Otter Student Union at California State University, Monterey Bay

Financial Statements
With Supplementary Information

June 30, 2026 and 2025

WINDES
AUDIT | TAX | ADVISORY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Otter Student Union at California State University, Monterey Bay
Seaside, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Otter Student Union at California State University, Monterey Bay (OSU), a component unit of California State University, Monterey Bay, which comprise the statement of net position as of June 30, 2026, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OSU as of June 30, 2026, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 the 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 OSU'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 OSU'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.

Prior Period Financial Statements

The financial statements of OSU as of and for the year ended June 30, 2025 were audited by other auditors whose report dated September 19, 2025 expressed an unmodified opinion on those statements.

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 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 30 through 44 is presented for purposes of additional analysis 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated September 23, 2026 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, grant agreements, and other matters. The purpose of that report is 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 OSU's internal control over financial reporting and compliance.

Windes, Inc.

Long Beach, California
September 23, 2026

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026 AND 2025

Introduction

Otter Student Union at California State University, Monterey Bay (OSU) began its operations in April 2018 as an auxiliary in good standing with California State University, Monterey Bay (the University). OSU is an Internal Revenue Code Section 501(c)(3) not-for-profit public benefit corporation, and its mission is to support the University by providing opportunities and advocacy that reflect the founding vision of the University to the surrounding communities.

As management of OSU, we offer readers of these financial statements this narrative overview and analysis of the financial activities of OSU for the fiscal years ended June 30, 2026 and 2025. We encourage readers to read the information presented here in conjunction with additional information that we have provided in the accompanying financial statements, which follow this narrative. OSU's financial statements are combined with 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 flows all provide information about 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 OSU's net position and change in net position. You can think of 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 OSU's financial health and fiscal position. Increases or decreases in OSU's net position are one indicator of whether its financial health is improving or declining.

Financial Summary

The following condensed statements of net position presents OSU's total assets, liabilities, deferred inflows of resources, and net position as of June 30, 2026, 2025, and 2024:

	2026	2025	2024
ASSETS			
Current assets	$ 1,669,914	$ 1,974,795	$ 1,440,724
Noncurrent assets	430,652	560,844	9,416
Total Assets	2,100,566	2,535,639	1,450,140
CURRENT LIABILITIES	655,342	824,488	290,410
DEFERRED INFLOWS OF RESOURCES	549,692	687,115	-
NET POSITION			
Investments in capital assets, net	5,231	7,324	9,416
Unrestricted	890,301	1,016,712	1,150,314
Total Net Position	$ 895,532	$ 1,024,036	$ 1,159,730

Financial Summary (Continued)

The following condensed statements of revenues, expenses, and changes in net position presents the total revenues recognized and expenses incurred for the fiscal years ended June 30, 2026, 2025, and 2024:

	2026	2025	2024
OPERATING REVENUES			
Student fees	$ 1,500,000	$ 1,506,000	$ 1,128,000
Sales and services of auxiliaries	91,005	96,233	89,194
Other operating revenues	329,752	302,224	283,186
Total Operating Revenues	1,920,757	1,904,457	1,500,380
OPERATING EXPENSES			
Contract services	1,418,465	1,412,384	1,238,039
Utilities	294,633	265,248	278,059
Insurance	148,726	186,768	124,076
Other operating expenses	208,995	205,503	241,500
Total Operating Expenses	2,070,819	2,069,903	1,881,674
Operating loss	(150,062)	(165,446)	(381,294)
NONOPERATING REVENUES (EXPENSES)	21,558	29,752	(2,116)
NET POSITION, BEGINNING OF YEAR	1,024,036	1,159,730	1,543,140
NET POSITION, END OF YEAR	$ 895,532	$ 1,024,036	$ 1,159,730

Detailed Analysis

Net position as of June 30, 2026 decreased by 12.5% to approximately $896,000 from June 30, 2025. Net position as of June 30, 2025 decreased by 11.7% to approximately $1,024,000 from June 30, 2024. These decreases are primarily the result of total operating expenses exceeding total operating revenues in each year.

