

# Chico State Enterprises

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Years Ended June 30, 2025 and 2024



**CHICO STATE ENTERPRISES**  
**Financial Statements and Supplemental Information**  
Years Ended June 30, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Chico State Enterprises

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Chico State Enterprises (a nonprofit organization), which comprise the statements of net position 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.

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

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chico State Enterprises and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the 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 Chico State Enterprises' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Governmental 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 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 likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

### ***Auditor's Responsibilities for the Audit of the Financial Statements, continued***

In performing an audit in accordance with 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 Chico State Enterprises' 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 Chico State Enterprises' 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.

### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-13 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, or historical context. We have applied certain limited procedures to the required supplemental 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.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented on pages 30 - 48 is presented for the purposes of additional analysis as required by the California State University Office of the Chancellor and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2025, on our consideration of Chico State Enterprises' 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 Chico State Enterprises' 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 Chico State Enterprises' internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

Brea, California  
September 24, 2025

## **CHICO STATE ENTERPRISES**

### **Management's Discussion and Analysis**

Years Ended June 30, 2025 and 2024

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#### **Introduction**

Chico State Enterprises (CSE) is a not-for-profit auxiliary organization formed to develop and administer those activities that aid and supplement the educational mission of California State University, Chico (CSU, Chico). CSE was incorporated in 1996 following a reorganization of the responsibilities of The University Foundation, California State University, Chico (UF). CSE solicits and manages grants and contracts as well as entrepreneurial activity and programs that directly benefit CSU, Chico, its faculty and students. To fulfill its purpose of pursuing, developing and administering activities that aid and supplement the mission of CSU, Chico, CSE pursues a wide range of opportunities including:

- Soliciting and managing externally funded projects orientated toward research, education, or public service, which present opportunities for scholarship, creative activity and professional development.
- Providing a source of supplemental income and discretionary funds to support CSU, Chico needs, such as Faculty and College Unit Incentive funds and activities which cannot be supported by State funds.
- Operating academically-related enterprises such as the CSU, Chico Farm.
- Acting as a fiscal agent for numerous campus programs, such as Professional and Continuing Education, University Public Events, the revenue-generating special projects of university departments, and providing gift administration services of the UF.
- Funding and managing various ecological preserves and reserves, as well as property acquired for investment purposes or to provide space for CSU, Chico programs.

For the year ended June 30, 2025, CSE continued to see an uptick in activity throughout the organization, particularly in sponsored programs which saw an increase of \$3,720,750 in increased revenue and \$3,991,777 in expenses.

The following discussion and analysis provides an overview of the financial position and activities of CSE for the years ended June 30, 2025, 2024 and 2023. The discussion has been prepared by management and should be read in conjunction with the June 30, 2025 financial statements and notes thereto, which follow this section.

#### **Introduction to the Financial Statements and Supplemental Information**

This audit report consists of a series of financial statements prepared in accordance with Governmental Accounting Standards Board (GASB) principles. One of the most important questions asked is whether CSE's financial situation has improved or declined as a result of the year's activities. The main keys to answering this question are the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

The Statement of Net Position is one indicator of CSE's financial health and reports the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources. Over time, increases or decreases in net position, are one indicator of the improvement or decline of CSE's financial condition when considered in combination with other non-financial information.

The Statement of Revenues, Expenses, and Changes in Net Position presents revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating; with the above mentioned activities reported as operating revenues and expenses and investment results reported as non-operating revenues and expenses. This statement is prepared using the accrual basis of accounting, whereby revenues and receivables are recognized when the service is provided and expenses and liabilities are recognized when incurred, regardless of when cash is exchanged.

## **CHICO STATE ENTERPRISES**

### **Management's Discussion and Analysis**

Years Ended June 30, 2025 and 2024

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#### **Introduction to the Financial Statements and Supplemental Information, continued**

Another way to assess the financial health of CSE is to review the Statement of Cash Flows. Its primary purpose is to provide relevant information about the sources and uses of cash of an entity during a given period. The information provided in this statement can help financial report users assess CSE's ability to generate future net cash flows, its ability to meet its current and non-current obligations as they become due, and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments and the effects on CSE's financial position from its cash and noncash investing, capital, and related financing transactions during the year.

CSE's financial statements must be read in conjunction with the Notes to the Financial Statements in order to fully understand the financial position and activities of CSE. The Notes to the Financial Statements provide information intended to paint a more detailed picture for the financial statement reader. Key information provided in the Notes to the Financial Statements are definitions of relevant terms, significant accounting policies, the use of estimates, additional detail on items such as capital assets and long-term debt, investments and investment classifications, postemployment benefits and important disclosures related to potential litigation or subsequent events that occurred after June 30, 2025 that could impact the financial resources of CSE.

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. While the Statement of Net Position and Statement of Revenues, Expenditures and Changes in Net Position look at CSE as a whole, the Schedule of Net Position by Fund and the Schedule of Revenue, Expenses and Changes in Net Position by Fund are presented for individual funds that comprise CSE.

Another integral part of CSE's audit report is the Schedule of Expenditures of Federal Awards (SEFA). The SEFA is a supplemental schedule that is required under the Uniform Guidance at 2 CFR 200.510 for organizations that expend more than \$750,000 in federal awards. Key reporting requirements of the SEFA include the Assistance Listing (AL) number, the amount of expenditures by each AL number, the name of the federal funding agency, the contract or agreement number, grouping of similar programs by cluster and amounts passed through to sub-recipients. Due to federal delays in 2025, the SEFA will be included in a separately issued report at a later date.

All sections and financial statement reports must be considered together to obtain a complete understanding of the financial picture of CSE.

#### **Statement of Net Position**

The Statement of Net Position presents the financial position of CSE as of June 30, 2025. It includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources and the net position – the residual between the assets and liabilities of CSE. Assets and liabilities are generally measured using current values. However, investments are typically measured at fair value using quoted market prices or Net Asset Value (NAV) and capital assets are typically carried at historical cost less accumulated depreciation. The difference between current and non-current is measured from the date of the Statement of Net Position. Current means within one year and non-current would be anything past one year from the date of the Statement of Net Position. Therefore, current assets would be expected to be converted to cash within one year and current liabilities are expected to be paid within one year from current resources (assets).

## CHICO STATE ENTERPRISES

### Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024

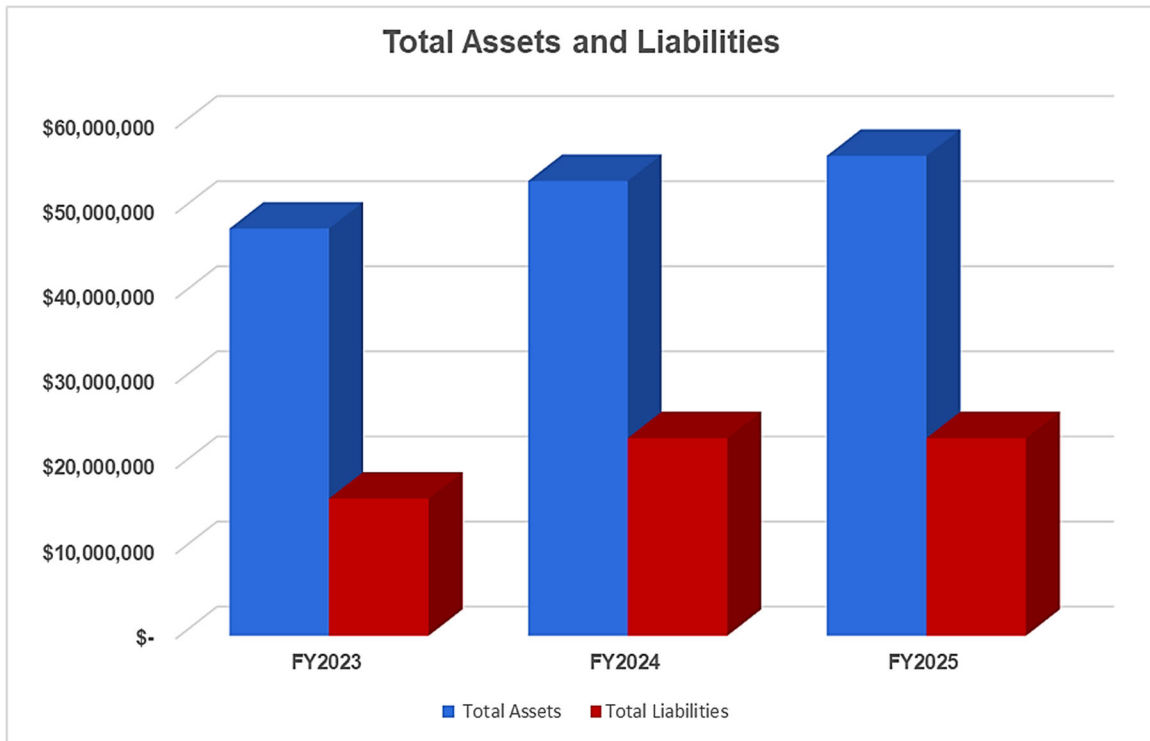
	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>			
Current Assets:			
Cash and short-term investments	\$ 13,267,504	\$ 12,103,416	\$ 8,241,313
Accounts receivable, net	19,287,159	22,290,212	19,027,499
Prepaid expenses and other assets	391,618	390,486	504,906
Total Current Assets	<u>32,946,281</u>	<u>34,784,114</u>	<u>27,773,718</u>
Non-Current Assets:			
Long-term investments	11,267,743	9,424,076	9,908,815
Capital assets, net	11,118,017	8,218,824	9,237,987
Other assets	1,068,603	1,013,191	928,180
Total Non-Current Assets	<u>23,454,363</u>	<u>18,656,091</u>	<u>20,074,982</u>
Total Assets	<u>56,400,644</u>	<u>53,440,205</u>	<u>47,848,700</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>154,002</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	6,508,201	5,941,969	4,772,330
Accrued salaries and benefits payable	5,897,465	3,575,869	2,794,411
Unearned revenue	9,746,647	11,417,456	4,883,334
Other current liabilities	229,932	237,029	740,787
Total Current Liabilities	<u>22,382,245</u>	<u>21,172,323</u>	<u>13,190,862</u>
Non-Current Liabilities:			
Long-term debt obligations, net of current portion	1,310,000	1,492,474	1,682,234
Other postemployment benefits liability	-	-	731,791
Other long-term liabilities	827,012	1,711,321	510,236
Total Non-Current Liabilities	<u>2,137,012</u>	<u>3,203,795</u>	<u>2,924,261</u>
Total Liabilities	<u>24,519,257</u>	<u>24,376,118</u>	<u>16,115,123</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>285,164</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,625,543	6,536,590	7,376,141
Restricted for:			
Research	4,571,862	5,722,526	4,474,035
Other	10,169,702	9,703,435	13,202,219
Unrestricted	7,514,280	7,101,536	6,550,020
Total Net Position	<u>\$ 31,881,387</u>	<u>\$ 29,064,087</u>	<u>\$ 31,602,415</u>

See independent auditor's report.

