounting and financial reporting services. This agreement has renewed automatically in 12-month increments and can be terminated by choice by either party. The Corporation charges the OSU $59,669 annually and receives these payments semi-annually. This agreement and the associated costs are currently being evaluated and will be updated for the 2025/26 fiscal year.

NOTE 4. CAPITAL ASSETS

Capital asset activity consisted of the following for the year ended June 30, 2025:

	2025			
	Beginning Balance	Additions/ Reclassifications	Reductions/ Transfers	Ending Balance
Depreciable Capital Assets:				
Equipment	$ 10,462		$ -	$ 10,462
Total Depreciable Capital Assets	$ 10,462	$ -	$ -	$ 10,462
Total Capital Assets	$ 10,462	$ -	$ -	$ 10,462
Less Accumulated Depreciation and Amortization:				
Equipment	$ 1,046	$ 2,092	$ -	$ 3,138
Total Accumulated Depreciation	$ 1,046	$ 2,092	$ -	$ 3,138
Total Capital Assets, Net	$ 9,416	$ (2,092)	$ -	$ 7,324

NOTE 5. RISK MANAGEMENT

Otter Student Union manages its risk through the purchase of insurance through California State University Risk Management Authority (CSURMA)/Auxiliaries Organization Risk Management Alliance (AORMA), a joint powers public entity risk pool, for coverage of general liability, professional liability, property, and general organizational risk exposures. The Auxiliary Organization Risk Management Alliance (AORMA) Self Insured Retention (SIR) liability fund provides coverage for the first $5,000,000 of each General Liability, Products and Completed Operations, Professional Liability including Directors & Officers Liability. Reinsurance insurance for AORMA's $5,000,000 layer is purchased from Great American Insurance (AM Best Rating: A, XV Rating; A+ XV) in the amount of $4,000,000 each occurrence. AORMA also purchases $5,000,000 excess of $5,000,000 from Continental Indemnity (AM Best Rating: A, XV Rating), CSURMA Self-Pooled, and Sirius Bermuda (AM Best Rating: A+, XV) and $5,000,000 excess of $10,000,000 from Everest Re (AM Best Rating: A+, XV Rating).

NOTE 5. RISK MANAGEMENT (Continued)

AORMA's "All Risk" property insurance program coverage is through the Alliant Property Insurance Program (APIP). This program, including Flood, Boiler and Machinery, Cyber Liability, & Pollution Liability coverage, provides replacement cost coverage for all buildings and contents, subject to a limit of liability per occurrence of $1 billion. Members' deductibles are $5,000 for business personal property and business interruption / loss of rents. Campus 99 (real property) enables CSU auxiliary organizations who occupy state-owned buildings to enjoy deductibles from $5,000 to $100,000.

The member deductible for real property is based on the Total Insurance Value (TIV) of the building as shown below:

TIV $10,000,000 or less	$5,000
TIV between $10,000,001 and $25,000,000	$10,000
TIV between $25,000,001 and $50,000,000	$25,000
TIV $50,000,001 or more	$50,000

For information regarding losses or claims paid, or for a description and amount of any claim pending, or any settlement made, or any litigation entered during the policy year, please contact the following:

Carl Warren & Company (Liability Program)
Attn: Beth Tavares
PO Box 2411
Tustin, CA 92781
Tel: 657-622-4215

NOTE 5. RISK MANAGEMENT (Continued)

Otter Student Union Insurance coverages meet the requirement of the CSURMA and, as such, present no significant inadequacies in coverage. The California State University Board of Trustees has been named as an additional insured as respects the activities of the Auxiliary Organization. CSURMA/AORMA provides self-insured risk with purchase of excess insurance. OSU maintains general liability insurance coverage for individual claims up to $20,000,000 per occurrence. Errors and omission claims under $25,000 are self-insured. OSU also maintains excess property insurance coverage to limits of $1,000,000,000. There have been no settlements in the past three years that have exceeded insurance limits. There are no self-insurance claims liabilities recorded in the accompanying financial statements because any amounts at June 30, 2025 are expected to be minimal. Likewise, no amounts have been paid to CSURMA/AORMA by June 30, 2025, related to OSU's estimated future funding for claims liability.