Detailed Analysis (Continued)

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. During the year ended June 30, 2026, cash and cash equivalents decreased by 20.8% from approximately $1.6 million to approximately $1.3 million. This decrease can be attributed to higher operating disbursements, such as utility payments and repairs and maintenance. During the year ended June 30, 2025, cash and cash equivalents increased by 36.7% from approximately $1.2 million to approximately $1.6 million. This increase was attributed to a net increase in student fee revenue.

Noncurrent assets consist of leases receivable, net of current portion and capital assets, net of accumulated depreciation and amortization. Leases receivable, net of current portion decreased by 23.1%, or approximately $129,000, during the year ended June 30, 2026, from approximately $554,000 to approximately $425,000, as the current portion of leases receivable was reclassified to current assets. During the year ended June 30, 2025, leases receivable, net of current portion increased by 100% as a result of a modified space lease with the University Corporation at Monterey Bay (the Corporation).

Current liabilities are amounts owed or due within one year and consist of accounts payable, payable to the Corporation, payable to the University, payable to Foundation of California State University, Monterey Bay (the Foundation), and other liabilities.

During the year ended June 30, 2026, current liabilities decreased by 20.5% from approximately $824,000 to approximately $655,000. During the year ended June 30, 2025, current liabilities increased by 183.9% from approximately $290,000 to approximately $824,000. For both years, the fluctuations were due to the timing of payments for indirect cost recovery owed to the University and liabilities owed to the Corporation.

Deferred inflows of resources consist of the value of leases receivable amortized on a straight-line basis from inception to termination. Deferred inflows of resources decreased by 20% from approximately $687,000 to approximately $550,000 during the year ended June 30, 2026, consistent with the lease amortization schedule. During the year ended June 30, 2025, deferred inflows of resources increased to approximately $687,000 as the result of a new lease agreement with the Corporation for commercial services space.

Detailed Analysis (Continued)

During the year ended June 30, 2026, OSU's net position decreased by 12.5%. During the year ended June 30, 2025, OSU's net position decreased by 11.7%. In both years, operating expenses exceeded operating revenues.

Operating revenues consist of student fees, sales and services of auxiliaries, and other operating revenues.

Student fees revenue results from the student union fee surplus remitted to OSU from the University for OSU's operations. During the year ended June 30, 2026, student fee revenue remained relatively consistent with the prior year. During the year ended June 30, 2025, student fee revenue increased by 33.5% from approximately $1.1 million to approximately $1.5 million. This was primarily due to an increase in student enrollment in the University.

Operating expenses include contract services, utilities, insurance, and other operating expenses. Total operating expenses remained consistent from the year ended June 30, 2025 to the year ended June 30, 2026.

Insurance expense consists of the purchase of insurance through California State University Risk Management Authority (CSURMA) and Auxiliaries Organization Risk Management Alliance (AORMA). During the year ended June 30, 2026, insurance expense decreased by 20.3% from approximately $187,000 to approximately $149,000. During the year ended June 30, 2025, insurance expense increased by 50.8% from approximately $124,000 to approximately $187,000. For both years, the change was the result of a one-time AORMA property program assessment that occurred during the year ended June 30, 2025, as well as an increase in CSURMA's annual liability premium.

Utilities expense fluctuated from the year ended June 30, 2025 to the year ended June 30, 2026 as the result of a new memorandum of understanding between the University and OSU that changes the structure of utilities payments between the two entities.

Nonoperating revenues (expenses) is composed of distributions to the Foundation and investment income. During the year ended June 30, 2026, investment income decreased by 18% from approximately $35,000 to approximately $29,000. Investment income is associated with lease interest for shared space between the University, the Corporation, and OSU. During the year ended June 30, 2025, investment income increased by 100% to approximately $35,000 as a result of modifying the lease agreement.

Significant Long-Term Financing Activity

There is no significant long-term financing activity to disclose for the years ended June 30, 2026, 2025, and 2024.