# CHICO STATE ENTERPRISES

## Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024



For the year ended June 30, 2025 (FY25), CSE realized an increase in overall Net Position of \$2,817,300 (9.69%). The largest contributing factor to the increase was the real property transfer from the UF. From June 30, 2023 (FY23) to June 30, 2024 (FY24), CSE incurred a decrease (-8.03%) in overall net position of \$2,538,328. Implementation of GASB Statement No.101, Compensated Absences, which resulted in an increase of FY24 Institutional support expenses of \$116,085 and a decrease in net position and correlating increase in long-term liabilities of \$1,044,440.

From FY24 to FY25, Total Current Assets decreased by \$1,837,833 (-5.28%) while Total Assets increased by \$2,960,439 (5.54%) to \$56,400,644. The decrease in Current Assets is primarily due to the sponsored programs activity of spending down previous years funds received up front. CSE also saw positive investment income and received a real property transfer during the year, both of which increased Total Assets. From FY23 to FY24, Total Current Assets increased by \$7,010,396 (25.24%) and Total Assets increased by \$5,591,505 (11.69%) to \$53,440,205 primarily, from two large upfront funding payments and positive investment returns.

From FY24 to FY25, Total Current Liabilities increased by \$1,209,922 (5.71%) while Total Liabilities increased by \$143,139 (.59%) to \$24,519,257 with a \$566,232 increase in Accounts payable, a \$1,252,833 increase in Accrued salaries and benefits payable, a decrease of \$1,670,809 in Unearned revenue and a \$184,454 increase in Other long-term liabilities. From FY23 to FY24, Total Current Liabilities increased by \$7,981,461 (60.51%) with increases in Accounts payable related to sponsored program activity while Total Liabilities increased by \$8,260,995 (51.26%) to \$24,376,118 with a \$1,169,639 increase in Accounts payable and an increase of \$6,534,122 in Unearned revenue.

The ratio of current assets to current liabilities (current ratio) decreased slightly from 2.11 in FY23, 1.64 in FY24 to 1.55 in FY25. The current ratio is a liquidity ratio that measures CSE's ability to meet its short-term obligations (payable within one year) using current resources. CSE's current ratio of 1.55 indicates that it has \$1.55 of current assets for every \$1.00 of current liabilities and generally indicates a healthy financial position.

## CHICO STATE ENTERPRISES

### Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024

#### Capital Assets, net

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Nondepreciable Capital Assets:			
Land and land improvements	\$ 6,824,804	\$ 3,624,804	\$ 3,979,131
Construction in progress	131,562	33,042	32,425
Breeding livestock	212,354	169,955	152,626
Total Nondepreciable Capital Assets	<u>7,168,720</u>	<u>3,827,801</u>	<u>4,164,182</u>
Depreciable Capital Assets:			
Building and improvements	8,106,373	8,063,301	8,724,968
Equipment and furnishings	17,294,995	16,863,511	16,589,316
Total Depreciable Capital Assets	<u>25,401,368</u>	<u>24,926,812</u>	<u>25,314,284</u>
Total Capital Assets	<u>32,570,088</u>	<u>28,754,613</u>	<u>29,478,466</u>
Less: Accumulated Depreciation:			
Building and improvements	(6,508,550)	(6,257,573)	(6,623,193)
Equipment and furnishings	<u>(14,945,948)</u>	<u>(14,295,195)</u>	<u>(13,648,817)</u>
Total Accumulated Depreciation	<u>(21,454,498)</u>	<u>(20,552,768)</u>	<u>(20,272,010)</u>
Right of Use Assets:			
Equipment lease	60,635	60,635	60,635
Less: Accumulated Amortization	<u>(58,208)</u>	<u>(43,656)</u>	<u>(29,104)</u>
Net Capital Assets	<u>\$ 11,118,017</u>	<u>\$ 8,218,824</u>	<u>\$ 9,237,987</u>

Capital asset purchases and gifts were \$3,916,862, \$2,980,191 and \$1,310,993 for FY25, FY24 and FY23 respectively. The basis of retirements, disposals and transfers of capital assets were \$101,387, \$3,704,044, and \$100,935 for FY25, FY24 and FY23 respectively. CSE received a real property transfer of \$3,200,00 from UF in FY25. Depreciation and amortization expenses were \$1,014,169, \$1,194,409 and \$1,302,377 for FY25, FY24 and FY23, respectively. Balances of \$11,118,017, \$8,218,824 and \$9,237,987 were the amounts of capital assets net of accumulated depreciation and amortization for FY25, FY24 and FY23, respectively. Net investment in capital assets (net capital assets less associated debt) for FY25, FY24 and FY23 were \$9,625,543, \$6,536,590 and \$7,376,141, respectively.

#### Long-Term Debt

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Principal amount	\$ 1,492,474	\$ 1,682,234	\$ 1,861,846
Less: current portion	<u>(182,474)</u>	<u>(189,760)</u>	<u>(179,612)</u>
Total non-current amount	<u>\$ 1,310,000</u>	<u>\$ 1,492,474</u>	<u>\$ 1,682,234</u>

Long-term debt consists of a note payable to the California State University Chancellor's Office (CO) and a right of use asset with a corresponding liability lease. The note payable was refinanced by the CO in 2021 and includes interest, payable twice yearly and annual principal payments with a final payment scheduled for November of 2032. The right of use asset lease has two months remaining with monthly principal and interest payments and an imputed interest rate of 1%

## CHICO STATE ENTERPRISES

### Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024

#### Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the results from CSE's operations. A summary of that statement is presented below.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenue:			
Grants and contracts - noncapital	\$ 72,163,088	\$ 68,168,317	\$ 50,522,124
Sales and services of educational activities	2,787,904	2,598,161	3,432,442
Sales and services of auxiliary enterprises	2,510,913	2,213,537	2,493,631
Other operating revenues	5,438,487	2,127,016	2,279,321
Total Operating Revenue	<u>82,900,392</u>	<u>75,107,031</u>	<u>58,727,518</u>
Operating Expenses:			
Instruction	4,865,393	4,622,170	3,460,340
Research	7,142,003	6,504,057	4,445,579
Public service	41,299,761	38,217,700	30,204,056
Academic support	3,999,172	2,885,531	2,389,041
Student services	2,649,872	2,921,039	3,334,012
Institutional support	11,031,845	11,310,712	7,899,886
Operation and maintenance of plant	386,744	597,639	349,238
Student grants and scholarships	7,755,773	8,506,790	4,756,863
Auxiliary enterprises expenditures	2,219,917	2,015,481	2,494,067
Depreciation and amortization	1,014,169	1,194,409	1,302,377
Total Operating Expenses	<u>82,364,649</u>	<u>78,775,528</u>	<u>60,635,459</u>
Net Operating Income (Loss)	535,743	(3,668,497)	(1,907,941)
Non-Operating Revenue	<u>1,959,207</u>	<u>1,727,566</u>	<u>1,102,107</u>
Income (Loss) Before Other Additions	2,494,950	(1,940,931)	(805,834)
Capital grants	<u>322,350</u>	<u>447,043</u>	<u>843,576</u>
Change in Net Position	2,817,300	(1,493,888)	37,742
Net Position, beginning as originally stated	29,064,087	31,602,415	31,564,673
Restatement	<u>-</u>	<u>(1,044,440)</u>	<u>-</u>
Net Position, beginning as restated	<u>29,064,087</u>	<u>30,557,975</u>	<u>31,564,673</u>
Net Position, ending	<u>\$ 31,881,387</u>	<u>\$ 29,064,087</u>	<u>\$ 31,602,415</u>

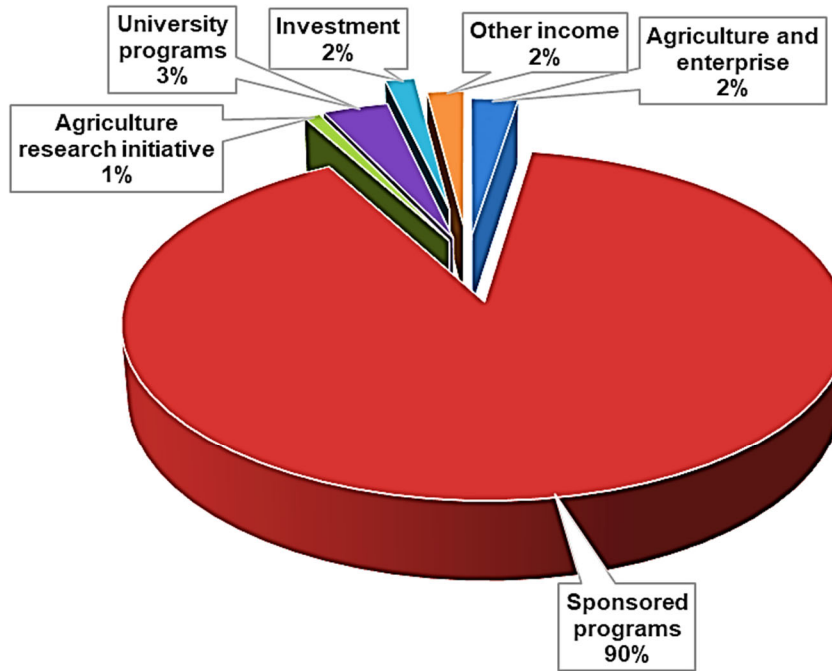
Total Operating Revenue increased by \$7,793,361 (10.38%) from FY24 to FY25 and by \$16,379,513 (27.89%) from FY23 to FY24, with notable increases in Grant and contracts - noncapital revenue, Other operating revenues, and Sales and service of auxiliary enterprises. For FY25, the increased revenue was largely attributable to CSE's sponsored program activity and Other operating revenues which include the \$3,200,000 real property transfer from the UF. FY25 Non-Operating Revenue saw positive investment earnings while FY24 Non-Operating Revenue also saw positive investment earnings. Overall Operating Expenses increased by \$3,589,121 (4.56%) from FY24 to FY25 with increases in the Instruction, Research, Public Service, and Academic support categories. Operating Expenses increased from FY23 to FY24 by \$18,140,069 (29.92%), with increases in all categories but Student services, Auxiliary enterprises, and depreciation and amortization.