NOTE 6. RELATED PARTY TRANSACTIONS

The OSU is involved in transactions with the Corporation and the University. Amounts at June 30 and transactions for the years then ended are summarized below:

	2025	2024
University:		
Otter Student Union receivable from the University	$ 44,486	$ 529
Otter Student Union payable to the University	306,079	130,656
Payments for other than salaries of University personnel	194,271	328,760
Payments from University for services, space, and programs	19,876	70,907
Corporation:		
Otter Student Union receivable from the Corporation	$ 138,601	$ 249,650
Otter Student Union payable to the Corporation	435,596	113,642
Expense reimbursements to Corporation	817,269	1,209,706

NOTE 7. LEASES

A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. In 2024/25, the OSU executed a new lease with the Corporation for space. This exclusive use space was intended to house the commercial services operations of the Corporation, specifically the bookstore and dining services. The new agreement modified the amount of square footage allocated to the Corporation, the annual cost of the space, as well as adding the option to renew every two years through 2029/30. In 2023/24, due to the termination of the lease, OSU recognized and recorded zero lease receivables at June 30, 2024. Lease income receipts for the years ended June 30, 2025 and 2024 were $149,216 and $137,121, respectively. In 2023/24, an additional $4,988 was received for additional space provided to the Corporation.

At June 30, 2025, future maturities of the Lease receivable balance were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2026	$ 121,802	$ 34,914	$ 156,716
2027	128,099	28,617	156,716
2028	134,722	21,994	156,716
2029	141,687	15,029	156,716
2030	149,012	7,704	156,716
Total future maturities	$ 675,322	$ 108,258	$ 783,580

Otter Student Union At California State University, Monterey Bay

Supplementary Schedules for Inclusion in the Financial Statements of the California State University

June 30, 2025

Schedule of Net Position

June 30, 2025

(for inclusion in the California State University Financial Statements)

Assets:	
Current assets:	
Cash and cash equivalents	1,625,349
Short-term investments	—
Accounts receivable, net	227,644
Lease receivable, current portion	121,802
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	—
Total current assets	1,974,795
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Lease receivable, net of current portion	553,520
P3 receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	7,324
Other assets	—
Total noncurrent assets	560,844
Total assets	2,535,639
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Leases	—
P3	—
Others	—
Total deferred outflows of resources	—
Liabilities:	
Current liabilities:	
Accounts payable	824,061
Accrued salaries and benefits	—
Accrued compensated absences, current portion	—
Unearned revenues	—
Lease liabilities, current portion	—

Schedule of Net Position

June 30, 2025

(for inclusion in the California State University Financial Statements)

SBITA liabilities - current portion	—
P3 liabilities - current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	427
Total current liabilities	824,488
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Lease liabilities, net of current portion	—
SBITA liabilities, net of current portion	—
P3 liabilities, net of current portion	—
Long-term debt obligations, net of current portion	—
portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	—
Total liabilities	824,488
Deferred inflows of resources:	
P3 service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Lease	687,115
P3	—
Others	—
Total deferred inflows of resources	687,115
Net position:	
Net investment in capital assets	7,324
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—

Schedule of Net Position

June 30, 2025

(for inclusion in the California State University Financial Statements)

Capital projects	—
Debt service	—
Others	—
Unrestricted	1,016,712
Total net position	1,024,036

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

Revenues:	
Operating revenues:	
Student tuition and fees, gross	—
Scholarship allowances	—
Grants and contracts, noncapital:	
Federal	—
State	—
Local	—
Nongovernmental	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises, gross	96,233
Scholarship allowances	—
Other operating revenues	1,808,224
Total operating revenues	1,904,457
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	—
Institutional support	1,075,151
Operation and maintenance of plant	638,312
Student grants and scholarships	—
Auxiliary enterprise expenses	354,348
Depreciation and amortization	2,092
Total operating expenses	2,069,903
Operating income (loss)	(165,446)
Nonoperating revenues (expenses):	
State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	34,914
Endowment income (loss), net	—
Interest expense	—
Other nonoperating revenues (expenses)	(5,162)

Schedule of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2025

(for inclusion in the California State University Financial Statements)

Net nonoperating revenues (expenses)	29,752
Income (loss) before other revenues (expenses)	(135,694)
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	(135,694)
Net position:	
Net position at beginning of year, as previously reported	1,159,730
Restatements	—
Net position at beginning of year, as restated	1,159,730
Net position at end of year	1,024,036

Otter Student Union at CSU Monterey Bay
Other Information
June 30, 2025
(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	
All other restricted cash and cash equivalents	
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	1625349
Total	**$ 1,625,349**

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds			-
Repurchase agreements			-
Certificates of deposit			-
U.S. agency securities			-
U.S. treasury securities			-
Municipal bonds			-
Corporate bonds			-
Asset backed securities			-
Mortgage backed securities			-
Commercial paper			-
Supranational			-
Mutual funds			-
Exchange traded funds			-
Equity securities			-
Alternative investments:			
Private equity (including limited partnerships)			-
Hedge funds			-
Managed futures			-
Real estate investments (including REITs)			-
Commodities			-
Derivatives			-
Other alternative investment types			-
Other external investment pools			-
CSU Consolidated Investment Pool (formerly SWIFT)			-
State of California Local Agency Investment Fund (LAIF)			-
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			
			-
			-
			-
			-
			-
Total Other investments	-	-	-
Total investments	—	—	-
Less endowment investments	-	-	-
Total investments, net of endowments	$ -	-	-