Currently Known Facts, Decisions and Conditions

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

Construction Loan Repayment

OSU opened a facility in August 2021. It is a property owned by the University that is operated by OSU. Construction of the facility included financing from the Corporation to fund tenant improvements and the addition of a ballroom, with an outstanding balance of approximately $12 million. Effective subsequent June 30, 2026, the Corporation's board of directors approved a revised loan repayment framework that supersedes all previous loan repayment terms. Under this framework, future loan repayment obligations are contingent upon annual Fall census enrollment and available net revenues after operating expenses, bond obligations, and reserve requirements are satisfied. The agreement incorporates minimum enrollment thresholds and repayment caps to protect OSU's operational continuity and long-term facility maintenance.

Enrollment Impact

OSU's facility serves as an active hub for the University's community, experiencing sustained growth in student enrollment and overall facility utilization in 2025/26. This expansion in student engagement and building usage has led to a corresponding increase in operational expenditures. Management expects the trends of growing enrollment and facility utilization to persist in the near term, including in 2026/27, and operational planning will continue to balance enhanced campus programming and services with responsible fiscal management.

Requests for Information

This report is designed to provide an overview of 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

STATEMENTS OF NET POSITION

ASSETS

	June 30,	
	2026	**2025**
CURRENT ASSETS		
Cash and cash equivalents	$ 1,287,970	$ 1,625,349
Receivables:		
Corporation	172,701	138,601
University	69,490	44,486
Other	7,495	44,557
Leases receivable, current portion	128,099	121,802
Prepaid expenses and other assets	4,159	-
Total Current Assets	1,669,914	1,974,795
NONCURRENT ASSETS		
Leases receivable, net of current portion	425,421	553,520
Capital assets, net	5,231	7,324
Total Noncurrent Assets	430,652	560,844
TOTAL ASSETS	$ 2,100,566	$ 2,535,639

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

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

STATEMENTS OF NET POSITION
(Continued)

LIABILITIES

	June 30, 2026	June 30, 2025
CURRENT LIABILITIES		
Accounts payable	$ 67,543	$ 82,386
Payable to Corporation	374,379	435,596
Payable to University	206,361	306,079
Payable to Foundation	7,059	-
Other liabilities	-	427
Total Current Liabilities	655,342	824,488
DEFERRED INFLOWS OF RESOURCES		
Leases	549,692	687,115
Total Deferred Inflows of Resources	549,692	687,115

NET POSITION

NET POSITION		
Investments in capital assets, net	$ 5,231	$ 7,324
Unrestricted	890,301	1,016,712
TOTAL NET POSITION	$ 895,532	$ 1,024,036

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

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	For the Year Ended June 30,	
	2026	**2025**
OPERATING REVENUES		
Student fees	$ 1,500,000	$ 1,506,000
Sales and services of auxiliaries	91,005	96,233
Other operating revenues	329,752	302,224
Total Operating Revenues	1,920,757	1,904,457
OPERATING EXPENSES		
Contract services	1,418,465	1,412,384
Utilities	294,633	265,248
Supplies and services	29,623	28,944
Travel	9,491	25,118
Professional services	25,700	15,950
Administrative	63,652	59,669
Repairs and maintenance	34,598	14,993
Hospitality	7,156	10,910
Equipment	-	7,661
Insurance	148,726	186,768
Depreciation and amortization	2,093	2,092
Other operating expenses	36,682	40,166
Total Operating Expenses	2,070,819	2,069,903
OPERATING LOSS	(150,062)	(165,446)
NONOPERATING REVENUES (EXPENSES)		
Distributions to Foundation	(7,059)	(5,162)
Investment income	28,617	34,914
Net Nonoperating Revenues	21,558	29,752
CHANGE IN NET POSITION	(128,504)	(135,694)
NET POSITION AT BEGINNING OF YEAR	1,024,036	1,159,730
NET POSITION AT END OF YEAR	$ 895,532	$ 1,024,036