**CHICO STATE ENTERPRISES**

**Management’s Discussion and Analysis**

Years Ended June 30, 2025 and 2024

**Fund Level Total Revenue**



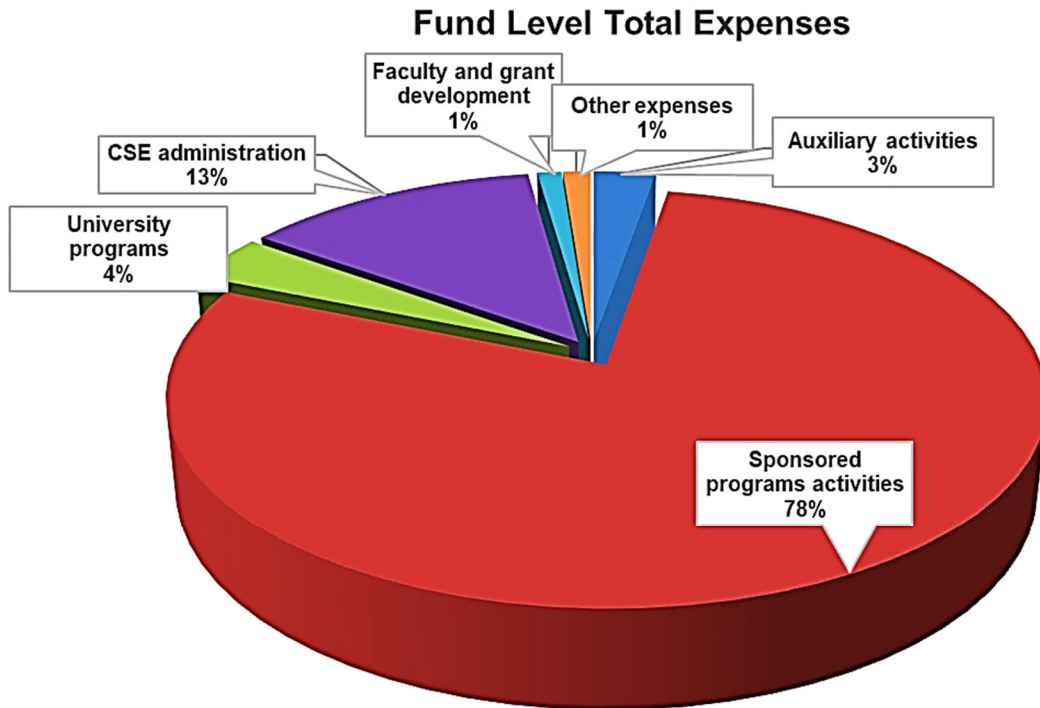
	2025	2024	2023
Agriculture and enterprise sales	\$ 1,987,542	\$ 1,727,987	\$ 1,823,277
Sponsored program receipts	71,939,179	68,218,429	50,855,653
Agriculture research initiative	704,236	585,863	737,017
University program receipts	2,787,344	2,594,162	2,538,154
Interest and investment income	1,280,522	841,366	1,128,070
Other income	1,589,375	1,589,071	1,234,003
<b>Totals:</b>	<b>\$ 80,288,198</b>	<b>\$ 75,556,878</b>	<b>\$ 58,316,174</b>

From FY24 to FY25, fund level revenues were up by \$4,731,320 (6.26%) with the majority of the increase attributable to Sponsored program receipts, investment income and agriculture and enterprise sales. For FY23 to FY24, fund level revenues were up by \$17,240,704 (29.56%) with the majority of the increase attributable to Sponsored program receipts and Other income.

**CHICO STATE ENTERPRISES**

**Management’s Discussion and Analysis**

Years Ended June 30, 2025 and 2024



	2025	2024	2023
Auxiliary activities' expense	\$ 2,202,883	\$ 2,012,752	\$ 2,465,389
Sponsored programs' disbursements	63,560,310	59,568,533	44,211,225
University programs' expenses	2,990,940	3,009,784	3,024,040
CSE administration	10,587,158	8,008,170	6,951,513
Faculty and grant development	852,778	833,566	717,705
Other expense	979,434	1,170,857	1,354,912
<b>Totals:</b>	<b>\$ 81,173,503</b>	<b>\$ 74,603,662</b>	<b>\$ 58,724,784</b>

Fund level expenses increased by \$6,569,841 (8.81%) from FY24 to FY25 and \$15,878,878 (27.04%) from FY23 to FY24. In FY25, Sponsored programs disbursements saw large increases in project staffing, faculty and student support and participant costs while CSE administration saw increases in project staffing, contract services and insurance premiums. In FY24, Sponsored programs disbursements saw large increases in contract activity and student grant and scholarships while CSE administration saw increases in project staffing, contract services and insurance premiums.

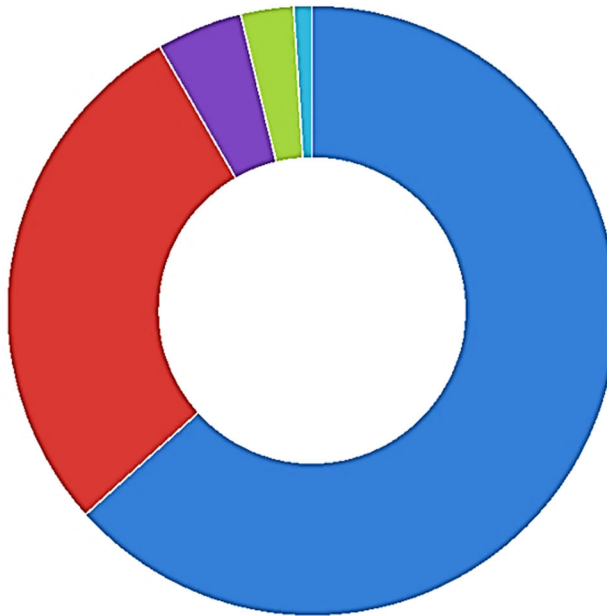
**CHICO STATE ENTERPRISES**

**Management’s Discussion and Analysis**

Years Ended June 30, 2025 and 2024

**Grant and Contracts Revenue by Source**

- Federal government
- State of California
- Local governments
- Nongovernmental
- Agricultural research initiative



	2025	2024	2022
Federal government	\$ 46,316,885	\$ 47,180,899	\$ 36,916,695
State of California	20,730,556	15,270,899	9,070,648
Local governments	2,047,960	1,730,678	1,781,674
Nongovernmental	3,336,834	4,054,820	3,087,007
Agricultural research initiative	704,236	585,863	737,017
<b>Totals:</b>	<b>\$ 73,136,471</b>	<b>\$ 68,823,159</b>	<b>\$ 51,593,041</b>

Total FY25 Grant and Contracts Revenue increased by \$4,313,312 (6.27%) from FY24 due to a large increase in State of California revenues. FY24 saw an increase of \$17,230,118 (33.40%) from FY23 due to the large increases in Federal government and State of California revenues.

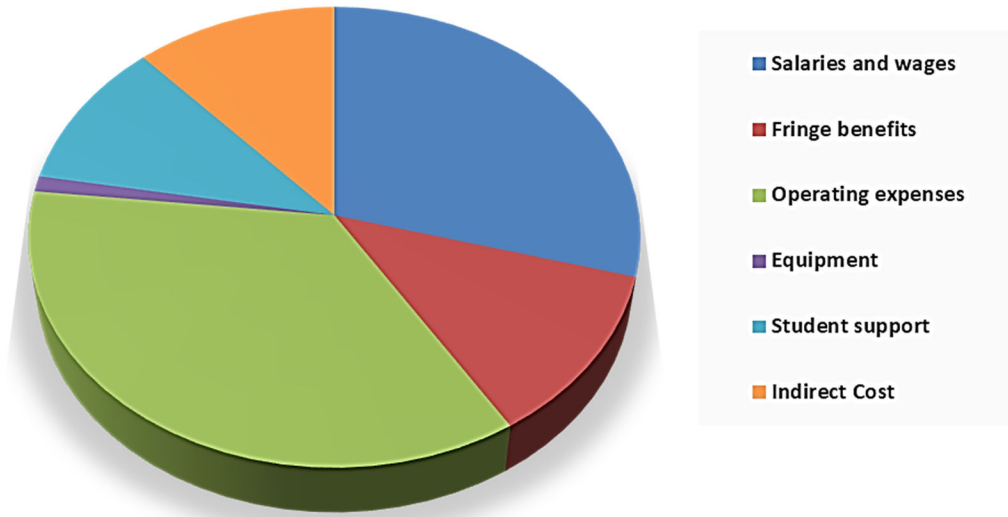
Grant and contracts revenue from the Federal government account for 63.33%, 68.55% and 71.55% of total grant and contracts revenue for FY25, FY24 and FY23, respectively. Grant and contracts revenue from the State of California account for 28.34%, 22.19% and 17.58% of the total grant and contracts revenue for FY25, FY24, and FY23, respectively.

**CHICO STATE ENTERPRISES**

**Management’s Discussion and Analysis**

Years Ended June 30, 2025 and 2024

**Grant and Contracts Expenses**



	<u>2025</u>	<u>2024</u>	<u>2023</u>
Salaries and wages	\$ 21,622,328	\$ 19,044,337	\$ 15,474,119
Fringe benefits	8,758,204	7,374,420	5,545,513
Operating expenses	26,306,779	24,950,458	19,621,248
Equipment	801,301	1,080,384	1,496,205
Student support	7,753,577	8,151,861	3,758,145
Indirect cost	<u>8,676,072</u>	<u>6,891,544</u>	<u>5,191,005</u>
<b>Totals:</b>	<u>\$ 73,918,261</u>	<u>\$ 67,493,004</u>	<u>\$ 51,086,235</u>

Overall, total Grant and Contracts Expenses increased by \$6,425,257 (9.52%) from FY24 to FY25 and by \$16,406,769 (32.12%) from FY23 to FY24. Expenses related to programs for instruction, research, public service, academic support and institutional support were the largest increases for FY25. Expenses related to programs for research, public service, institutional support and programs that provide student grants and scholarships were the largest increases for FY24.

## CHICO STATE ENTERPRISES

### Statements of Net Position

June 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 10,808,708	\$ 9,078,614
Short-term investments	2,458,796	3,024,802
Accounts receivable, net	19,287,159	22,290,212
Prepaid expenses and other assets	391,618	390,486
Total Current Assets	<u>32,946,281</u>	<u>34,784,114</u>
Non-Current Assets:		
Long-term investments	11,267,743	9,424,076
Capital assets, net	11,118,017	8,218,824
Other assets	1,068,603	1,013,191
Total Non-Current Assets	<u>23,454,363</u>	<u>18,656,091</u>
Total Assets	<u>56,400,644</u>	<u>53,440,205</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	6,508,201	5,941,969
Accrued salaries and benefits payable	3,763,671	2,658,529
Accrued compensated absences	2,133,794	917,340
Unearned revenue	9,746,647	11,417,456
Long-term debt obligations, current portion	182,474	189,760
Other current liabilities	47,458	47,269
Total Current Liabilities	<u>22,382,245</u>	<u>21,172,323</u>
Non-Current Liabilities:		
Accrued compensated absences, net of current portion	468,393	1,361,892
Long-term debt obligations, net of current portion	1,310,000	1,492,474
Other long-term liabilities	358,619	349,429
Total Non-Current Liabilities	<u>2,137,012</u>	<u>3,203,795</u>
Total Liabilities	<u>24,519,257</u>	<u>24,376,118</u>
<b>NET POSITION</b>		
Net investment in capital assets	9,625,543	6,536,590
Restricted for:		
Expendable:		
Research	4,571,862	5,722,526
Other	10,169,702	9,703,435
Unrestricted	7,514,280	7,101,536
Total Net Position	<u>\$ 31,881,387</u>	<u>\$ 29,064,087</u>

See accompanying notes to the financial statements.