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	$ -				
Repurchase agreements	-				
Certificates of deposit	-				
U.S. agency securities	-				
U.S. treasury securities	-				
Municipal bonds	-				
Corporate bonds	-				
Asset backed securities	-				
Mortgage backed securities	-				
Commercial paper	-				
Supranational	-				
Mutual funds	-				
Exchange traded funds	-				
Equity securities	-				

Alternative investments:					
Private equity (including limited partnerships)	-				
Hedge funds	-				
Managed futures	-				
Real estate investments (including REITs)	-				
Commodities	-				
Derivatives	-				
Other alternative investment types	-				
Other external investment pools	-				
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	
Other investments:					
	-				
	-				
	-				
	-				
	-				
Total other investments:	-	-	-	-	-
Total investments	$ -	-	-	-	-

2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g. - CSU Consolidated Investment Pool (formerly SWIFT):			$ -

3.1 Capital Assets, excluding ROU assets:
Composition of capital assets, excluding ROU assets:

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	$ -				-				-
Works of art and historical treasures	-				-				-
Construction work in progress (CWIP)	-				-				-
Intangible assets:									
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Intangible assets in progress (PWIP)	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Leasehold improvements	-				-				-
Personal property:									
Equipment	10,462				10,462				10,462
Library books and materials	-				-				-
Intangible assets:									
Software and websites	-				-				-
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-

Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	10,462	-	-	-	10,462	-	-	-	10,462
Total capital assets	10,462	-	-	-	10,462	-	-	-	10,462
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Leasehold improvements	-				-				-
Personal property:									
Equipment	(1,046)				(1,046)	-2092			(3,138)
Library books and materials	-				-				-
Intangible assets:									
Software and websites	-				-				-
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(1,046)	-	-	-	(1,046)	(2,092)	-	-	(3,138)
Total capital assets, net excluding ROU assets	$ 9,416	-	-	-	9,416	(2,092)	-	-	7,324

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	**Balance June 30, 2024**	**Prior Period Reclassifications**	**Prior Period Additions**	**Prior Period Reductions**	**Balance June 30, 2024 (Restated)**	**Additions**	**Remeasurements**	**Reductions**	**Balance June 30, 2025**
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	—				—				—
Total non-depreciable/non-amortizable lease assets	-	—	—	—	—	—	—	—	-
Depreciable/Amortizable lease assets:									
Land and land improvements	—				—				—
Buildings and building improvements	—				—				—
Improvements, other than buildings	—				—				—
Infrastructure	—				—				—
Personal property:									
Equipment	—				—				—
Total depreciable/amortizable lease assets	—	—	—	—	—	—	—	—	—
Less accumulated depreciation/amortization:									
Land and land improvements	—				—				—
Buildings and building improvements	—				—				—
Improvements, other than buildings	—				—				—
Infrastructure	—				—				—
Personal property:									
Equipment	—				—				—
Total accumulated depreciation/amortization	—	—	—	—	—	—	—	—	—

Total capital assets - lease ROU, net	—	—	—	—	—	—	—	—	—

Composition of capital assets - SBITA ROU, net	**Balance June 30, 2024**	**Reclassifications**	**Prior Period Additions**	**Prior Period Reductions**	**Balance June 30, 2024 (Restated)**	**Additions**	**Remeasurements**	**Reductions**	**Balance June 30, 2025**
Depreciable/Amortizable SBITA assets:									
Software	—				—				—
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	—				—				—
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	-	-	-	-	-	-	-	-	-

Composition of capital assets - P3 ROU, net:	**Balance June 30, 2024**	**Reclassifications**	**Prior Period Additions**	**Prior Period Reductions**	**Balance June 30, 2024 (Restated)**	**Additions**	**Remeasurements**	**Reductions**	**Balance June 30, 2025**
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	—				—				—
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	—				—				—
Buildings and building improvements	—				—				—
Improvements, other than buildings	—				—				—
Infrastructure	—				—				—
Personal property:									
Equipment	—				—				—
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	—				—				—
Buildings and building improvements	—				—				—
Improvements, other than buildings	—				—				—
Infrastructure	—				—				—
Personal property:									
Equipment	—				—				—
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	—	—	—	—	—	—	—	—	—
Total capital assets, net including ROU assets									**7,324**