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

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

STATEMENTS OF CASH FLOWS

	For the Year Ended June 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from sales and services of auxiliaries	$ 66,001	$ 52,276
Payments to suppliers	(492,044)	(517,064)
Payments to Corporation	(1,402,371)	(717,025)
Receipts from Foundation	7,059	-
Receipts from University	1,189,557	1,313,823
Other receipts	329,752	302,224
Other payments	(41,270)	(39,439)
Net Cash (Used In) Provided By Operating Activities	(343,316)	394,795
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contributions to Foundation	(7,059)	-
Contributions to Corporation	-	(5,162)
Net Cash Used In Noncapital Financing Activities	(7,059)	(5,162)
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES		
Leases receivable proceeds	121,802	149,216
Deferred lease inflow (outflow)	(137,423)	(137,423)
Net Cash (Used In) Provided By Capital Related Financing Activities	(15,621)	11,793
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income from leases	28,617	34,914
Net Cash Provided By Investing Activities	28,617	34,914
NET CHANGE IN CASH AND CASH EQUIVALENTS	(337,379)	436,340
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,625,349	1,189,009
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,287,970	$ 1,625,349

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

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

STATEMENTS OF CASH FLOWS
(Continued)

	For the Year Ended June 30,	
	2026	**2025**
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES:		
Operating loss	$ (150,062)	$ (165,446)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	2,093	2,092
Change in operating assets and liabilities:		
Receivables	(22,042)	23,343
Prepaid expenses and other assets	(4,159)	728
Accounts payable	(14,843)	36,701
Payable to Corporation	(61,217)	321,954
Payable to Foundation	7,059	-
Payable to University	(99,718)	175,423
Other liabilities	(427)	-
Net Cash (Used In) Provided By Operating Activities	$ (343,316)	$ 394,795

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

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 1 – Summary of Significant Accounting Policies

Description of Reporting Entity

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

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

OSU began operating as a separate business unit on January 1, 2019, with financial services provided by the University Corporation at Monterey Bay (the Corporation). 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.

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 (U.S. GAAP) 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.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments purchased with original maturities of three months or less. 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.

Receivables

Receivables consist of amounts due from the Corporation, the University, and other receivables. Management has determined that amounts due from unrelated parties are immaterial to the financial statements; accordingly, no allowance for credit losses was deemed necessary.

Leases Receivable

Leases receivable include lease agreements where OSU acts as lessor. In 2022, 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 statements of net position as an asset and recognized as deferred inflows of resources. This deferred inflows of resources are now recognized into revenue on a straight-line basis over the life of the lease.

Capital Assets

Capital assets consist of equipment and 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 over the estimated useful life of the asset.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Estimated useful lives are generally as follows:

Equipment	3 - 10 years

Net Position

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

Investments in capital assets consists of 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 will be fulfilled by actions of OSU or that expire with the passage of time. Net position in this category does not apply to OSU.

Unrestricted consists of all other categories of net position. Unrestricted net position may be designated for use by OSU's management. 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

Assets that can reasonably be expected, as part of OSU's 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 are considered to be current. Liabilities that can reasonably be expected, as part of OSU's 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.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Classification of Operating Revenues and Expenses

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 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 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 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.

Income Taxes

OSU is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding state provisions. However, income from certain activities not directly related to OSU's tax-exempt purpose is subject to taxation as unrelated business income. No liability for income taxes has been recorded in the financial statements since the amount is not expected to be significant. In addition, 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).

OSU follows U.S. GAAP, 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, 2026, management has considered its tax positions and believes that OSU did not maintain any tax positions that did not meet the "more likely than not" threshold. OSU does not expect any material changes through June 30, 2027. However, tax returns remain subject to examination by the Internal Revenue Service for fiscal years ending on or after June 30, 2023 and by the California Franchise Tax Board for fiscal years ending on or after June 30, 2022.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements

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. Implementation of this standard did not have a material impact on OSU's financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. 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 by major class. This statement requires capital assets to be disclosed separately, as well as 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. Implementation of this standard did not have a material impact on OSU's financial statements.

Subsequent Events

Events subsequent to June 30, 2026 have been evaluated through September 23, 2026, which is the date the financial statements were available to be issued. Except for the matter below, management did not identify any subsequent events that require disclosure.