## CHICO STATE ENTERPRISES

### Statements of Revenue, Expenses, and Changes in Net Position

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Revenue:		
Grants and contracts - noncapital:		
Federal	\$ 46,143,050	\$ 46,828,938
State	21,386,114	15,838,351
Local	2,047,960	1,730,678
Non-governmental	2,585,964	3,770,350
Sales and services of educational activities	2,787,904	2,598,161
Sales and services of auxiliary enterprises	2,510,913	2,213,537
Other operating revenues	5,438,487	2,127,016
	<u>82,900,392</u>	<u>75,107,031</u>
Total Operating Revenue		
Operating Expenses:		
Instruction	4,865,393	4,622,170
Research	7,142,003	6,504,057
Public service	41,299,761	38,217,700
Academic support	3,999,172	2,885,531
Student services	2,649,872	2,921,039
Institutional support	11,031,845	11,310,712
Operation and maintenance of plant	386,744	597,639
Student grants and scholarships	7,755,773	8,506,790
Auxiliary enterprises expenditures	2,219,917	2,015,481
Depreciation and amortization	1,014,169	1,194,409
	<u>82,364,649</u>	<u>78,775,528</u>
Total Operating Expenses		
Net Operating Income (Loss)	535,743	(3,668,497)
Non-Operating Revenues (Expenses):		
Investment income, net	1,280,523	841,366
Interest expense	(26,465)	(31,696)
Other non-operating revenue	705,149	917,896
	<u>1,959,207</u>	<u>1,727,566</u>
Total Non-Operating Revenue		
Income (Loss) Before Other Additions	2,494,950	(1,940,931)
Grants and Gifts - capital	322,350	447,043
	<u>2,817,300</u>	<u>(1,493,888)</u>
Change in Net Position		
Net Position, beginning as originally stated	29,064,087	31,602,415
Restatement	-	(1,044,440)
	<u>29,064,087</u>	<u>30,557,975</u>
Net Position, beginning as restated		
Net Position, ending	<u>\$ 31,881,387</u>	<u>\$ 29,064,087</u>

## CHICO STATE ENTERPRISES

### Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Federal grants and contracts	\$ 49,570,225	\$ 47,829,214
State grants and contracts	19,646,211	16,340,476
Local grants and contracts	2,089,302	1,804,710
Nongovernmental grants and contracts	2,585,964	3,589,212
Payments to suppliers	(40,979,817)	(34,101,812)
Payments to employees	(34,774,886)	(30,840,091)
Payments to students	(7,755,773)	(8,506,790)
Sales and services of educational activities	2,803,351	2,408,411
Sales and services of auxiliary enterprises	2,488,386	2,227,688
Other receipts	5,956,357	2,532,106
	<u>1,629,320</u>	<u>3,283,124</u>
Net Cash Provided by Operating Activities	1,629,320	3,283,124
Cash Flows from Capital and Related Financing Activities:		
Capital grants and gifts	322,350	447,043
Acquisitions of capital assets	(664,763)	(2,388,898)
Principal paid on capital debt	(189,760)	(179,612)
Interest paid on capital debt	(26,465)	(31,696)
	<u>(558,638)</u>	<u>(2,153,163)</u>
Net Cash Used by Capital and Related Financing Activities	(558,638)	(2,153,163)
Cash Flows from Investing Activities:		
Investment income	1,280,522	841,366
Purchases of investments	(621,110)	(228,302)
Withdrawals from investments	-	2,000,000
	<u>659,412</u>	<u>2,613,064</u>
Net Cash Provided by Investing Activities	659,412	2,613,064
Net Increase in Cash and Cash Equivalents	1,730,094	3,743,025
Cash and cash equivalents, beginning	<u>9,078,614</u>	<u>5,335,589</u>
Cash and cash equivalents, ending	<u>\$ 10,808,708</u>	<u>\$ 9,078,614</u>

**CHICO STATE ENTERPRISES**  
**Statements of Cash Flows, continued**  
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of net operating income (loss) to net cash used by operating activities:		
Net operating income (loss)	\$ 535,743	\$ (3,668,497)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,014,169	1,194,409
Transfer of land from a related party	(3,200,000)	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Accounts receivable, net	3,003,053	(3,262,713)
Prepaid expenses and other assets	(56,544)	6,174
Changes in deferred outflows of resources	-	154,002
Accounts payable	566,232	1,169,639
Accrued salaries and benefits payable	1,105,142	626,235
Accrued compensated absences	322,955	305,381
Unearned revenue	(1,670,809)	6,534,122
Other postemployment benefits obligation	-	731,791
Other liabilities	9,379	(222,255)
Changes in deferred inflows of resources	-	(285,164)
Net Cash Provided by Operating Activities	<u>\$ 1,629,320</u>	<u>\$ 3,283,124</u>

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

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#### Note 1 - Organization and Summary of Significant Accounting Policies

##### Nature of Activities

Chico State Enterprises (CSE) is a not-for-profit auxiliary organization of California State University, Chico (CSU, Chico) that administers various funds and performs other activities related to the CSU, Chico community. CSE oversees the development and administration of grants and contracts, as well as non-philanthropic agency accounts, incentive accounts, and enterprise activities.

##### Basis of Accounting

Pursuant to the requirements established by the Chancellor of the California State University, CSE has adopted the provisions of Statement No. 35 of the GASB, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. With minor exceptions, this statement provides that public colleges and universities are subject to the financial reporting requirements of GASB Statement No. 34, which is applicable to state and local governments. CSE is an auxiliary organization to CSU, Chico. Therefore, CSE is determined to be a component unit of CSU, Chico, in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. All component units are required to adopt GASB Statement Nos. 34 and 35. CSE adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These statements establish standards for reporting deferred outflows of resources, deferred inflows of resources, and net position for all state and local governments.

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

##### Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and present insignificant risk of change in value because of a change in interest rates. They consist of cash on hand and in commercial checking and savings accounts.

##### Implementation of New Accounting Pronouncements

Effective July 1, 2024, CSE adopted GASB Statement No. 101, *Compensated Absences* (GASB 101). This Statement establishes recognition and measurement guidance for all types of compensated absences, including vacation, sick leave, and other forms of leave. In addition to the value of unused vacation time owed to employees upon separation of employment, CSE now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized in Note 15.

Effective July 1, 2024, CSE adopted GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102). GASB 102 requires disclosures related to risks associated with concentrations and constraints common in the governmental environment. Management has analyzed the provisions contained in the Statement and determined that there is no impact on the financial statements from the adoption of the new Statement.

##### Investments

Short-term investments consist of deposits in Local Agency Investment Fund (LAIF), hedge funds, money market funds and alternative private equity funds.

CSE has a memorandum of understanding (MOU) with the UF to invest CSE's cash balances that exceed operating needs. As the auxiliary managing the investment of over \$130,000,000 on behalf of CSU, Chico, a primary focus of the UF is investment oversight. The MOU between the two auxiliaries leverages the investment expertise of UF and maximizes investment earnings of CSE efficiently. CSE funds are invested in an account belonging to CSE, and management of the funds is subject to the Investment Policy of the UF. Fees to the UF are 10% of earnings on an annual basis, paid monthly.

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

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#### Note 1 - Organization and Summary of Significant Accounting Policies, continued

##### Investments, continued

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value.

CSE participates in LAIF managed by the State of California (CA). The fair value of CSE's investment in LAIF is the same as the carrying value of the pool shares. There were no LAIF funds invested in derivatives as of June 30, 2025 and 2024. Oversight of LAIF is provided by the Local Investment Advisory Board (LIAB), which consists of five members as designated by statute. The Chairman of the LIAB is the CA State Treasurer or their designated representative.

Fair Value Measurements GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value and establishes a framework for measuring fair value under generally accepted accounting principles.

CSE classifies its fair value assets and liabilities into a hierarchy of three levels based on the markets in which they are traded and the reliability of the assumptions used to determine fair value. The asset or liability measurement level within the hierarchy is based on the lowest level of any assumption that is significant to the measurement. The three levels are defined as follows:

- Level 1 – Quoted market prices for identical instruments traded in active exchange markets.
- Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.
- Level 3 – Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect CSE's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management judgment and estimation, which may be significant.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. As a practical expedient, certain financial instruments may be valued using NAV per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

##### Accounts Receivable

Accounts receivable includes amounts due from federal, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to CSE's grants and contracts. Also included, are unbilled amounts which are amounts that have been expended through grants and contracts that had not been billed to the grant or contract funder at fiscal year-end. CSE utilizes the allowance method where uncollectible accounts are determined based on past payment history. Allowance for credit losses was \$26,915 at June 30, 2025 and 2024.

##### Prepaid Expenses and Other Assets

Prepaid expenses include advance payments and deposits for grant and contract expenses for contracted services, materials and supplies, and travel as well as notes receivable for loans previously issued as part of an entrepreneur program. Other assets include inventories and funds held as a quasi-endowment in the UF.

##### Capital Assets

Capital assets are stated at cost or, if acquired by gift, are recorded at estimated market value at the date of acquisition. Livestock is recorded at a unit value which approximates average cost for the particular species, gender, size, and age of the animal. Capital assets are not capitalized by CSE if the title remains with or reverts to the grantor but amounts for right of use assets are included in the capital asset totals.

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

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#### Note 1 - Organization and Summary of Significant Accounting Policies, continued

##### Capital Assets, continued

Planned major maintenance is accounted for using the direct expense method. Expenditures for new construction, major renewals and replacements, and equipment over \$5,000 are capitalized. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable or amortizable assets to operations over their estimated service lives using the straight-line method. Depreciation for most capital assets follow the recommended useful lives per type of asset while depreciation for capital assets purchased with grant and contract funds have been charged using an estimated useful life of five years. Livestock is not depreciated because management considers the unit values to approximate amounts to be realized on the ultimate disposition of livestock.

##### Compensated Absences

CSE recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

##### *Vacation*

CSE's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

##### *Sick Leave*

CSE's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of CSE and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

##### Unearned Revenue

Unearned revenue represents payments received for grants and contracts, for which services or other deliverables have not yet been provided as well as upfront billing for amounts in which CSE is entitled to the funds but services or other deliverables have yet to be provided.

##### Net Position

CSE's net position is classified into the following categories:

- Net Investment in Capital Assets – This represents CSE's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
- Restricted – Expendable – This includes resources in which CSE is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Restricted net position amounts include funds held for CSU, Chico for campus licensing agreements.
- Unrestricted – This represents amounts that are not restricted for any project or other purposes.

When an expense is incurred for purposes of which both restricted and unrestricted net positions are available, restricted resources are applied first.

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

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#### Note 1 - Organization and Summary of Significant Accounting Policies, continued

##### Operating and Non-Operating Revenues (Expenses)

All revenues that relate to the ongoing operations of CSE are included in operating revenues. Gains and losses not directly related to the ongoing operations and interest incurred on capital related debt are reported as non-operating.

Charges for services include revenues based on exchange transactions, namely sales of educational and student activities and sales of agricultural products.

Grants and contracts are received from federal, state, and local governmental agencies and various other organizations. CSE receives an administration fee to cover indirect overhead costs and recognizes this fee as income over the life of the grant or contract as a percentage of total expenditures or salaries and wages as specified in the grant or contract.