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	$ 2,092
Amortization expense - Leases ROU	-
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	
Total depreciation and amortization	**$ 2,092**

Otter Student Union at CSU Monterey Bay
Other Information
June 30, 2025
(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2024	Prior Period Adjustments/Reclassifications	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
1. Accrued compensated absences	$ -		-		-	-		-
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-		-			-		-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-		-			-	-	-
4.2 Commercial paper	-		-			-		-
4.3 Notes payable (SRB related)	-		-			-		-
4.4 Finance purchase of capital assets	-		-			-		-
4.5 Others:								
	-		-			-		-
	-		-			-		-
	-		-			-		-
	-		-			-		-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-

5. Lease, SBITA, P3 liabilities:	Balance June 30, 2024	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
Lease liabilities	-					-		-
SBITA liabilities	-					-		-
P3 liabilities - SCA	-					-		-
P3 liabilities - non-SCA	-					-		-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	$ -	-	-	-	-	-	-	-
Total long-term liabilities						$ -	$ -	$ -

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:												
2026			-			-			-	-	-	-
2027			-			-			-	-	-	-
2028			-			-			-	-	-	-
2029			-			-			-	-	-	-
2030			-			-			-	-	-	-
2031 - 2035			-			-			-	-	-	-
2036 - 2040			-			-			-	-	-	-
2041 - 2045			-			-			-	-	-	-

2046 - 2050			-			-			-	-	-	-
2051 - 2055			-			-			-	-	-	-
Thereafter			-			-			-	-	-	-
Total minimum lease payments	$ -	-	-	-	-	-	-	-	-	-	-	-
Less: amounts representing interest												-
Present value of future minimum lease payments												-
Total Leases, SBITA, P3 liabilities												-
Less: current portion												-
Leases, SBITA, P3 liabilities, net of current portion												$ -

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

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	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:									
2026			-			-	-	-	-
2027			-			-	-	-	-
2028			-			-	-	-	-
2029			-			-	-	-	-
2030			-			-	-	-	-
2031 - 2035			-			-	-	-	-
2036 - 2040			-			-	-	-	-
2041 - 2045			-			-	-	-	-
2046 - 2050			-			-	-	-	-
2051 - 2055			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum payments	$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									$ -

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	
Payments to University for other than salaries of University personnel	194271
Payments received from University for services, space, and programs	19876
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	
Accounts (payable to) University	-306079
Other amounts (payable to) University	
Accounts receivable from University	44486
Other amounts receivable from University	

8 Restatements

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement:

Note: Additional account details can be found in the Table of Object Codes and CSU Fund Definitions

	Debit/(Credit)
Restatement #1	
	-
Restatement #2	
	-

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	—	—	—	—		—		-
Research	—	—	—	—		—		-
Public service	—	—	—	—		—		-
Academic support	—	—	—	—		—		-
Student services	—	—	—	—		—		-
Institutional support	—	—	—	—		1,075,151.00		1,075,151
Operation and maintenance of plant	—	—	—	—		638,312.00		638,312
Student grants and scholarships					—			-
Auxiliary enterprise expenses	—	—	—	—		354,348.00		354,348
Depreciation and amortization							2,092.00	2,092
Total operating expenses	$ -	-	-	-	-	2,067,811	2,092	2,069,903

No pension plan reported

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)	
Deferred outflows - net pension liability	
Deferred outflows - net OPEB liability	
Deferred outflows - leases	
Deferred outflows - P3	
Deferred outflows - others:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	
Total deferred outflows - others	-
Total deferred outflows of resources	$ -

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements	
Deferred inflows - net pension liability	
Deferred inflows - net OPEB liability	
Deferred inflows - unamortized gain on debt refunding(s)	
Deferred inflows - nonexchange transactions	
Deferred inflows - leases	687115
Deferred inflows - P3	
Deferred inflows - others:	
Sales/intra-entity transfers of future revenues	
Gain/loss on sale leaseback	
Loan origination fees and costs	
Change in fair value of hedging derivative instrument	
Irrevocable split-interest agreements	
Total deferred inflows - others	-
Total deferred inflows of resources	$ 687,115

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	
Other nonoperating (expenses)	-5162
Total other nonoperating revenues (expenses)	**(5,162)**

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

To the Board of Directors of
Otter Student Union At California State University, Monterey Bay
San Luis Obispo, California

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 (OSU), which comprise the statements of net position as of June 30, 2025, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 19, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered OSU'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 's internal control. Accordingly, we do not express an opinion on the effectiveness of OSU's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether OSU'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*.

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

Glenn Burdette Attest Corporation

Glenn Burdette Attest Corporation
San Luis Obispo, California

September 19, 2025