OSU opened a facility in August 2021. It is a property owned by the University that is operated by OSU. Construction of the facility included financing from the Corporation to fund tenant improvements and the addition of a ballroom, with an outstanding balance of approximately $12 million. Effective subsequent June 30, 2026, the Corporation's board of directors approved a revised loan repayment framework that supersedes all previous loan repayment terms. Under this framework, future loan repayment obligations are contingent upon annual Fall census enrollment and available net revenues after operating expenses, bond obligations, and reserve requirements are satisfied. The agreement incorporates minimum enrollment thresholds and repayment caps to protect OSU's operational continuity and long-term facility maintenance.

NOTE 2 – Deposits

OSU maintains cash for operating needs in checking accounts with Federal Deposit Insurance Corporation (FDIC) insured financial institutions up to $250,000. For the years ended June 30, 2026 and 2025, OSU had uninsured cash deposits of $1,060,696 and $1,383,587, respectively.

NOTE 3 – Operating Agreements

California State University

On July 1, 2017, OSU entered into a new operating agreement with the Trustees of the California State University (CSU) with an original term end date of June 30, 2027; however, a new operating agreement was finalized on June 18, 2024, extending the term end date to June 30, 2034. The agreement describes the terms and conditions under which 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, OSU entered into an agreement with the Corporation for accounting and financial reporting services; however, a new agreement commenced on July 1, 2025. The agreement will renew automatically in 12-month increments and can be terminated by either party. The Corporation charged OSU $59,669 for the year ended June 30, 2025 and $63,652 for the year ended June 30, 2026. The payment will increase by 5 percent each fiscal year until the payment has met actual effort percentages or as deemed necessary by mutual party agreement. Payment from OSU to the Corporation will be made on a semi-annual basis.

NOTE 4 – Capital Assets

Capital asset activity consisted of the following for the years ended June 30, 2026 and 2025:

	2026			
	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				
Equipment	$ (3,138)	$ (2,093)	$ -	$ (5,231)
Total Accumulated Depreciation	(3,138)	(2,093)	-	(5,231)
Total Capital Assets, Net	$ 7,324	$ (2,093)	$ -	$ 5,231

	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				
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

OSU manages its risk through the purchase of insurance through California State University Risk Management Authority (CSURMA) and 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 AORMA Self Insured Retention (SIR) liability fund provides coverage for the first $5,000,000 of each general liability, automobile liability, products and completed operations, and professional liability, including directors and officers liability and employment practices liability claims. Reinsurance for AORMA's $5,000,000 layer is purchased from Great American Insurance (AM Best Rating: A+ XV) in the amount of $4,000,000 per occurrence. AORMA also purchases $5,000,000 of excess coverage over $5,000,000 from Continental Indemnity (AM Best Rating: A-, XII), Obsidian Pacific (AM Best Rating: A-, VII) and Sirius Bermuda (AM Best Rating: A+, XV), and $5,000,000 of excess coverage over $10,000,000 from Everest Re (AM Best Rating: A+, XV).

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, and pollution liability coverage, provides replacement cost coverage for all buildings and their contents, subject to a limit of $1.25 billion. Members' deductibles are $5,000 for business personal property and for business interruption and 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

NOTE 5 – Risk Management (Continued)

For information regarding losses or claims paid, including the description and amount of any claim pending, settlements, or 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: 667-622-4215

OSU insurance coverage meets the requirement of CSURMA and, as such, present no significant inadequacies in coverage. The CSU Board of Trustees has been named as an additional insured with respect to the activities of AORMA. CSURMA and AORMA provide self-insured coverage 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 of up to $1,250,000,000. There have been no settlements in the past three years that have exceeded OSU's insurance limits. There are no self-insurance claims liabilities recorded in the accompanying financial statements because any amounts at June 30, 2026 are expected to be minimal. Likewise, no amounts have been paid to CSURMA and AORMA at June 30, 2026 related to OSU's estimated future funding for claims liability.