##### Grants and Gifts – Capital

Includes real property or equipment received from donors, federal, state and other funding agencies.

##### Administrative Expenses

Administrative overhead charges are included in operating expenses. When these charges are made to various programs, they are included in the direct expenses of those programs. Allocations of overhead expenses from one function to another, and those within one function, are eliminated in the statement of revenues, expenses and changes in net position so that allocated expenses are reported only by the function to which they were allocated.

##### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### Income Taxes

CSE is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Continuance of such exemption is subject to compliance with laws and regulations of the taxing authorities. However, income from certain activities not directly related to the tax-exempt purpose is subject to taxation as unrelated business income. Expenses have exceeded the business income; accordingly, no provision for income taxes has been recorded. CSE functionally supports CSU, Chico and has been classified in accordance with Section 509(a)(3), Type I.

CSE utilizes U.S. GAAP related to the recognition of uncertain tax positions. CSE recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of revenues, expenses, and changes in net position, when applicable. Management has determined that CSE has no uncertain tax positions at June 30, 2025 and 2024 and therefore, no amounts have been accrued.

##### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and thus, will not be recognized as revenue until then.

##### Subsequent Events

Management has evaluated subsequent events through September 24, 2025, the date which the report was available to be issued.

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

#### Note 2 - Concentrations of Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, CSE's deposits may not be returned. The California Government Code and Education Code do not contain legal or policy requirements that limit exposure to custodial credit risk for deposits, other than the provision that a financial institution must secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. This risk is mitigated in that CSE's deposits are maintained at financial institutions that are collateralized as required by state law. The balances at times may exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at each financial institution are insured by the FDIC up to \$250,000.

#### Note 3 - Investments and Fair Market Value

Investments consist of the following at June 30, 2025:

	Current Unrestricted	Noncurrent Unrestricted	Total
LAIF	\$ 1,239,315	\$ -	\$ 1,239,315
Money market funds	47,749	-	47,749
Mutual funds - equity	1,171,732	11,249,211	12,420,943
Private equity	-	18,532	18,532
	<u>\$ 2,458,796</u>	<u>\$ 11,267,743</u>	<u>\$ 13,726,539</u>

Investments consist of the following at June 30, 2024:

	Current Unrestricted	Noncurrent Unrestricted	Total
LAIF	\$ 1,184,152	\$ -	\$ 1,184,152
Money market funds	183,358	-	183,358
Mutual funds - fixed income	985,830	2,551,878	3,537,708
Mutual funds - equity	-	6,853,666	6,853,666
Private equity	671,462	18,532	689,994
	<u>\$ 3,024,802</u>	<u>\$ 9,424,076</u>	<u>\$ 12,448,878</u>

The fair value of investments is categorized as follows at June 30, 2025:

	Level 1	Level 2	Level 3	NAV	Total
LAIF	\$ -	\$ -	\$ -	\$ 1,239,315	\$ 1,239,315
Money market funds	47,749	-	-	-	47,749
Mutual funds - equity	12,420,943	-	-	-	12,420,943
Private equity	-	-	18,532	-	18,532
	<u>\$ 12,468,692</u>	<u>\$ -</u>	<u>\$ 18,532</u>	<u>\$ 1,239,315</u>	<u>\$ 13,726,539</u>

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

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#### Note 3 - Investments and Fair Market Value

The fair value of investments is categorized as follows at June 30, 2024:

	Level 1	Level 2	Level 3	NAV	Total
LAIF	\$ -	\$ -	\$ -	\$ 1,184,152	\$ 1,184,152
Money market funds	183,358	-	-	-	183,358
Mutual funds - fixed income	2,551,878	-	-	-	2,551,878
Mutual funds - equity	7,839,496	-	-	-	7,839,496
Private equity	-	-	18,532	671,462	689,994
	<u>\$ 10,574,732</u>	<u>\$ -</u>	<u>\$ 18,532</u>	<u>\$ 1,855,614</u>	<u>\$ 12,448,878</u>

CSE's investment policy does not limit its investment choices. CSE's investment in LAIF, money market, mutual funds and private equity securities are unrated.

Financial instruments which potentially subject CSE to concentrations of credit risk consist primarily of cash investments. CSE's investment in LAIF was 9.03% and 9.51% of CSE's total investments at June 30, 2025 and 2024, respectively.

Interest rate risk is the risk whereby changes in market interest rates could adversely affect the fair value of an investment. CSE does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The average maturity for investments held within LAIF is less than one year.

#### Note 4 - Accounts Receivable

Accounts receivable consist of the following at June 30:

	2025	2024
Federal, state, and other grants and contracts	\$ 11,023,754	\$ 16,074,039
Unbilled revenue	6,829,432	5,532,214
Other	742,336	407,524
Due from other auxiliaries	691,637	276,435
	<u>\$ 19,287,159</u>	<u>\$ 22,290,212</u>

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

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#### Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Nondepreciable Capital Assets:				
Land and land improvements	\$ 3,624,804	\$ 3,200,000	\$ -	\$ 6,824,804
Construction in progress	33,042	98,520	-	131,562
Breeding livestock	169,955	42,399	-	212,354
Total Nondepreciable Capital Assets	3,827,801	3,340,919	-	7,168,720
Depreciable Capital Assets:				
Building and improvements	8,063,301	43,072	-	8,106,373
Equipment and furnishings	16,863,511	532,871	(101,387)	17,294,995
Total Depreciable Capital Assets	24,926,812	575,943	(101,387)	25,401,368
Total Capital Assets	28,754,613	3,916,862	(101,387)	32,570,088
Less: Accumulated Depreciation:				
Building and improvements	(6,257,573)	(250,977)	-	(6,508,550)
Equipment and furnishings	(14,295,195)	(748,640)	97,887	(14,945,948)
Total Accumulated Depreciation	(20,552,768)	(999,617)	97,887	(21,454,498)
Right-of-Use Assets:				
Equipment lease	60,635	-	-	60,635
Less: Accumulated Amortization	(43,656)	(14,552)	-	(58,208)
Total Right of Use Assets	16,979	(14,552)	-	2,427
Net Capital Assets	\$ 8,218,824	\$ 2,902,693	\$ (3,500)	\$ 11,118,017

CSE received a real property transfer of \$3,200,000 from the UF in FY25.

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

#### Note 5 - Capital Assets, continued

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Disposals	Balance June 30, 2024
Nondepreciable Capital Assets:				
Land and land improvements	\$ 3,979,131	\$ 2,307,908	\$ (2,662,235)	\$ 3,624,804
Construction in progress	32,425	617	-	33,042
Breeding livestock	152,626	17,329	-	169,955
Total Nondepreciable Capital Assets	4,164,182	2,325,854	(2,662,235)	3,827,801
Depreciable Capital Assets:				
Building and improvements	8,724,968	-	(661,667)	8,063,301
Equipment and furnishings	16,589,316	654,337	(380,142)	16,863,511
Total Depreciable Capital Assets	25,314,284	654,337	(1,041,809)	24,926,812
Total Capital Assets	29,478,466	2,980,191	(3,704,044)	28,754,613
Less: accumulated depreciation:				
Building and improvements	(6,623,193)	(281,914)	647,534	(6,257,573)
Equipment and furnishings	(13,648,817)	(897,943)	251,565	(14,295,195)
Total Accumulated Depreciation	(20,272,010)	(1,179,857)	899,099	(20,552,768)
Right-of-Use Assets:				
Equipment lease	60,635	-	-	60,635
Less: Accumulated Amortization	(29,104)	(14,552)	-	(43,656)
Total Right of Use Assets	31,531	(14,552)	-	16,979
Net Capital Assets	\$ 9,237,987	\$ 1,785,782	\$ (2,804,945)	\$ 8,218,824

#### Note 6 - Non-Current Other Assets

Non-current other assets consist of the following at June 30:

	2025	2024
Amount held as a quasi-endowment in the UF	\$ 747,730	\$ 680,464
Deposits held for insurance	275,430	287,284
Notes receivable	45,443	45,443
	\$ 1,068,603	\$ 1,013,191

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

#### Note 7 - Accrued Compensated Absences

Employees of CSE are entitled to paid vacation and paid sick leave based on length of service and other factors. CSE negotiates a fixed (with carry-forward) fringe benefit rate with the Department of Health and Human Services to be applied to regular wages for all CSE activities. This fringe rate includes all payroll related costs, including accrued vacation, holiday, and estimated sick leave. The liability for compensated absences relating to paid vacation and sick time has been accrued for all employees. The Accrued Compensated absences balance represents vacation and sick leave earned by benefitted employees but not yet used by June 30.

Accrued compensated activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion	Non-Current Portion
Accrued compensated absences	\$ 2,279,232	\$ 1,279,373	\$ (956,418)	\$ 2,602,187	\$ 2,133,794	\$ 468,393

Long-term obligation activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023 as Restated	Additions as Restated	Reductions as Restated	Balance June 30, 2024 as Restated	Current Portion as Restated	Non-Current Portion as Restated
Accrued compensated absences	\$ 1,973,851	\$ 1,146,194	\$ (840,813)	\$ 2,279,232	\$ 917,340	\$ 1,361,892

#### Note 8 - Long-Term Obligations

Long-term debt obligation represents Chancellor's Office note payable in the amount of \$2,475,000 which was used to refund the Auxiliary Organization Bonds Series 2003. In 2021, the Trustees of the CSU issued revenue bonds, Series 2021B, a portion of which was used to refinance Series 2014A and retire the remaining unamortized premium. Principal payments gradually escalate from \$115,000 to \$195,000 over the bond term. The note is secured by revenues of CSE and the final payment is scheduled to be made in November of 2032.

In accordance with GASB 87, the Right of use assets balance represents a right of use asset and corresponding liability recorded during fiscal year 2022 for the lease of copiers. The lease agreement runs through August of 2025 with payments of \$1,239 per month. The incremental borrowing rate of 1% was used to calculate monthly interest. The asset will be amortized evenly over fifty months.

Long-term obligation activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion	Non-Current Portion
Long-term debt obligations:						
Note payable to CSU, Chancellor's Office	\$ 1,665,000	\$ -	\$ (175,000)	\$ 1,490,000	\$ 180,000	\$ 1,310,000
Right of use asset	\$ 17,234	\$ -	\$ (14,760)	\$ 2,474	\$ 2,474	\$ -

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

#### Note 8 - Long-Term Obligations, continued

Long-term obligation activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion	Non-Current Portion
Long-term debt obligations:						
Note payable to CSU, Chancellor's Office	\$ 1,830,000	\$ -	\$ (165,000)	\$ 1,665,000	\$ 175,000	\$ 1,490,000
Right of use asset	\$ 31,846	\$ -	\$ (14,612)	\$ 17,234	\$ 14,760	\$ 2,474

Long-term debt obligations consisted of the following at June 30:

Year Ending June 30,	Note Payable to CSU, Chancellor's Office		
	Principal	Interest	Total
2026	\$ 180,000	\$ 22,096	\$ 202,096
2027	180,000	20,292	200,292
2028	185,000	18,005	203,005
2029	180,000	15,378	195,378
2030	185,000	12,461	197,461
2031-2033	580,000	16,847	596,847
	<u>\$ 1,490,000</u>	<u>\$ 105,079</u>	<u>\$ 1,595,079</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Beginning balance, July 1, 2024	\$ 1,665,000	\$ 4,975	\$ 1,669,975
Additions	-	26,360	26,360
Reductions	(175,000)	(26,360)	(201,360)
Ending balance, June 30, 2025	<u>\$ 1,490,000</u>	<u>\$ 4,975</u>	<u>\$ 1,494,975</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,	Right of Use Assets		
2026	\$ 2,474	\$ 3	\$ 2,477

#### Note 9 - Health Care Benefits

CSE has fully insured medical and vision healthcare plans for benefited (30 hours/week or more) employees contracted through The LBL Group. Fully insured medical coverage is offered through Blue Shield and fully insured dental and vision coverage is offered through Principal Financial Services.

## **CHICO STATE ENTERPRISES**

### **Notes to the Financial Statements**

Years Ended June 30, 2025 and 2024

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#### **Note 10 - Retirement Plan**

CSE sponsors a 403(b) savings plan, which covers fully benefited employees in a funded position. The employer contributions to the plan are at the discretion of the Board of Directors. The employer contribution is based upon an employee's year of service. At the beginning of the second year of service, CSE contributes 2% of the employee's pay to the plan. The percentage increases by 2% for each year of service up to a maximum contribution of 8%. Employer contributions vest immediately to the employee. Expenses recognized for the plan amounted to \$1,100,407 and \$907,752 for the years ended June 30, 2025 and 2024, respectively.

#### **Note 11 - Postemployment Benefits Other Than Pension Benefits (OPEB)**

CSE administered an endowment-funded single-employer defined benefit healthcare plan. CSE provided retiree health benefits to eligible employees to the extent sustainable by the provided endowment which could be terminated at any time. The decision was made to terminate the plan, resulting in CSE recognizing \$862,953 in other non-operating revenue in the statement of revenues, expenses, and changes in net position for the year ended June 30, 2024.

#### **Note 12 - Self-Insurance**

CSE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. CSE participates in the California State University Risk Management Authority (CSURMA), a public entity risk pool currently operating as a common risk management and insurance program. CSE pays annual premiums for general liability, property, and workers' compensation insurance to the Auxiliary Organizations Risk Management Alliance (AORMA), which operates within CSURMA to provide tailored coverage for CSU Auxiliaries.

CSE participates in AORMA's Unemployment Insurance Program (UIP). At June 30, 2025 and 2024, the deposit requirements within AORMA UIP was \$275,430 and \$287,284, respectively, and is included in other assets as a long-term deposit. CSE will maintain a vested interest in the amount held by AORMA UIP. CSURMA is economically dependent on its members for funding and has secured a commitment from members to provide sufficient cash flow to meet its operating needs and to fund losses over a period of time. The CSURMA has reinsurance policies through a joint powers authority as well as commercial companies.

#### **Note 13 - Related-Party Transactions**

Operating Lease and Faculty Use Agreement – CSE operates as an auxiliary organization to CSU, Chico under an operating agreement negotiated every ten years. The current operating and lease agreements expire on June 30, 2027. CSE uses certain CSU, Chico and other facilities under lease agreements requiring annual or monthly rental payments, or space trades.

Information Technology Services – CSE outsources its IT functions to CSU, Chico for all IT activities except for maintenance and support of CSE's enterprise resource planning (ERP) software, OneSolution.

Facilities Management Services – CSU, Chico provides facilities management support services to CSE for its office buildings located at 25 and 35 Main Street.

Receivable/Payable with CSU, Chico – As required by the operating lease agreement between CSU, Chico and the Associated Students, all payments related to this agreement are directed to CSE. Receivables and payables with CSU, Chico are a result of grant and contract transactions and other miscellaneous supplies and services.

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

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#### Note 13 - Related-Party Transactions, continued

CSE provides administrative and financial services to the UF. The UF provides investment oversight to CSE through a MOU. CSE cash balances in excess of operating needs are invested under the investment policy of the UF. CSE pays the UF 10% of earnings on an annual basis, paid monthly. CSE provides personnel services to the UF under contract. The UF reimburses CSE for the cost of these services. The personnel hired are employees of CSE and participate in CSE's benefit plans. The UF indemnifies CSE for the acts of its employees under the UF'S supervision.

The following is a schedule of transactions with related parties at June 30:

	<u>2025</u>	<u>2024</u>
Transactions with CSU, Chico:		
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 3,650,815	\$ 3,706,217
Payments to University for other than salaries of University personnel	8,855,064	7,783,939
Payments received from University for services, space, and programs	1,679,572	4,467,058
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	404,196	3,130,386
Accounts (payable to) University	(925,448)	(738,688)
Accounts receivable from University	281,313	74,419
Other amounts receivable from University	-	-
Transactions with Associated Students:		
Accounts receivable from Associated Students	\$ 126,124	\$ 123,624
Accounts (payable to) Associated Students	(10,491)	(5,136)
Transactions with UF:		
Payments received for administrative and financial services	\$ 450,000	\$ 450,000
Transfer in of land	3,200,000	-
Accounts receivable for personnel service expenses	1,307,116	838,461
Accounts (payable to) UF	(120,527)	-

#### Note 14 - Contingencies

CSE is occasionally engaged in legal proceedings incidental to its normal business activities. In the opinion of management, these proceedings are not material relative to CSE's financial position.

## CHICO STATE ENTERPRISES

### Notes to the Financial Statements

Years Ended June 30, 2025 and 2024

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#### Note 15 - Restatement of 2024 Financial Statements

As described in Note 1, CSE adopted GASB 101. CSE has retrospectively restated the financial statements for the year end June 30, 2024. For the adoption of this new accounting pronouncement, the balances were restated as of June 30, 2024 as follows:

	<u>Balances as Previously Reported</u>	<u>Restatement - GASB 101 Implementation</u>	<u>Balances as Restated</u>
Net Position - Unrestricted at July 1, 2023	\$ 6,550,020	\$ (1,044,440)	\$ 5,505,580
Total Net Position at July 1, 2023	31,602,415	(1,044,440)	30,557,975
Operating Expenses - Institutional Support for the year end June 30, 2024	11,194,627	116,085	11,310,712
Change in Net Position for the year ended June 30, 2024	(1,377,803)	(116,085)	(1,493,888)
Accrued compensated absences, net of current portion at June 30, 2024	201,367	1,160,525	1,361,892
Net Position - Unrestricted at June 30, 2024	8,262,061	(1,160,525)	7,101,536

## SUPPLEMENTAL INFORMATION

**CHICO STATE ENTERPRISES**  
**Schedules of Net Position by Fund**  
Years Ended June 30, 2025 and 2024

	General Fund	Plant and Bond Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Program Fund	2025	2024
<b>Assets</b>								
Cash and cash equivalents	\$ 1,438,788	\$ (19,341)	\$ 428,536	\$ 259,180	\$ 4,279,460	\$ 4,422,085	\$ 10,808,708	\$ 9,078,614
Short-term investments	294,150	(4,044)	88,763	262,468	894,673	922,786	2,458,796	3,024,802
Accounts receivable, net	797,560	115,723	403	200,387	11,139,707	203,947	12,457,727	16,757,998
Unbilled revenue	-	-	-	-	6,829,432	-	6,829,432	5,532,214
Inventories	-	-	-	160,771	-	-	160,771	152,137
Prepaid expenses and other assets	1,101,000	-	20,202	1,962	76,468	44,941	1,244,573	1,197,223
Long-term investments	1,470,421	(20,215)	443,712	270,052	4,472,350	4,631,423	11,267,743	9,424,076
Notes receivable	-	-	-	-	-	54,877	54,877	54,317
Capital assets, net	129,199	9,584,344	226,931	1,068,399	-	109,144	11,118,017	8,218,824
<b>Total Assets</b>	<b>5,231,118</b>	<b>9,656,467</b>	<b>1,208,547</b>	<b>2,223,219</b>	<b>27,692,090</b>	<b>10,389,203</b>	<b>56,400,644</b>	<b>53,440,205</b>
<b>Liabilities</b>								
Accounts payable	965,792	1,640	38,157	132,118	5,041,127	329,367	6,508,201	5,941,969
Accrued expenses and other liabilities	6,403,876	187,449	15,840	4,693	14,154	1,455	6,627,467	5,194,332
Unearned revenue	-	-	-	-	9,646,483	100,164	9,746,647	11,417,456
Interfund (receivables) payables	(8,674,954)	-	(150,268)	406,758	8,418,464	-	-	-
Long-term debt obligations	-	1,310,000	-	-	-	-	1,310,000	1,492,474
Reserve for grant cost disallowance	326,942	-	-	-	-	-	326,942	329,887
<b>Total Liabilities</b>	<b>(978,344)</b>	<b>1,499,089</b>	<b>(96,271)</b>	<b>543,569</b>	<b>23,120,228</b>	<b>430,986</b>	<b>24,519,257</b>	<b>24,376,118</b>
<b>NET POSITION</b>	<b>\$ 6,209,462</b>	<b>\$ 8,157,378</b>	<b>\$ 1,304,818</b>	<b>\$ 1,679,650</b>	<b>\$ 4,571,862</b>	<b>\$ 9,958,217</b>	<b>\$ 31,881,387</b>	<b>\$ 29,064,087</b>

See notes to the supplementary information.