NOTE 6 – Related Party Transactions

OSU is involved in transactions with the Corporation and the University. Amounts at June 30, 2026 and 2025 and transactions for the years then ended are summarized below:

	2026	2025
University:		
Receivable from the University	$ 69,490	$ 44,486
Payable to the University	$ 206,361	$ 306,079
Payments for other than salaries of University personnel	$ 427,337	$ 194,271
Payments from the University for services, space, and programs	$ 106,840	$ 19,876
Corporation:		
Receivable from the Corporation	$ 172,701	$ 138,601
Payable to the Corporation	$ 374,379	$ 435,596
Expense reimbursements to the Corporation	$ 1,349,402	$ 817,269
Payments for services from the Corporation	$ 59,669	$ 29,835
Foundation:		
Payable to the Foundation	$ 7,059	$ -

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 2025, OSU executed a new lease with the Corporation for space. This exclusive use of space was intended to house 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 added the option to renew every two years through 2030. Lease income receipts for the years ended June 30, 2026 and 2025 were $156,716 and $149,216, respectively.

NOTE 7 – Leases (Continued)

At June 30, 2026, future maturities of the leases receivable balance were as follows:

Years Ending June 30,	Principal	Interest	Total
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	$ 553,520	$ 73,344	$ 626,864

At June 30, 2026, future amortization of the deferred inflows of resources from leases balance were as follows:

Years Ending June 30,	
2027	$ 137,423
2028	137,423
2029	137,423
2030	137,423
Total future maturities	$ 549,692

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
Seaside, 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 Otter Student Union at California State University, Monterey Bay (OSU), which comprise the statement of net position as of June 30, 2026, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit 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 OSU'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 OSU's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.

Windes, Inc.

Long Beach, California
September 23, 2026

SUPPLEMENTARY FINANCIAL INFORMATION

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

SUPPLEMENTARY INFORMATION
SCHEDULE OF NET POSITION
JUNE 30, 2026
(For inclusion in the California State University Financial Statements)

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 1,287,970
Short-term investments	-
Accounts receivable, net	249,686
Leases receivable, current portion	128,099
P3 receviables, current portion	-
Notes receivable, current portion	-
Pledges receivable, net, current portion	-
Prepaid expenses and other assets	4,159
Total current assets	1,669,914
NONCURRENT ASSETS	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Leases receivable, net of current portion	425,421
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	5,231
Other assets	-
Total noncurrent assets	430,652
TOTAL ASSETS	$ 2,100,566
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on debt refunding	$ -
Net pension liability	-
Net OPEB liability leases	-
Leases	-
P3	
Others	-
Total deferred outflows of resources	-
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	648,283
Accrued salaries and benefits payable	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, current portion	-
SBITA liabilities, current portion	-
P3 liabilities, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts, current portion	-
Other liabilities, current portion	7,059
Total current liabilities	655,342

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

SUPPLEMENTARY INFORMATION
SCHEDULE OF NET POSITION
JUNE 30, 2026
(For inclusion in the California State University Financial Statements)
(Continued)

NONCURRENT LIABILITIES	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities, net of current portion	-
Total noncurrent liabilities	-
Total liabilities	655,342
DEFERRED INFLOWS OF RESOURCES	
Service concession arranagements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding(s)	-
Nonexchange transactions	-
Leases	549,692
P3	-
Others	-
Total deferred inflows of resources	549,692
NET POSITION	
Net investment in capital assets	5,231
Restricted for:	
Nonexpendable - Endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	1,104
Unrestricted	889,197
Total net position	$ 895,532

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2026
(For inclusion in the California State University Financial Statements)

REVENUES	
Operating revenues:	
Student Tuition & Fees, gross	$ -
Scholarship allowances, enter as negative	-
Student Financial Aid Grants:	
Federal Financial Aid Grants	-
State Financial Aid Grants	-
Local Financial Aid Grants	-
Nongovernmental and Other Financial Aid Grants	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of Educational Activities	-
Sales and services Auxiliary Enterprises, gross	91,005
Scholarship allowances for sales of auxiliary enterprises	-
Other operating revenues	1,829,752
Total Operating Revenues	1,920,757
EXPENSES	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	971,223
Operation and maintenance of plant	646,251
Student grants and scholarships	-
Auxiliary enterprise expenses	451,252
Depreciation and amortization	2,093
Total Operating Expenses	2,070,819