## CHICO STATE ENTERPRISES

### Schedules of Revenue, Expenses, and Changes in Net Position by Fund

Years Ended June 30, 2025 and 2024

	General Fund	Plant and Bond Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Program Funds	2025	2024
Revenues and Other Support:								
Agriculture and enterprise sales	\$ -	\$ -	\$ -	\$ 1,987,542	\$ -	\$ -	\$ 1,987,542	\$ 1,727,987
Sponsored program receipts	-	-	-	-	71,939,179	-	71,939,179	68,218,429
Agriculture research initiative	-	-	-	-	704,236	-	704,236	585,863
University program receipts	-	-	-	-	-	2,787,344	2,787,344	2,594,162
Interest and investment income	777,628	-	-	9,278	493,056	560	1,280,522	841,366
Other income	1,205,653	337,803	3,708	42,211	-	-	1,589,375	1,589,071
<b>Total Revenues and Other Support</b>	<b>1,983,281</b>	<b>337,803</b>	<b>3,708</b>	<b>2,039,031</b>	<b>73,136,471</b>	<b>2,787,904</b>	<b>80,288,198</b>	<b>75,556,878</b>
Expenses:								
Auxiliary activities' cost of sales	-	-	-	300,557	-	-	300,557	319,169
Auxiliary activities' expense	-	-	-	1,902,326	-	-	1,902,326	1,693,583
Sponsored programs' disbursements	-	-	-	-	63,560,310	-	63,560,310	59,568,533
University programs' expenses	-	-	-	-	-	2,990,940	2,990,940	3,009,784
CSE administration	10,200,414	386,744	-	-	-	-	10,587,158	8,008,170
Faculty and grant development	-	-	852,778	-	-	-	852,778	833,566
Interest expense	-	26,465	-	-	-	-	26,465	31,696
Other expense	-	693,735	-	259,234	-	-	952,969	1,139,161
<b>Total Expenses</b>	<b>10,200,414</b>	<b>1,106,944</b>	<b>852,778</b>	<b>2,462,117</b>	<b>63,560,310</b>	<b>2,990,940</b>	<b>81,173,503</b>	<b>74,603,662</b>
<b>Change in Operations Before Transfer</b>	<b>(8,217,133)</b>	<b>(769,141)</b>	<b>(849,070)</b>	<b>(423,086)</b>	<b>9,576,161</b>	<b>(203,036)</b>	<b>(885,305)</b>	<b>953,216</b>
Transfers:								
Transfers with CSU, Chico	(71,129)	3,200,000	(75,480)	302,000	(66,597)	(178,065)	3,110,729	(2,950,557)
Transfers with other auxiliaries	67,265	-	(49,237)	193,742	(151,547)	531,653	591,876	503,453
Indirect cost recovery transfers	8,676,072	-	-	-	(8,676,072)	-	-	-
Administrative fee transfers	398,818	-	-	(161,629)	-	(237,189)	-	-
Interfund transfers	(729,250)	684,766	1,261,888	92,527	(1,832,609)	522,678	-	-
<b>Net Transfers</b>	<b>8,341,776</b>	<b>3,884,766</b>	<b>1,137,171</b>	<b>426,640</b>	<b>(10,726,825)</b>	<b>639,077</b>	<b>3,702,605</b>	<b>(2,447,104)</b>
<b>Change in Net Position</b>	<b>124,643</b>	<b>3,115,625</b>	<b>288,101</b>	<b>3,554</b>	<b>(1,150,664)</b>	<b>436,041</b>	<b>2,817,300</b>	<b>(1,493,888)</b>
Net Position, beginning as restated	6,084,819	5,041,753	1,016,717	1,676,096	5,722,526	9,522,176	29,064,087	30,557,975
<b>Net Position, ending</b>	<b>\$ 6,209,462</b>	<b>\$ 8,157,378</b>	<b>\$ 1,304,818</b>	<b>\$ 1,679,650</b>	<b>\$ 4,571,862</b>	<b>\$ 9,958,217</b>	<b>\$ 31,881,387</b>	<b>\$ 29,064,087</b>

See notes to the supplementary information.

## CHICO STATE ENTERPRISES

### Schedules of Activity of the Auxiliary Activities Fund

Years Ended June 30, 2025 and 2024

	University Farm	Other Enterprise	2025	2024
<b>Sales:</b>				
Livestock and dairy	\$ 1,072,380	\$ -	\$ 1,072,380	\$ 992,912
Crop and orchard	651,256	-	651,256	580,634
Enterprise receipts	109,022	154,884	263,906	154,441
<b>Total Sales</b>	<b>1,832,658</b>	<b>154,884</b>	<b>1,987,542</b>	<b>1,727,987</b>
<b>Cost of Sales:</b>				
Livestock and dairy	300,557	-	300,557	319,169
<b>Gross Profit</b>	<b>1,532,101</b>	<b>154,884</b>	<b>1,686,985</b>	<b>1,408,818</b>
<b>Operating Expenses:</b>				
Operating supplies	587,670	10,954	598,624	564,950
Other operating expenses	183,641	172,416	356,057	193,000
Accounting and contractual services	193,639	80,877	274,516	253,304
Depreciation	183,324	58,254	241,578	368,295
Salaries and employee benefits	-	224,470	224,470	280,809
Rent and leasing	211,170	-	211,170	225,446
Repair and maintenance	156,297	5,906	162,203	81,299
Utilities and telephone	32,686	11,013	43,699	36,729
Registration fees	16,129	2,017	18,146	19,036
Travel and meetings	11,030	2,463	13,493	15,903
Insurance	6,681	5,004	11,685	14,539
Postage and printing	4,260	1,659	5,919	6,896
<b>Total Operating Expenses</b>	<b>1,586,527</b>	<b>575,033</b>	<b>2,161,560</b>	<b>2,060,206</b>
<b>Loss from Operations</b>	<b>(54,426)</b>	<b>(420,149)</b>	<b>(474,575)</b>	<b>(651,388)</b>
<b>Other Income:</b>				
Other income	28,711	13,500	42,211	78,407
Interest income	9,278	-	9,278	7,316
<b>Total Other Income</b>	<b>37,989</b>	<b>13,500</b>	<b>51,489</b>	<b>85,723</b>
<b>Transfers:</b>				
In	67,727	326,800	394,527	379,292
Out	(120,287)	(41,342)	(161,629)	(130,303)
From other auxiliaries	21,725	172,017	193,742	145,160
<b>Net Transfers</b>	<b>(30,835)</b>	<b>457,475</b>	<b>426,640</b>	<b>394,149</b>
<b>Net Income (Loss)</b>	<b>\$ (47,272)</b>	<b>\$ 50,826</b>	<b>\$ 3,554</b>	<b>\$ (171,516)</b>

## CHICO STATE ENTERPRISES

### Schedules of Source of Funding and Expenditures for Grants and Contracts

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Source of Direct Funding:		
Federal government	\$ 41,488,045	\$ 42,954,680
State of California	17,793,167	13,377,532
Local governments	1,677,904	1,453,609
Nongovernmental funds	2,797,047	3,559,931
Agricultural research initiative	704,236	585,863
Total Direct Sources and Transfers	<u>64,460,399</u>	<u>61,931,615</u>
Source of Indirect Cost Reimbursements:		
Federal government	4,828,840	4,226,219
State of California	2,937,389	1,893,367
Local governments	370,056	277,069
Nongovernmental funds	539,787	494,889
Total Indirect Cost Reimbursements	<u>8,676,072</u>	<u>6,891,544</u>
Total Funding	<u>\$ 73,136,471</u>	<u>\$ 68,823,159</u>
Direct Expenditures:		
Salaries and wages	\$ 21,622,328	\$ 19,044,337
Fringe benefits	8,758,204	7,374,420
Operating expenses	26,306,779	24,950,458
Equipment	801,301	1,080,384
Student support	7,753,577	8,151,861
Total Direct Expenditures	<u>65,242,189</u>	<u>60,601,460</u>
Indirect Expenditures:		
Salaries, wages, and fringe benefits	4,594,650	4,210,903
Administrative expenses	1,968,292	1,042,923
Development	1,091,461	1,049,404
Program allocation	672,618	217,451
Other	349,051	370,863
Total Indirect Expenditures	<u>8,676,072</u>	<u>6,891,544</u>
Total Expenditures	<u>\$ 73,918,261</u>	<u>\$ 67,493,004</u>
Sponsored Programs, Net	\$ (781,790)	\$ 1,330,155
Surplus Distribution	<u>(368,874)</u>	<u>(81,664)</u>
Sponsored Programs Fund, Net	<u>\$ (1,150,664)</u>	<u>\$ 1,248,491</u>

## **CHICO STATE ENTERPRISES**

### **Notes to the Supplemental Information**

Years Ended June 30, 2025 and 2024

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#### **Note A - Fund Accounting**

The accounts of CSE are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. The funds are organized as follows:

- **General Fund:** This fund is used to account for all financial resources except those required to be accounted for in another fund. This fund recognizes as income various administrative fees and transfers from other funds.
- **Plant and Bond Fund:** This fund is used to account for acquisition of physical properties and funds expended and invested in physical properties for the General Fund, Board Designated Fund, Sponsored Programs Fund, and Campus Program Fund.
- **Board Designated Fund:** This fund is used to account for all amounts specifically allocated by the Board of Directors to certain programs. These funds are used primarily for the development of grant and contract proposals. Funding is also allocated to support and to finance other CSU, Chico related projects.
- **Auxiliary Activities Fund:** This fund is used to account for the operations of the University Farm, and other enterprise activities. These operations reimburse the General Fund for accounting and data processing administration expenses based on the usage of these services.
- **Sponsored Programs Fund:** This fund reflects the activity of various programs designed for instruction, research, and community services. These programs are funded by federal and state governmental agencies and various other organizations. The General Fund receives administrative fees to cover the indirect overhead costs of these programs.
- **Campus Program Fund:** This fund accounts for certain special activities of CSE-affiliated programs. These funds are carried as unrestricted net position. CSE receives an administrative fee equal to 8% of Campus Program Fund expenditures.

**OTHER INFORMATION  
FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY**

# CHICO STATE ENTERPRISES

## Schedule of Net Position

Year Ended June 30, 2025

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### Assets:

#### Current assets:

Cash and cash equivalents	10,808,708
Short-term investments	2,458,796
Accounts receivable, net	19,287,159
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	391,618
<b>Total current assets</b>	<b>32,946,281</b>

#### Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Lease receivable, net of current portion	—
P3 receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	11,267,743
Capital assets, net	11,118,017
Other assets	1,068,603
<b>Total noncurrent assets</b>	<b>23,454,363</b>
<b>Total assets</b>	<b>56,400,644</b>

#### Deferred outflows of resources:

Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Leases	—
P3	—
Others	—
<b>Total deferred outflows of resources</b>	<b>—</b>

**CHICO STATE ENTERPRISES**  
**Schedule of Net Position, continued**  
Year Ended June 30, 2025

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**Liabilities:**

**Current liabilities:**

Accounts payable	6,508,201
Accrued salaries and benefits	3,763,671
Accrued compensated absences, current portion	2,133,794
Unearned revenues	9,746,647
Lease liabilities, current portion	2,474
SBITA liabilities - current portion	—
P3 liabilities - current portion	—
Long-term debt obligations, current portion	180,000
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	47,458
<b>Total current liabilities</b>	<b>22,382,245</b>

**Noncurrent liabilities:**

Accrued compensated absences, net of current portion	468,393
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	1,310,000
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	358,619
<b>Total noncurrent liabilities</b>	<b>2,137,012</b>
<b>Total liabilities</b>	<b>24,519,257</b>

**Deferred inflows of resources:**

P3 service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Lease	—
P3	—
Others	—
<b>Total deferred inflows of resources</b>	<b>—</b>

**CHICO STATE ENTERPRISES**  
**Schedule of Net Position, continued**  
Year Ended June 30, 2025

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**Net position:**

Net investment in capital assets	9,625,543
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	4,571,862
Loans	—
Capital projects	—
Debt service	—
Others	10,169,702
Unrestricted	<u>7,514,280</u>
<b>Total net position</b>	<u><u>31,881,387</u></u>

## CHICO STATE ENTERPRISES

### Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2025

---

#### Revenues:

##### Operating revenues:

Student tuition and fees, gross	—
Scholarship allowances	—

##### Grants and contracts, noncapital:

Federal	46,143,050
State	21,386,114
Local	2,047,960
Nongovernmental	2,585,964
Sales and services of educational activities	2,787,904
Sales and services of auxiliary enterprises, gross	2,510,913
Scholarship allowances	—
Other operating revenues	5,438,487
<b>Total operating revenues</b>	<b>82,900,392</b>

#### Expenses:

##### Operating expenses:

Instruction	4,865,393
Research	7,142,003
Public service	41,299,761
Academic support	3,999,172
Student services	2,649,872
Institutional support	11,031,845
Operation and maintenance of plant	386,744
Student grants and scholarships	7,755,773
Auxiliary enterprise expenses	2,219,917
Depreciation and amortization	1,014,169
<b>Total operating expenses</b>	<b>82,364,649</b>
<b>Operating income (loss)</b>	<b>535,743</b>

## CHICO STATE ENTERPRISES

### Schedule of Revenues, Expenses, and Changes in Net Position, continued

Year Ended June 30, 2025

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#### 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	1,280,523
Endowment income (loss), net	—
Interest expense	(26,465)
Other nonoperating revenues (expenses)	705,149
<b>Net nonoperating revenues (expenses)</b>	<u>1,959,207</u>
<b>Income (loss) before other revenues (expenses)</b>	<u>2,494,950</u>

State appropriations, capital	—
Grants and gifts, capital	322,350
Additions (reductions) to permanent endowments	—
<b>Increase (decrease) in net position</b>	<u>2,817,300</u>

#### Net position:

Net position at beginning of year, as previously reported	30,224,612
Restatements	(1,160,525)
<b>Net position at beginning of year, as restated</b>	<u>29,064,087</u>
<b>Net position at end of year</b>	<u><u>31,881,387</u></u>

## CHICO STATE ENTERPRISES

Other Information (for inclusion in the California State University)

Year Ended June 30, 2025

**1 Cash and cash equivalents:**

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
<b>Noncurrent restricted cash and cash equivalents</b>	-
Current cash and cash equivalents	10,808,708
<b>Total</b>	<b>\$ 10,808,708</b>

**2.1 Composition of investments:**

Investment Type	Current	Noncurrent	Total
Money market funds	47,749	-	47,749
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	1,171,732	11,249,211	12,420,943
Exchange traded funds	-	-	-
Equity securities	-	-	-
Alternative investments:			
Private equity (including limited partnerships)	-	18,532	18,532
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)	1,239,315	-	1,239,315
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
Total Other investments	-	-	-
<b>Total investments</b>	<b>2,458,796</b>	<b>11,267,743</b>	<b>13,726,539</b>
Less endowment investments (enter as negative number)	-	-	-
<b>Total investments, net of endowments</b>	<b>\$ 2,458,796</b>	<b>11,267,743</b>	<b>13,726,539</b>

See independent auditor's report.

## CHICO STATE ENTERPRISES

Other Information (for inclusion in the California State University)

Year Ended June 30, 2025

### 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	\$ 47,749	47,749	-	-	-
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	12,420,943	12,420,943	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	18,532	-	-	18,532	-
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)	1,239,315	-	-	-	1,239,315
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
Total other investments:	-	-	-	-	-
<b>Total investments</b>	<b>\$ 13,726,539</b>	<b>\$ 12,468,692</b>	<b>\$ -</b>	<b>\$ 18,532</b>	<b>\$ 1,239,315</b>

### 2.3 Investments held by the University under contractual agreements:

Not Applicable

# CHICO STATE ENTERPRISES

## Other Information, continued (for inclusion in the California State University)

Year Ended June 30, 2025

### 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
<b>Non-depreciable/Non-amortizable capital assets:</b>									
Land and land improvements	\$ 3,624,804	-	-	-	3,624,804	3,200,000	-	-	6,824,804
Works of art and historical treasures	169,955	-	-	-	169,955	42,399	-	-	212,354
Construction work in progress (CWIP)	33,042	-	-	-	33,042	98,520	-	-	131,562
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable capital assets</b>	<b>3,827,801</b>	-	-	-	<b>3,827,801</b>	<b>3,340,919</b>	-	-	<b>7,168,720</b>
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	8,063,301	-	-	-	8,063,301	43,072	-	-	8,106,373
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	16,863,511	-	-	-	16,863,511	532,871	(101,387)	-	17,294,995
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	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable capital assets</b>	<b>24,926,812</b>	-	-	-	<b>24,926,812</b>	<b>575,943</b>	<b>(101,387)</b>	-	<b>25,401,368</b>
<b>Total capital assets</b>	<b>28,754,613</b>	-	-	-	<b>28,754,613</b>	<b>3,916,862</b>	<b>(101,387)</b>	-	<b>32,570,088</b>
<b>Less accumulated depreciation/amortization:</b>									
Buildings and building improvements	(6,257,573)	-	-	-	(6,257,573)	(250,977)	-	-	(6,508,550)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(14,295,195)	-	-	-	(14,295,195)	(748,640)	97,887	-	(14,945,948)
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	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	<b>(20,552,768)</b>	-	-	-	<b>(20,552,768)</b>	<b>(999,617)</b>	<b>97,887</b>	-	<b>(21,454,498)</b>
<b>Total capital assets, net excluding ROU assets</b>	<b>\$ 8,201,845</b>	-	-	-	<b>8,201,845</b>	<b>2,917,245</b>	<b>(3,500)</b>	-	<b>11,115,590</b>

See independent auditor's report.

# CHICO STATE ENTERPRISES

Other Information, continued (for inclusion in the California State University)

Year Ended June 30, 2025

## 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
<b>Non-depreciable/Non-amortizable lease assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable lease assets</b>	-	-	-	-	-	-	-	-	-
<b>Depreciable/Amortizable lease assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	60,635	-	-	-	60,635	-	-	-	60,635
<b>Total depreciable/amortizable lease assets</b>	60,635	-	-	-	60,635	-	-	-	60,635
<b>Less accumulated depreciation/amortization:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(43,656)	-	-	-	(43,656)	(14,552)	-	-	(58,208)
<b>Total accumulated depreciation/amortization</b>	(43,656)	-	-	-	(43,656)	(14,552)	-	-	(58,208)
<b>Total capital assets - lease ROU, net</b>	16,979	-	-	-	16,979	(14,552)	-	-	2,427
<b>Composition of capital assets - SBITA ROU, net</b>									
	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
<b>Depreciable/Amortizable SBITA assets:</b>									
Software	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable SBITA assets</b>	-	-	-	-	-	-	-	-	-
<b>Less accumulated depreciation/amortization:</b>									
Software	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets - SBITA ROU, net</b>	-	-	-	-	-	-	-	-	-

# CHICO STATE ENTERPRISES

Other Information, continued (for inclusion in the California State University)

Year Ended June 30, 2025

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
<b>Non-depreciable/Non-amortizable P3 assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable P3 assets</b>	-	-	-	-	-	-	-	-	-
<b>Depreciable/Amortizable P3 assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable P3 assets</b>	-	-	-	-	-	-	-	-	-
<b>Less accumulated depreciation/amortization:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets - P3 ROU, net</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets, net including ROU assets</b>									<b>11,118,017</b>
<b>Detail of depreciation and amortization expense:</b>									
Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 999,617								
Amortization expense - Leases ROU	14,552								
Amortization expense - SBITA ROU	-								
Amortization expense - P3 ROU	-								
Depreciation and Amortization expense - Others	-								
<b>Total depreciation and amortization</b>	<b>\$ 1,014,169</b>								



# CHICO STATE ENTERPRISES

## Other Information, continued (for inclusion in the California State University)

Year Ended June 30, 2025

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
<b>Year ending June 30:</b>												
2026	2,474	3	2,477	-	-	-	-	-	-	2,474	3	2,477
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-	-	-	-
2051 - 2055	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total minimum lease payments</b>	<b>\$ 2,474</b>	<b>3</b>	<b>2,477</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,474</b>	<b>3</b>	<b>2,477</b>
Less: amounts representing interest												(3)
<b>Present value of future minimum lease payments</b>												<b>2,474</b>
<b>Total Leases, SBITA, P3 liabilities</b>												<b>2,474</b>
Less: current portion												(2,474)
<b>Leases, SBITA, P3 liabilities, net of current portion</b>												<b>\$ -</b>

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
<b>Year ending June 30:</b>									
2026	-	-	-	180,000	22,096	202,096	180,000	22,096	202,096
2027	-	-	-	180,000	20,292	200,292	180,000	20,292	200,292
2028	-	-	-	185,000	18,005	203,005	185,000	18,005	203,005
2029	-	-	-	180,000	15,378	195,378	180,000	15,378	195,378
2030	-	-	-	185,000	12,461	197,461	185,000	12,461	197,461
2031 - 2035	-	-	-	580,000	16,847	596,847	580,000	16,847	596,847
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
2051 - 2055	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
<b>Total minimum payments</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>1,490,000</b>	<b>105,079</b>	<b>1,595,079</b>	<b>1,490,000</b>	<b>105,079</b>	<b>1,595,079</b>
Less: amounts representing interest									(105,079)
<b>Present value of future minimum payments</b>									<b>1,490,000</b>
Unamortized net premium/(discount)									-
<b>Total long-term debt obligations</b>									<b>1,490,000</b>
Less: current portion									(180,000)
<b>Long-term debt obligations, net of current portion</b>									<b>\$ 1,310,000</b>



# CHICO STATE ENTERPRISES

Other Information, continued (for inclusion in the California State University)

Year Ended June 30, 2025

**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	1,294,651	599,282	51,306	-	-	2,920,154	-	4,865,393
Research	3,166,455	889,344	125,483	-	-	2,960,721	-	7,142,003
Public service	15,136,178	5,873,852	599,830	-	-	19,689,901	-	41,299,761
Academic support	1,612,195	401,371	63,889	-	-	1,921,717	-	3,999,172
Student services	1,406,656	315,465	55,744	-	-	872,007	-	2,649,872
Institutional support	4,955,486	2,613,465	196,380	-	-	3,266,514	-	11,031,845
Operation and maintenance of plant	-	-	-	-	-	386,744	-	386,744
Student grants and scholarships	-	-	-	-	7,755,773	-	-	7,755,773
Auxiliary enterprise expenses	196,197	20,498	7,775	-	-	1,995,447	-	2,219,917
Depreciation and amortization	-	-	-	-	-	-	1,014,169	1,014,169
<b>Total operating expenses</b>	<b>\$ 27,767,818</b>	<b>10,713,277</b>	<b>1,100,407</b>	<b>-</b>	<b>7,755,773</b>	<b>34,013,205</b>	<b>1,014,169</b>	<b>82,364,649</b>

Select type of pension plan >>

Defined Contribution Plan

**10 Deferred outflows/inflows of resources:**

Not Applicable

**11 Other nonoperating revenues (expenses)**

Other nonoperating revenues	705,149
Other nonoperating (expenses)	-
<b>Total other nonoperating revenues (expenses)</b>	<b>\$ 705,149</b>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Chico State Enterprises

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 Chico State Enterprises (CSE), which comprise the statement 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 year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered CSE's internal control over financial reporting (internal control) to determine the 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 CSE's internal control. Accordingly, we do not express an opinion on the effectiveness of CSE'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 may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether CSE'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS*, CONTINUED**

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CSE's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CSE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Aldrich CPAs + Advisors LLP*

Brea, California  
September 24, 2025