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2026
(For inclusion in the California State University Financial Statements)
(Continued)

NONCAPITAL SUBSIDIES	
State appropriations	-
Gifts	-
Other Noncapital Subsidies received/(provided)	(7,059)
Federal Noncapital Subsidies received/(provided)	-
Total NonCapital Subsidies Received	(7,059)
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	(157,121)
NONOPERATING REVENUES (EXPENSES)	
Federal Subsidies, capital received/(provided)	-
State appropriations, capital	-
Capital Subsidies received/(provided)	-
Grants and gifts, capital	-
Investment income (loss), net	-
Endowment income (loss), net	-
Interest revenue	28,617
Interest expense	-
Gains (losses) on capital assets	-
Additions (Reductions) to Permanent Endowments	-
Net Nonoperating Revenues (Expenses)	28,617
INCREASE (DECREASE) IN NET POSITION	(128,504)
NET POSITION	
Net Position at Beginning of Year, as Previously Reported	1,024,036
Restatements	-
Net Position at Beginning of Year, as Restated	1,024,036
NET POSITION – END OF YEAR	$ 895,532

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

SUPPLEMENTARY INFORMATION
OTHER INFORMATION
JUNE 30, 2026
(For inclusion in the California State University Financial Statements)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	$ -
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	**-**
Current cash and cash equivalents	1,287,970
Total	**$ 1,287,970**

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 (enter as negative number)	-	-	-
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):	$ -	$ -	$ -

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

SUPPLEMENTARY INFORMATION
OTHER INFORMATION
JUNE 30, 2026
(For inclusion in the California State University Financial Statements)
(Continued)

3.1 Capital Assets:

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2025 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	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	(3,138)	-	-	-	(3,138)	(2,093)	-	-	(5,231)
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	(3,138)	-	-	-	(3,138)	(2,093)	-	-	(5,231)
Total capital assets, net excluding ROU assets	**$ 7,324**	**$ -**	**$ -**	**$ -**	**$ 7,324**	**$ (2,093)**	**$ -**	**$ -**	**$ 5,231**

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

OTTER STUDENT UNION AT CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

SUPPLEMENTARY INFORMATION
OTHER INFORMATION
JUNE 30, 2026
(For inclusion in the California State University Financial Statements)
(Continued)

3.1 Capital Assets (continued):

Composition of capital assets - Lease ROU, net:

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

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3.1 Capital Assets (continued):

Composition of capital assets - SBITA ROU, net

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

Composition of capital assets - P3 ROU, net:	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total capital assets, net including ROU assets									$ 5,231

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	$ 2,093
Amortization expense - Leases ROU	-
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
Total depreciation and amortization	**$ 2,093**

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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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
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, 2025	Prior Period Adjustments/ Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2026	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	$ -	$ -	$ -

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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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-	-	-	-
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:									
2027	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032 - 2036	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-
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									$ -

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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		427,337
Payments received from University for services, space, and programs		106,840
Gifts-in-kind to the University from discretely presented component units		-
Gifts (cash or assets) to the University from discretely presented component units		-
Accounts (payable to) University (enter as negative number)		(206,361)
Other amounts (payable to) University (enter as negative number)		-
Accounts receivable from University (enter as positive number)		69,490
Other amounts receivable from University (enter as positive number)		-

8 Restatements / prior period adjustments

Intentionally left blank - no restatements / prior period adjustments

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	-	-	-	-	-	971,223	-	**971,223**
Operation and maintenance of plant	-	-	-	-	-	646,251	-	**646,251**
Student grants and scholarships	-	-	-	-	-	-	-	**-**
Auxiliary enterprise expenses	-	-	-	-	-	451,252	-	**451,252**
Depreciation and amortization	-	-	-	-	-	-	2,093	**2,093**
Total operating expenses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,068,726**	**$ 2,093**	**$ 2,070,819**

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		549,692
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	**$**	**549,692**